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THE WHITE HOUSE

WASHINGTON

BRIEFING ON THE STATUS OF CONTRACT NEGOTIATIONS BETWEEN THE U.S. POSTAL SERVICE AND THE POSTAL UNION

Wednesday, July 9, 1975

The Oval Office 2:00 p.m. (30 minutes)

From: James Cannon

I. PURPOSE

To brief you on the status of current postal contract negotiations and other problems facing the U.S. Postal Service.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background:

In March, you met with Ben Bailar, the Postmaster General, Myron Wright, Chairman of the Postal Board of Governors, and Bill Usery to discuss the various problems besetting the U.S. Postal Service including the need for rate increases. Another major topic of discussion was the upcoming contract negotiations and possibility of a postal strike.

You stated that the nation "could not afford an explosive settlement that is out of line because of the impact on other Federal employees." You also indicated that in the event of a postal strike the mail would be delivered. You directed Bill Usery to monitor the situation and report to you on its developments.

The negotiations are currently in progress and are as yet unresolved. Although a solution appears to be possible before the deadline of July 20th when the negotiations would go into a fact-finding phase, isolated wildcat strikes are a potential threat.

B. Participants:

Postmaster General Ben Bailar, Bill Usery, John Marsh, Phil Buchen, Don Rumsfeld, Jim Cannon.

C. Press Plan:

None

III. TALKING POINTS

- 1. I firmly support the Postal Reorganization Act of 1970. I believe that the Postal Service should manage the mail service without outside political interference. Postal management should be given every opportunity to make postal reorganization work.
- 2. I believe that the users of the mails should pay for the Service. I do not favor additional subsidies which transfer costs from postal users to the taypayer. Postal costs, therefore, should be covered by increased rates rather than subsidization.
- 3. As I indicated in March, I am opposed to inflationary wage increases and I hope that a reasonable settlement of the postal contract negotiations can be achieved.
- 4. I intend to see that the mail is delivered in the event of a postal strike. I hope, however, that your negotiations are successful and no strikes occur.