

DOCUMENT WITHDRAWAL RECORD [NIXON PROJECT]

DOCUMENT NUMBER	DOCUMENT TYPE	SUBJECT/TITLE OR CORRESPONDENTS	DATE	RESTRICTION
N-1 [88]	Letter	James H. Rademacher to Charles W. Colson	1/22/70	C (Nixon open 6/8/2009)

FILE GROUP TITLE

WHSF: Ehrlichman

BOX NUMBER

BOX 33

FOLDER TITLE

Numerical Subject File: 503 [Post Office Reform, 1 of 2]

RESTRICTION CODES

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

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- G. Withdrawn and return private and personal material.
- H. Withdrawn and returned non-historical material.

Presidential Materials Review Board

Review on Contested Documents

Collection: John D. Ehrlichman

Box Number: 33

Folder: 503 [Post Office Reform, 1 of 2]

Document

Disposition

88

Retain

~~Close Invasion of Privacy~~

Open 6/8/2009

FILE NO. 503 - POST OFFICE REFORM/REORGANIZATION

No. of entry	No. of pages	Date of entry	Material entered
1	2	4/30/69	Summary of minutes of 4/29 meeting
2	1	5/1/69	Projected schedule of postal reorganization reformation legislation
3	4	5/7/69	Blount letter to President re proposals for reform; legislative strategy and timetable and anticipated reactions of interest groups
4	1	11/12/68	TW Evans memo to Haldeman with name of man Camarow who might help in PO reorganization and reform - he was on Kappel commission
5	2	5/13/69	Letter from McCloskey telling of congressional opposition to making Postal appointments on the basis of merit.
6	1	5/17/69	Letter to JDE from Blout re: Postal Reform
7	13	5/24/69	suggested draft for the President's message to Congress on postal reform
8	8	5/22/69	Final x draft of postal reform message
9	9	5/23/69	Background information on postal service act of 1969
10	21	5/23/69	Comments received on proposed Presidential message to Congress on postal x reform
xxxx 11	x 6	5/23/69	Hampton suggestions on Postal Reform message
12	3	5/23/69	Postmaster General x reaction to Hampton suggestions
13	2	5/23/69	Mayo re Postal Reform
14	1	5/27/69	JDE memoto Flanagan re question on postal reform in next poll
15	1	6/2/69	Woods memo to JDE re Blount and President's atrouble over postal reform bill
16	4	6/16/69	Henderson memo to JDE - PO survey
17	2	6/26/69	PO survey
18	1	8/13/69	Aug 4th memo Cole to JDE re Post Office Reorganization bill and testimony of George Meany

No. of entry	No. of pages	Date of entry	Material entered
19	many	9/17/69	Sept 11th memo JDE to Chairman Hampton re Dolski and Administration bills on Postal Reform
20	4	10/10/69	Statement by Nelson before Subcommittee on Postal Rates
21	4	10/10/69	Blount memo to President (Oct. 1, 1969) re revision to E.O. 10988.
22	1	10/10/69	Cashen memo to Hullin (9-19-69) re postal pay rate increase
23	2	10/17/69	Oct 6 Cashen memo to Hullin re Post Office Reorganization Bill and Pay Commission Bill
24	1	10/20/69	Oct 18 JDE memo to Harlow, Dent re discussing political aspect of his operation of the Post Office Department.
25	1	11/25/69	Letter to Postmaster General re OEO involvement in Postal Academy
26	2	12/12/69	Hullin memo to Morgan & Cashen re Postal Academy Proposal Nov 20
27	3	12/8/69	JDE memo and Blount reply re fourth class post offices and appointment of Postmasters to same
28	2	12/17/69	JDE memo to President re picture with Rademacher
29	3	12/24/69	Cashen/Colson memo re up to date developments in postal pay/reform bill
30	1	12/31/69	Colson post office plan
31	4	2/3/70	Dec 15 Cashen-Colson memo to JDE re Federal Postal Authority and Postal Pay
32	2	2/3/70	Jan 22 letter from James H. Rademacher to Chuck Colson re NALC
33	1+belt	2/3/70	Jan 23 JDE memo to Blount re Administration position on postal pay
34	many	2/4/70	Jan 29 Cashen memo to Hullin re his agreement reached with Dave Nelson which PMG has signed off on
35	5	2/25/70	Jan 27 JDE memo to Cashen transmitting memo drafted by Colson for JDE signature + memo dated Jan 26 from David A. Nelson
36	1	3/3/70	Feb 26 Hullin memo to JDE re Post Office Reform
37	2	3/3/70	Feb 26 Nelson memo to JDE re E.O. 2531 on the Postal Inspection force
38	1	3/31/70	Mar 25 Cooke memo to Timmons re HR 13000 Conference

Costal reform
503

THE WHITE HOUSE

WASHINGTON

March 25, 1970

MEMORANDUM FOR BILL TIMMONS

From: Dick Cook *DC*

Clyde DuPont, LA to Fong just called with the following on HR 13000 conference:

On a motion by Olsen put to the House conferees, by a 5-2 vote it was agreed to proceed to mark up HR 13000 as passed by the House. Corbett and Button voted against, HR Gross and all Democrat conferees for.

On a motion (Yarborough) put to Senate conferees to mark up HR 13000, Fong offered a substitute which carried 3-1, Yarborough dissenting, that the Senate (in effect, the Conference) defer consideration of HR 13000 until such time as it becomes clear that White House negotiations have reached an impasse.

This permits negotiations to continue down here without interference from the Hill -- for the time being.

The Conference just broke up and will reconvene at 9:00 a.m. tomorrow. Clyde emphasized that this action really puts Fong on the griddle.

THE GENERAL COUNSEL
POST OFFICE DEPARTMENT
WASHINGTON, D. C. 20260

P.O.
503

FEB 26 1970

February 26, 1970

PERSONAL

MEMORANDUM FOR: JOHN EHRLICHMAN

FROM: David A. Nelson *D.A.N.*

SUBJECT: Executive Order 2531

Executive Order 2531 (a copy of which is attached) directs that appointments to the Postal Inspection force "be apportioned fairly between the political parties."

Prospective Postal Inspectors have heretofore been required to disclose their political affiliations. While the rules of the Civil Service Commission contain a general prohibition against making such inquiries, the Department has never treated this prohibition as applying to the Postal Inspection Service.

The Postmaster General has concluded that the purposes of Executive Order 2531 can best be served by selecting postal inspectors solely on the basis of merit, without making any inquiry into their political affiliations. This procedure should automatically result in a fair apportionment between the political parties, without creating the impression that political considerations have played a part in the selection or rejection of applicants for postal inspector positions.

Were the postal reform legislation not pending, the Postmaster General would recommend that Executive Order 2531 be rescinded. He is not making such a recommendation at this time because of the possibility that misconstruction of his motives might prejudice our efforts on the reform front. He has, however, asked me to let you know that he is abandoning political inquiries in the recruitment and appointment of postal inspectors.

Attachment

cc: Postmaster General
Chief Postal Inspector
Asst. PMG Kenneth Housman

Executive Order

Hereafter, in filling vacancies in the force of post office inspectors, the Postmaster General shall apportion them by States, based as nearly as possible upon population as determined by the last decennial census. The force shall also be apportioned fairly between the political parties and advancement in the service shall be based upon merit.

WOODROW WILSON

THE WHITE HOUSE,

16 February, 1917.

[No. 2531.]

*According to National Archives
Official records, E.O. 2531,
dated Feb. 16, 1917, has not
been amended and is still
in effect.*

*D.C.
11/10/65*

*National Archives official record of E.O.s -
Code 13 X 36321*



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

FEBRUARY 26, 1970

FOR JOHN EHRLICHMAN

RE: STATUS - POST OFFICE REFORM

I talked with Chuck Colson this morning relative to the Post Office reform "blow up" and he gave me the following information.

- (1) Last Wednesday Harlow, Colson, Blount met with the committee and everything appeared to be set.
- (2) Blount said he would handle it from that point on.
- (3) Jim Rademacher called Colson this weekend and indicated that if this was left to Blount that the agreement would probably blow up.
- (4) Dulski indicated in a press conference that he was not going to push Postal Reform and was going to go for a pay bill. Colson called Blount and asked him what happened and Blount indicated that he did not know. Neither Harlow nor Colson can account for Dulski's action.


Tod R. Hullin

P.O.
+88
503

P.O. Reform
503

JANUARY 27, 1970

FOR HENRY CASHEN

Here is the memorandum drafted for my signature by Chuck Colson dated January 23 and a memorandum dated January 26 from David A. Nelson.

While they are both generally involved with the same subject matter, I am sure you will observe their disparity. It seems evident that we do not have a meeting of the minds on our side, as of now.

If you wish, you might attempt a reconciliation. If that is impossible, then I would appreciate your drafting a memorandum for the President setting forth the various alternatives available to him together with the recommendations of the parties.

We will then secure the President's decision on this matter and move forward.

You might let Chuck and the Postmaster General know that you're undertaking this project, toward an early solution of the problem.

Then I think you and I should go in and talk with the President about it, you summarizing the points of contention.

JOHN D. EHRLICHMAN

THE WHITE HOUSE

WASHINGTON

January 23, 1970

MEMORANDUM FOR THE POSTMASTER GENERAL

FROM: JOHN EHRLICHMAN

SUBJECT: POSTAL PAY

I agree with you that it is important that the Administration's position on the postal pay question be very explicitly stated and that all of us involved in the issue take a consistent line. The following reflects my understanding of the Administration's position with which you and I are in agreement based on our phone conversation this morning:

"It is the position of the Administration that the comparability issue cannot be related to the postal pay/reform package now being considered. Postal employees will be treated on the same basis as all other Federal employees while they remain in the Federal service.

The Administration's budget request for 1971 contains comparability pay recommendations including postal employees and also includes funds for the two step increase contained in the present pending pay/reform package."

The foregoing leaves all of the President's options open as to when and on what basis he will accept comparability. It does say that we will not treat postal employees differently if and when there is a general Federal pay increase. If the increase is objectionable for any reason (including the inclusion of postal employees on any basis considered unacceptable) the President can consider any recommendations and/or reasons for a veto. This possibility should not be publicly discussed now, however, for fear of jeopardizing the Reform Plan. Also, we want to keep all options open consistent with the above statement.

THE GENERAL COUNSEL
POST OFFICE DEPARTMENT
WASHINGTON, D. C. 20260

January 26, 1970

MEMORANDUM FOR MR. JOHN D. EHRLICHMAN

SUBJECT: Administration Position on the Postal Reform -
Postal Pay Package

The Postmaster General asked me to send you the attached statement, which reflects the Department's understanding of where we stand on the compromise package.

A handwritten signature in dark ink, appearing to read "D. A. Nelson". The signature is written in a cursive, slightly stylized font.

David A. Nelson

Attachment

cc: Chuck Colson

The Post Office Department continues to believe that H. R. 11750, the original Administration reform bill, is preferable to H. R. 15430. Nevertheless, the Department endorses the basic concepts underlying Title I of H. R. 15430. Title I appears to contain the key elements we feel are critical to true postal reform (i. e., assurance of continuity of top postal management on a basis that makes management responsible for performance, while insulating it from partisan politics; collective bargaining to determine wages for rank and file postal employees; authority for top management to modify the postal rate structure, after fair and impartial review by a professional rate commission; and authority to obtain adequate capital financing by issuing bonds.)

With regard to Title II of H. R. 15430, which would establish a two-step pay increase for employees in the Postal Field Service effective January 1, 1970 (equivalent to 5.4% increase), the Department would not object to such an increase as long as it is part of true reform legislation. Only the long range operational efficiencies that such reform would provide can justify a wage increase of this magnitude.

The Administration has made no commitment on any additional pay increase for postal employees in 1970, and has made no commitment with regard to compression of the time it takes postal employees to reach the top pay step within grade.

JAN 26 1970

THE WHITE HOUSE

WASHINGTON

January 24, 1970

MEMORANDUM FOR JOHN EHRLICHMAN

FROM: CHUCK COLSON 

SUBJECT: ATTACHED MEMORANDUM TO PMG

I have read the entire memorandum as attached to the PMG. Even though we took out the one sentence objectionable to him, I still sense that he is not happy. The statement in the enclosed which could be issued publicly will satisfy the unions because it can only be read to mean that we will not deduct the 5.4% increase from any subsequent general pay increase (nor, by the way, under the law could we).

This whole argument is beginning to seem silly to me the more I think about it. The law is quite clear; so is our budget. I do agree that we should keep all of the President's options open and I suppose that the President always has the right to change his mind if the national interest requires. Therefore, I think the attached very neatly resolves the problem for the moment. What distresses me is that beneath the surface, there is, in fact, disagreement. The PMG has no intention of including the postal workers in any subsequent raise and might say so. Our budget clearly does include them. If the PMG tips his hand as to his intentions anytime before the reform package is passed, we are not only blown out of the water but, more importantly, the President's credibility is really challenged.

I therefore conclude that this memo should be sent and that we should get the PMG's agreement to say what is quoted in the enclosed and no more. If we can't be absolutely certain that he will say no more then I think the issue should be taken to the President and flatly resolved. We do, in fact, have an issue but it is glossed over by the memo enclosed.

If you have any questions about the enclosed, please call me.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 29, 1970

503

POSTAL

TO: TOD HULLIN

FROM: HENRY C. CASHEN *HC*

Attached for John's information is the basic agreement reached between Dave Nelson and myself which the Postmaster General has signed off on. There are a few minor talking points which will have to be resolved, but as I indicated to you, the principle issues of comparability and compression have been agreed upon.

Attachment.



The Postmaster General
Washington, D.C. 20260

MEMORANDUM

ADMINISTRATIVELY CONFIDENTIAL

FOR: JOHN EHRLICHMAN AND
BRYCE HARLOW

FROM: WINTON M. BLOUNT

SUBJECT: POSTAL REFORM AND POSTAL PAY ACT

In line with our conversation of yesterday, here are my thoughts on the extent to which the Administration should be prepared to compromise in order to secure passage of comprehensive postal reform legislation.

A. STATUTE

The bill enacted by Congress would retain all the provisions of the compromise legislation developed last month and introduced as H. R. 15430 (including the two-step pay increase for postal field service employees, retroactive to January 1, 1970), subject to the following changes, and these changes only:

1. The members of Congress who sit on the Executive Council would serve in an advisory capacity, and would not be entitled to vote on any matter before the Council. (There is a very serious Constitutional problem in giving members of Congress a vote on the Council, since that would almost certainly make them officers of the United States under Article I, Section 6 and Article II, Section 2 of the Constitution. I attach as Enclosure 1 the statutory language necessary to accomplish the changes described in this paragraph and the following paragraph.)

ADMINISTRATIVELY CONFIDENTIAL

Memorandum to John Ehrlichman and Bryce Harlow

page two

2. Postal rate changes would become final 60 days after publication of a final decision by the Presidentially appointed members of the Executive Council, unless both houses of Congress adopted a concurrent resolution disapproving the change. (This provision - which was contained in H.R. 11750, the original Administration proposal - is clearly in the best interest of the postal unions as well as postal management. The alternatives that have been discussed - e.g., permitting rate changes to be vetoed by the resolution of a single house, or by a privileged resolution - are designed to make it much easier for rate changes to be vetoed. The easier it is to get a Congressional veto, the harder it may be for the Authority to obtain the funds needed for future wage increases. Moreover, the easier it is for Congress to veto proposed rate changes, the harder it will be for the Authority to sell its bonds to the public.)
3. H.R. 15430 would require the Authority to commence operations on January 1, 1971. Depending on when the bill is passed, this short a fuse could make it nearly impossible for the Authority to get off to the right kind of start. It would be preferable for the legislation to contain the following provision, which is patterned after language found in H.R. 11750:

"The Authority shall commence operations within one year after the enactment of this section and upon the date fixed by a resolution of the Executive Council."
4. Section 801(b) of H.R. 15430 contains a sentence which, standing alone, would seem to give the Authority discretion to remove any postal employee at any time. The corresponding provision in H.R. 11750 related only to appointees of the Board of Directors, who would be executives rather than rank and file employees. I believe, therefore, that the first sentence of section 801(b) should be replaced with the following language:

ADMINISTRATIVELY CONFIDENTIAL

Memorandum to John Ehrlichman and Bryce Harlow

page three

"The Executive Council may hire executives on long term employment contracts when necessary. Notwithstanding any such contract, the Executive Council may at its discretion and at any time remove any executive employee."

5. As the result of a printing error, a provision authorizing the Authority to contract for the transportation of mail by vessel was inadvertently omitted from H.R. 15430. A corresponding provision had been accepted by the House Committee in its mark up of H.R. 4, and obviously it should be restored. H.R. 15430 contains one or two other departures from the language adopted by the House Committee; while these changes are desirable, from the Department's standpoint, I believe that our strongest position would be to support the exact language accepted by the House Committee.
6. H.R. 15430 incorporates the terms of Executive Order 10988, for the transitional period prior to commencement of operations by the Authority, notwithstanding President Nixon's issuance of a new Executive Order (E.O. 11491) governing labor-management relations in the Federal service.

We would prefer that the legislation be silent on the matter of which Executive Order applies; if such a change were made, the new Executive Order would be applicable to the Post Office Department during the transitional period.

As a fall-back position, if the pressure generated by the National Postal Union and the Alliance becomes too intense, we might offer to try to persuade the Civil Service Commission to change its regulations in a way that would permit us to continue the dues check off for the Alliance and/or the NPU as social organizations, rather than labor organizations.

ADMINISTRATIVELY CONFIDENTIAL

Memorandum to John Ehrlichman and Bryce Harlow

page four

1/2 repeats all postal 15

B. LEGISLATIVE HISTORY

BH? I am strongly opposed to attempting to deal with the subject of "compression" in the legislation itself. The paragraph attached as Enclosure 2 is language that we could live with as legislative history in a Committee Report. We should try to get agreement on the submission of minority views stating that the Post Office Department does not want compression to be used as a means of granting hidden pay raises. As a fall-back position, however, I would be prepared to accept the language of Enclosure 2 as legislative history without any minority views.

C. COMMITMENT ON COMPARABILITY

I think we have reached a point where Bryce Harlow could tell his friends on the Hill that if a postal reform-postal pay bill is passed by Congress in exactly the form described above, the Administration's position on a subsequent "comparability" increase for Postal Field Service employees will be exactly the same as its position on a comparability increase for employees in the General Schedule, even though this will result in postal employees receiving substantially more than they would receive if their pay were truly comparable to the pay received by employees in the private sector for performing comparable jobs.

budget In the interest of preserving Bryce's credibility, I think he ought to make it clear that the Administration does not expect any "comparability" increase to become effective before January 1, 1971.

D. PERMANENT CIVIL SERVICE STATUS

The "unified position" announced last week by the seven postal craft unions contains a demand that postal employees retain their Civil Service status permanently. We absolutely cannot live with this. H. R. 15430 provides that officers and employees of the Postal Service Authority shall be in a postal career service "which

ADMINISTRATIVELY CONFIDENTIAL

Memorandum to John Ehrlichman and Bryce Harlow

page five

shall be a part of the civil service;" the bill goes on to provide, however, that appointments, promotions, and (in general) adverse action procedures "shall be without regard to the provisions of the civil service laws applicable to other officers and employees of the United States." Under H.R. 15430, therefore, postal employees would remain in the Civil Service in name only, and would not have true Civil Service status. Instead, job security, merit promotions, and the like would be provided for in collective bargaining agreements.

I am not too happy about the way the Civil Service question has been fuzzed up in H.R. 15430, but if the union leaders will accept this approach - as I understand they will - we can certainly live with it.

Henry Cashen has reviewed this memorandum, and concurs in its substance.

Winton M. Blount

cc: Henry Cashen

Revise Section 201 as follows:

"§201. Definitions.

"As used in this title --

"'Presidentially-appointed councilors' means the members of the Executive Council appointed pursuant to section 203(b)(1) of this title.

"'Director General' means the member of the Executive Council appointed pursuant to section 203(c)(1) of this title.

"'Deputy Director General' means the member of the Executive Council appointed pursuant to section 203(c)(2) of this title.

"'Congressional councilors' means the members of the Executive Council appointed pursuant to section 203(d) of this title.

Revise Section 203 as follows:

Insert the word "voting" between "seven" and "members" in line 2 of paragraph 203(b)(1).

Delete section 203(c) and substitute the following:

"(c)(1) The Presidentially-appointed councilors shall appoint and have discretionary power to remove an eighth member of the Executive Council who shall serve as Director General of the Authority. The Director General, who shall have such term as may be fixed by the Presidentially-appointed Councilors, shall be the Chief Executive Officer of the Authority. He shall be a voting member of the Executive Council except as otherwise provided in this title.

(2) The Presidentially-appointed councilors and the Director General shall appoint and shall have discretionary power to remove an additional member of the Council who shall serve as Deputy Director General of the Authority for such term as the Presidentially-appointed councilors and the Director General may fix. The Deputy Director General shall be a voting member of the Executive Council except as otherwise provided in this title.

Substitute the following for section 203(d):

"(d) Four non-voting members of the Executive Council shall be appointed as follows:

- (i) Two from the United States House of Representatives, one of whom shall be appointed by the Speaker of the House and the other by the Minority Leader of the House;
- (ii) Two from the United States Senate, one of whom shall be appointed by the President Pro Tempore of the Senate and the other by the Minority Leader of the Senate.

Substitute the following for section 203(h):

"(h) The Council shall act upon majority vote of those voting members who are present, and any 5 voting members present shall constitute a quorum for the transaction of business by the Council, except --

- (1) in the appointment or removal of the Director General, and in setting the compensation of the Director General and Deputy Director General a favorable vote of an absolute majority of the Presidentially-appointed councilors in office shall be required;
- (2) in the appointment or removal of the Deputy Director General a favorable vote of an absolute majority of the members in office from among the members serving as Director General and the Presidentially-appointed councilors shall be required; and
- (3) as otherwise provided in this title.

1 respect to the commissioners except as inconsistent with
2 this chapter.

3 "§ 1252. Proposed changes in rates and classifications

4 "(a) Except as provided in subsection (c) of this
5 section, the ^{Authority} ~~Postal Service~~ shall give general notice of pro-
6 posed change in rates, charges, fees, the classification of
7 mail matter or mail users, and the postal rate structure or
8 design by publishing its proposals therefor in the Federal
9 Register not less than thirty days prior to the date on which
10 it is proposed to adopt such changes. It shall also file the
11 proposed changes with the commissioners in such form and
12 manner as the commissioners may prescribe. The notice
13 published in the Federal Register shall state briefly—

14 "(1) the proposed change;

15 "(2) the reasons therefor;

16 "(3) the earliest date on which the ^{Authority} ~~Postal Service~~
17 proposes to adopt the change;

18 "(4) that interested parties may file objections
19 thereto or a request for a hearing thereon with the
20 commissioners within thirty days after the date of
21 publication of the notice in the Federal Register or
22 such longer period as the notice may prescribe; and

23 "(5) the place and manner which the commissioners
24 have fixed for filings with it.

25 "(b) If no party at interest files a timely objection to

1 a proposed change or a request for a hearing thereon, the
2 commissioners shall forward the proposed change to the
3 ~~Board~~ without opinion, unless the presidentially appointed
4 members of the ~~Board~~ request to the contrary.

Executive Council

5 “(c) The provisions of this chapter do not apply to
6 changes in the fees or rates of exchange for international
7 money orders and similar instruments or to changes in inter-
8 national postal rates adopted pursuant to section 405 of this
9 title.

10 “§ 1253. Proceedings and recommended decisions by com-
11 missioners

12 “(a) Pursuant to sections 556 and 557 of title 5, the
13 commissioners shall conduct public hearings in all cases in-
14 stituted under section 1252 (a) of this title in which a party
15 at interest files timely notice with the commissioners that
16 he desires to be heard.

17 “(b) The commissioners shall compile a record con-
18 sisting of:

19 “(1) the proposed change and supporting material
20 submitted by the ~~Postal Service~~ *Authority*

21 “(2) the oral testimony, if any, on behalf of the
22 ~~Postal Service~~, and by or on behalf of any party at
23 interest;

Authority

24 “(3) the written submissions, if any, on behalf of

Authority

1 the ~~Postal Service~~ and by or on behalf of any party at
2 interest; and

3 “(4) such other material as the commissioners deem
4 appropriate.

5 “(c) After consideration of the record, the commis-
6 sioners shall render an initial decision to the presidentially
7 appointed members of the ~~Board~~ stating whether in the
8 opinion of the panel the proposed change conforms to the
9 rate policies and other provisions of this title and giving their
10 reasons therefor.

Executive Council

11 “(d) In the event the commissioners do not complete
12 their proceedings within ninety days after the notice of pro-
13 posed changes is filed with it, or in the event that judicial
14 proceedings are instituted under section 1257 of this title, the
15 Postal Service upon thirty days' notice in the Federal Reg-
16 ister may put a proposed change into effect temporarily. The
17 interim changes shall be effective for a period of no longer
18 than thirty days after the commissioners have rendered their
19 initial decision to the presidentially appointed members of
20 the ~~Board~~ and the period the change may be before Congress
21 pursuant to section 1254 of this title.

Executive Council

22 “§ 1254. Final decisions

23 “(a) The presidentially appointed members of the
24 ~~Board~~ acting on behalf of the ~~Postal Service~~ shall make and
25 publish in the Federal Register a final decision on the pro-

Executive Council

Authority

1 posed change in light of the recommended decision of the
 2 commissioners and the record of the proceedings. They may
 3 reject the proposed change or they may adopt it—

4 “(1) as published in the Federal Register pursuant
 5 to section 1252 of this title; or

6 “(2) as proposed in the recommended decision of
 7 the commissioners; or

8 “(3) with such modifications as they find are sup-
 9 ported by the record of the proceedings.

10 “(b) The ~~Board~~, except as to changes enumerated in
 11 subsection (c) of this section, shall transmit to the Congress
 12 the final decision in any proceeding instituted pursuant to
 13 section 1252 (a) of this title. The ~~Board~~ shall transmit the
 14 decision to both Houses of the Congress on the same day and
 15 to each House while it is in session and shall transmit with
 16 the final decision the recommended decision of the commis-
 17 sioners together with the record of the proceedings.

18 “(c) The change contained in a final decision trans-
 19 mitted to the Congress pursuant to subsection (b) of this sec-
 20 tion shall become final at the end of the first period of sixty
 21 calendar days of continuous session of the Congress after the
 22 date on which the decision is transmitted unless, between the
 23 date of transmittal and the end of the sixty-day period, the
 24 two Houses adopt a concurrent resolution disapproving the

*Executive
Council*

1 change. The continuity of a session is broken only by an
2 adjournment of the Congress sine die, and the days on which
3 either House is not in session because of an adjournment of
4 more than three days to a day certain are excluded in the
5 computation of the sixty-day period.

6 “(d) The final decision may include a provision that
7 the change shall become effective at a time later than the
8 date on which the decision becomes final pursuant to the fore-
9 going provisions of this section.

10 “(e) Rate changes required by section 1202 (c) of this
11 title and rate changes for such special services as the ~~Postal~~
Authority ~~Service~~ may provide, including special delivery, collect on
12 delivery, insurance, registered and certified mail, return re-
13 cepts, stamped envelopes and box rents, and similar special
14 or nonpostal services shall become final as provided in the
15 final decision of the ~~Postal Service~~ in accordance with sub-
16 sections (a) and (d) of this section.

17
18 “§ 1255. Service changes

Executive Council
19 “(a) Except as provided in subsection (d) of this sec-
20 tion the Board shall give public notice of a proposed change
21 in the type, quality, terms, or conditions of any services
22 provided by the ~~Postal Service~~ *Authority* which substantially affects a
23 postal service provided to users on a nationwide or nearly
24 nationwide basis and which does not involve a proposed
25 change subject to sections 1252-1254 of this title. Public

1 notice shall be given by publishing a notice of the proposed
2 change in the Federal Register. The notice shall state
3 briefly—

4 “(1) the proposed change;

5 “(2) the reasons therefor;

6 “(3) the earliest date on which the Postal Service
7 proposes to adopt the change;

8 “(4) that interested parties may participate in the
9 proceeding through submission of written material to the
10 commissioners with opportunity for oral presentation as
11 the commissioners may determine; and

12 “(5) the time, place, and manner which the com-
13 missioners have fixed for submissions to it.

14 “(b) Except as otherwise provided in this section, pro-
15 posals for service changes shall be considered as proposed
16 rules and the commissioners shall be considered ‘the agency’
17 for purposes of sections 551–559 of title 5. The commission-
18 ers shall compile a record consisting of:

19 “(1) the proposed change and supporting material
20 submitted by the Postal Service, *Authority*;

21 “(2) the oral testimony, if any, on behalf of the *Authority*
22 Postal Service, and by or on behalf of any party at
23 interest;

24 “(3) the written submissions, if any, on behalf of

the ~~Postal Service~~ ^{Authority} and by or on behalf of any party at interest; and

“(4) such other material as the commissioners deem appropriate.

“(c) After consideration of the record, the commissioners shall render an initial decision as to whether the proposed change, either in its original form or in a modified form, is consistent with the policies of this title. The initial decision shall become the final decision of the ~~Postal Service~~ ^{Authority} unless within such time as the ~~Board~~ ^{Executive Order} establishes by general rule, the presidentially appointed members of the ~~Board~~ ^{Authority} modify the tentative decision in the light of record or revoke the proposal.

“(d) Whenever the ~~Postal Service~~ ^{Authority} proposes a change in the type, quality, terms or conditions of service which substantially and adversely affects the users of such service but on less than a nationwide or nearly nationwide basis, the ~~Postal Service~~ ^{Authority} shall—

“(i) comply with the provisions of subsections (a) through (c) of this section; or

“(ii) comply with rules, regulations or procedures established pursuant to subsections (a) through (c) of this section which shall include the publication of a notice designed to inform the affected users of the pro-

posed changes and the opportunity for such users to present their objections.

“(e) Whenever the ^{Authority} Postal Service finds that an emergency exists which does not permit sufficient time for the procedures prescribed in subsections (a) through (d) of this section, the ^{Authority} Postal Service contemporaneously with, or subsequent to, publication in the Federal Register of the notice of a proposed change, may adopt and publish in the Federal Register a temporary change which shall become effective upon publication in the Federal Register or such later date as may be prescribed therein. A change adopted in accordance with this subsection shall remain in effect until proceedings pursuant to subsection (a) through (d) of this section have been completed, or for such shorter period as the ^{Authority} Postal Service may fix.

“§ 1256. Rate and service complaints

“Interested parties who believe the ^{Authority} Postal Service is charging rates which do not conform to the policies set out in this title or who believe that they are not receiving postal service in accordance with the policies of this title may lodge a complaint with the commissioners in such form and in such manner as the commissioners may prescribe. The commissioners may in their discretion hold hearings on such complaint. If after such hearings the commissioners determine

1 the complaint to be justified, they shall, if a matter covered
2 by section 1252 of this chapter is involved, recommend to
3 the Board that the ^{Authority} Postal Service propose an appropriate
4 change. The ^{Authority} Postal Service shall propose such a change and
5 such change shall proceed as if proposed initially by the
6 Board. If a matter not covered by section 1252 of this chap-
7 ter is involved, and the commissioners after hearing find the
8 complaint to be justified, they shall render a public report
9 thereon to the presidentially appointed members of the
10 Board who shall take such action as they deem appropriate.

11 "§ 1257. Judicial review

12 " (a) Any final decision of the ^{Authority} Postal Service pursuant
13 to sections 1254 or 1255 of this title and any final decision
14 of the commissioners pursuant to section 1256 of this title
15 shall be subject to judicial review. Review shall be in the
16 manner prescribed in chapter 7 of title 5 and chapter 158
17 and section 2112 of title 28 except as otherwise provided
18 in this section. Such review shall be confined to holding un-
19 lawful and setting aside a final decision which the petitioner
20 has shown to be:

21 " (i) contrary to constitutional right, power, privi-
22 lege or immunity;

23 " (ii) in excess of statutory jurisdiction, authority or
24 limitations; or

25 " (iii) without observance of procedure required by

law or by the rules promulgated by the commissioners pursuant to this chapter.

The court shall not consider any objection which was not urged in the proceedings of the ~~Postal Service~~ ^{Authority} unless there were reasonable grounds for failure to do so.

“(b) Review may be had only by a party to the proceedings who has:

“(i) participated in the proceedings in accordance with section 1253 of this title;

“(ii) participated in the proceedings in accordance with section 1255 (a) (4) of this title; or

“(iii) filed a complaint pursuant to section 1256 of this title.

“(c) Petitions for review shall be filed within fifteen days after the publication of notice of the final decision. After the expiration of said fifteen days, a petition may be filed only by leave of court upon a showing of reasonable cause for failure to file such petition. The action shall be against the ~~Postal Service~~ ^{Authority} and not against the United States.

“(d) Upon the filing of a petition for review of a final decision under section 1254 (a) of this title the ~~Board~~ ^{Postal Authority} shall not transmit to the Congress its final decision pursuant to section 1254 (b) until judicial proceedings under this section are completed. All judicial proceedings shall be made preferred causes and shall be expedited in every way.

1 “(e) Temporary changes under section 1253 (d) and
 2 emergency changes under section 1255 (c) of this title may
 3 not be affected in any way by a court. The thirty-day period
 4 after the commissioners’ initial decision referred to in section
 5 1253, shall be extended to include the entire period of
 6 judicial proceedings under this section. Final decisions under
 7 section 1255 of this title may not be stayed by any court
 8 pending review.

9 “(f) Except as provided under section 1251 (d) (1)
 10 of this title, no court shall have jurisdiction to review a final
 11 decision made by the *Postal Service* pursuant to this chapter
 12 in any manner other than as provided in this section.

13 “Chapter 14.—PRIVATE CARRIAGE OF LETTERS

“Sec.

“1401. Letters carried out of the mail.

“1402. Foreign letters out of the mails.

“1403. Searches authorized.

“1404. Seizing and detaining letters.

“1405. Searching vessels for letters.

“1406. Disposition of seized mail.

14 “§ 1401. Letters carried out of the mail

15 “(a) A letter may be carried out of the mails when—

16 “(1) it is enclosed in an envelope;

17 “(2) the amount of postage which would have been
 18 charged on the letter if it had been sent by mail is paid
 19 by stamps, or postage meter stamps, on the envelope;

20 “(3) the envelope is properly addressed;

ENCLOSURE 2

Under the current pay structure, it take 21 years for most postal employees to reach the top pay level within grade. The Committee believes that this period is too long, and, unless otherwise agreed by collective bargaining, the pay scales or graduated schedules of compensation that are to be established for employees of the Authority who are in collective bargaining units should provide, effective not later than 4 years after the date on which the Authority commences operations, that the maximum period of continuous service thereafter required for an employee to reach the highest rate in whatever labor grade might have been established for him would not exceed 8 years.

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file
Belt = Blount in This -

THE WHITE HOUSE
WASHINGTON

503

January 23, 1970

MEMORANDUM FOR THE POSTMASTER GENERAL

FROM: JOHN EHRLICHMAN

*proposed by
C. Colson*

SUBJECT: POSTAL PAY

I agree with you that it is important that the Administration's position on the postal pay question be very explicitly stated and that all of us involved in the issue take a consistent line. The following reflects my understanding of the Administration's position with which you and I are in agreement based on our phone conversation this morning.

"It is the position of the Administration that the comparability issue cannot be related to the postal pay reform package now being considered. Postal employees will be treated on the same basis as all other Federal employees while they remain in the Federal service. ~~As to any subsequent Federal pay legislation which may be recommended by or approved by the President, the adjustment contained in the present legislation will not be deducted.~~

The Administration's comparability pay recommendations *and the statutory two step increase in the proposed reform bill are* contained in the budget include postal employees."

The foregoing leaves all of the President's options open as to when and what basis he will accept comparability. It does say that we will not treat postal employees differently if and when there is a general Federal pay increase.

I do not suggest that we issue this statement publicly but rather that it be a guide for all of us in dealing with Congress and/or the unions.

NIXON PRESIDENTIAL MATERIALS PROJECT
AUDIOVISUAL COLLECTION

Withdrawal Sheet

MEDIUM/CATEGORY ☐ Motion Picture Film ☒ Sound Recording ☐ Video Recording ☐ Still Photograph	PA NUMBER <u>8-2-2</u>	ITEM NUMBER <u>DB 65y</u>
ITEM DESCRIPTION <u>Dictabelt</u>	ORIGINAL LOCATION: File Group <u>WHSF</u> Subgroup <u>John D Ehrlichman</u> Series <u>Numerical Subject File</u> Folder Title <u>503</u> Box Number <u>80</u>	

SUPPLEMENTAL DATA: (Provide whatever information is known about the item.)

Event/Title Memorandum to Postmaster General by John Ehrlichman

Participants: (l. to r.) _____

Geographical Location _____

Date(s) 23 Jan 1970

Other Identifying Marks/Title _____

Classification: ☐ Yes ☒ No

Level: _____

PRESERVATION: Preservation Copy/Copies Made ☐ Yes ☐ No

P.O.
reform
503

NATIONAL ASSOCIATION OF LETTER CARRIERS

LETTER CARRIERS' BUILDING

100 INDIANA AVENUE, N.W.

WASHINGTON, D. C. 20001

JAMES H. RADEMACHER
PRESIDENT

AREA CODE 202
EXECUTIVE 3-4696

January 22, 1970

Mr. Charles W. Colson
White House Special Counsel
Executive Office Building
Washington, D.C. 20501

Dear Chuck:

Attached is a list of proposals unanimously agreed to by the seven postal unions which have exclusive recognition for their particular crafts. Six of these unions are affiliated with the AFL-CIO while the other represents rural carriers.

At the outset, please know that there was complete agreement on the Administration proposal which encompasses the Federal Postal Authority. As you review the list of desired benefits, please know that this is merely a bargaining list and includes very little other than the proposals agreed to by President Nixon and myself. When I shook hands with the President, I thereby agreed to support the proposal initiated during our negotiations at the White House and shall continue in that vein.

On another matter, please accept this advice in the same manner in which it is sincerely presented. As you know, Postmaster General Winton M. Blount and I have never been able to sit down and work out a meaningful solution to our mutual problems. Likewise, Mr. Blount has been unable to attain the confidence of other unions. In my opinion, he is persona non grata on Capitol Hill having lost his usefulness early in his Government career. I have personally talked to Republican Members of Congress who resent and resist Mr. Blount. In my personal opinion, the injection of Mr. Blount's personal appearance in the current negotiations would be catastrophic.

I have learned that the Postmaster General has requested Republican Members of the House Committee to join him in a breakfast on Monday, January 26 and I know that as a result of any such breakfast there would be confusion, misunderstanding and, undoubtedly, a collapse of our well-planned program. I have nothing personal against Mr. Blount but I have been on the political scene for many years and I know when a man is respected and when he is despised.

MR. CHARLES W. COLSON

-2-

JANUARY 22, 1970

President Nixon, through you and Henry Cashen, has been able to do something which the Postmaster General and the Congress has been unable to accomplish to date -- reach agreement on one of the most important subjects of the day. I would not want the President or our union to suffer the loss of our excellent agreement merely because the Postmaster General desired to "get into the act." I realize that this subject must be handled most delicately and I only express myself in this manner because of my great pride in having been able to resolve the great issue of postal pay and reform.

Very truly yours,

A handwritten signature in dark ink, appearing to read "F. Rademaker". The signature is fluid and cursive, with a large, sweeping initial "F" and a long, horizontal stroke extending to the right.

President

JHR/kh
Attach.
opeiu #2

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

December 15, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: JOHN EHRLICHMAN

FROM: HENRY CASPER *HC*
CHARLES COLSON *CC*

SUBJECT: FEDERAL POSTAL AUTHORITY AND POSTAL PAY

A. BACKGROUND

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

B. PROPOSAL

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

1. Creation of a Federal Postal Authority

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

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

2. Postal Pay Effective January 1, 1970

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

C. POSSIBLE OBJECTIONS

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

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

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

D. RECOMMENDATION

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

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

ADMINISTRATIVELY CONFIDENTIAL

Memorandum to John Ehrlichman - page four

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

DECEMBER 31, 1969

TO: JOHN EHRLICHMAN
FROM: TOD HULLIN
RE: COLSON'S POST OFFICE PLAN

Colson's plan is as follows:

- (1) Submit a Post Office budget with an item of \$600-700 million in additional revenue. Do not define how this additional revenue will be accounted for.
- (2) Do not submit a new postal rate bill.
- (3) Do not announce curtailment of Saturday service.
- (4) Blount will not have to account for this additional revenue until he appears before the Appropriations Committee sometime in late March or early April.
- (5) When Blount does appear before the Appropriations Committee he will be asked to account for the \$600-700 million additional revenue item. His reply should indicate that the Post Office is studying two plans:
 - (a) An increase in first class postal rates;
 - (b) Institution of the British system in which there are two types of first class service.

Colson feels it is important that we not tip our hand on this revenue item until we know the fate of the postal reform bill. He indicated that by not tipping our hand at this time that we leave all the options open and we don't stir up any hostile reaction to our postal reform bill in the Congress.

THE WHITE HOUSE
WASHINGTON

December 24, 1969

ADMINISTRATIVELY CONFIDENTIAL

FOR: JOHN EHRLICHMAN
FROM: HENRY CASHEN^{HC} AND CHUCK COLSON^{WC}
SUBJECT: MEMORANDUM TO THE PRESIDENT RE POSTAL PAY
AND REFORM

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

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

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

29-1

THE WHITE HOUSE

WASHINGTON

December 24, 1969

FOR: THE PRESIDENT

FROM: HENRY CASHEN AND CHUCK COLSON

SUBJECT: STATUS OF POSTAL PAY/REFORM LEGISLATION

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

...

29-2

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

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

THE WHITE HOUSE
WASHINGTON

MEMORANDUM

December 17, 1969

FOR: THE PRESIDENT
FROM: JOHN EHRLICHMAN
SUBJECT: POSTAL REFORM

James Rademacher, Chairman of the Government Employees Council, (parent group of all federal unions) and also, President of The National Association of Letter Carriers, has requested a photograph to be taken with you discussing the mail which has been written to the White House concerning HR 13000, the Federal and Postal Pay Bill.

I recommend that you meet very briefly with Mr. Rademacher and have the photograph taken for the following reasons:

1. Mr. Rademacher has cooperated completely with the White House in making it possible to agree on a postal bill which, although not completely identical with the Postmaster General's Bill, provides the basic essentials with which we were concerned and enables the POD to be removed from the Federal budget.
2. Mr. Rademacher has worked very hard in selling postal reform to his union, the other unions involved and the House Post Office and Civil Service Committee. Rademacher is meeting with all union leaders and Congressman Udall today at 3 p.m. and at 4 p.m. with Chairman Dulski. The plan is that the bill will be reported out of the House Committee tomorrow.
3. Without Mr. Rademacher's support postal reform in any form would not have been possible.
4. Mr. Rademacher intends to make a public statement on Wednesday, December 17, asking for full support of the new Federal postal authority and Postal Pay Bill.

28-1

December 17, 1969

5. The compromise could still fall apart on the House floor or in the Senate but we are satisfied that Rademacher has delivered and will continue to deliver his part of the agreement.
6. It was essential in order to obtain Rademacher's support to agree that if he did all the things which he has done we would arrange for his picture to be taken with you to be used on the cover of the letter carriers magazine in January and to be hung in every post office symbolizing the agreement between the Administration and the unions.
7. The photograph which will be taken should not present any political or substantive problems.

The photograph needs to be taken on December 18, preferably in the morning, in order that we can make the closing date of the magazine. We need to let Mr. Rademacher know tonight, December 17, of the time he will be meeting with you.

28-2

DECEMBER 8, 1969

FOR THE POSTMASTER GENERAL

The President has raised the question of the appointment of Postmasters in fourth class post offices again.

It is now his feeling that appointments in fourth class post offices must be made on a political basis, notwithstanding prior determinations on this subject.

I would appreciate it if you would respond to this memorandum in a form which I can hand to the President in order that we may obtain a final determination from him on a review of all the facts.

JOHN D. EHRLICHMAN

27-1



cc: [unclear]
Harrison
12/15/69

P. O.

DEC 13 1969

503

The Postmaster General
Washington, D.C. 20260

December 12, 1969

FOR JOHN D. EHRLICHMAN

Your memorandum of December 8, 1969 raised, on behalf of the President, the question of the appointment of Postmasters in 4th class post offices.

To fill any of the existing Postmaster vacancies on a political basis, even those within the small 4th class post offices, would be a grievous mistake. And it would completely kill any chance for postal reform.

There has been broad public acceptance of the President's announcement last February regarding the removal of politics in the appointment of Postmasters. Congressmen have conducted polls within their districts and most found that more than 90% of their constituents fully support the President in this decision.

In addition, the removal of politics in the appointment of Postmasters is the right thing to do. Adherence to this criteria results in good politics, especially for the President.

Under the old political advisor process, many Congressmen found that there were few political rewards from this system since each appointment resulted in one questionable friend and numerous keenly disappointed patronage seekers.

In a calculated decision to provide a strong "lever" with the Democratically controlled Congress, we have purposely delayed recommending any permanent Postmasters since the existing law would require Senate confirmation for all first, second and third class post offices.

To subject a non-political merit promotion system to a political test of Senate confirmation, would completely undermine all of our reform efforts.

During this very delicate and critical period of serious Congressional consideration of postal reform legislation, it has also been necessary to defer appointment of 4th class Postmasters in order to minimize possible conflicts with Republicans in the Congress.

27-2

While an argument can be made that reversion of the small rural Postmasterships back to the patronage system may possibly alleviate current political pressures, the long-range effect of such a decision will be to seriously weaken the President's credibility.

The credibility of this new system is only now beginning to be fully accepted by the Congress, the public-at-large, and the postal employees. It will not be possible to maintain any semblance of credibility regarding the sincerity of the President's efforts to improve the post office - if politics is to be substituted for merit.

There can be no compromise on this basic principle.

A handwritten signature in black ink, appearing to read "Winton M. Blount", written in a cursive style.

WINTON M. BLOUNT

27-3