

DIARY OF WHITE HOUSE LEADERSHIP
MEETINGS -- 91st CONGRESS

April 7, 1970

The President at 8:35 a.m. asked "Red" Blount to give a "blow-by-blow account of the postal strike negotiations. Blount said that he doubted that this group had that much time available. This is the first experience the postal unions have had with the collective bargaining mechanism. They have always been lobbyists rather than trade unionists. They soon came to understand that collective bargaining can be a better substitute, and this is one of the benign fallouts of the fracas. The Administration decided not to assume the posture of rewarding an illegal walkout. They also took a firm position on the question of amnesty for strikers. While the Administration cannot condone the illegal strike, it does recognize that many employees were not activists but bystanders "simply caught up" in the action of the leaders. He distributed copies of the agreement signed by all parties, a copy of which is attached. The Administration believes that Congress wants to grant the 6% pay increase feature and forget the rest. But the Department will insist upon the full package. With respect to the 10¢ letter rate, he reminded us that the Johnson Administration had recommended 7¢.

RMN interrupted to say that Congress should understand that passage of the 6% raise alone would simply mean another strike just like that (and he snapped his fingers).

Ford inquired if H. R. 13000 now in Conference Committee could be a vehicle for the package. Blount answered in the negative. The maximum in the present legislation is only 5.75%.

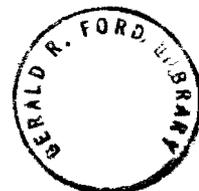
RMN began a 14-minute dissertation which rambled a good bit but made a number of points "crystal clear." H. R. 13000 is irresponsible legislation. It serves to give the unions a



starting place beyond which they were encouraged to increase their demands. Some felt that the Administration should have exercised the option the present law gives to fire illegal strikers. However, the President felt that this was ill-advised. It might have become the excuse for a government-wide strike and this in turn might have provoked the entire AFL-CIO to conduct a nationwide sympathy strike. Instead of exercising this option, the Department decided to take a firm position (which could serve as a precedent) that the government would negotiate grievances but only after workers had returned to the job. The settlement was the result of a skillful handling by the Postmaster General, the Secretary of Labor and a number of subordinates whom the President mentioned specifically. He urged the Republican Leadership to support the settlement and defend it publicly. The union's original demand was 18% across-the-board for postal workers and 12% for classified workers. The settlement will be 14%, provided the unions agree to postal reorganization. While the strike was distasteful, it did produce what once appeared to be an impossibility, namely, postal reorganization and an increase in first class mail rates.

The President discussed the need for an increased tax revenue to fund the pay increase for classified workers. They first considered an increase in excise taxes on cigarettes and a new tax on leaded gasoline but became convinced that these proposals would have no chance in an election year. Instead, he recommended an acceleration of payment on estate and gift taxes.

Byrnes agreed that we must have more revenue and that what the President proposed has merit. However, he said that this proposal would be set aside from the tax reform package passed last year and that Secretary Kennedy had agreed informally with Chairman Mills that a separate bill concerning estate and gift taxes should not be considered in an election



year because it would open up a flood of amendments labeled "reform." He also called attention to the danger that acceleration could force premature liquidation of estates and create an unconscionable burden on some families. Senator Williams agreed with Byrnes. He said that any tax bill on the floor of the Senate will provoke "a very interesting session."

The President asked Shultz to talk about related problems. With respect to the "sick-out" of 1800 air controllers, he said that approximately 30% have returned to work. Unlike the postal strike, the government is obliged to negotiate before the employees return to work because this is essentially a representational strike and the representation issue must be resolved first. At another echelon, the Labor Department has been giving careful thought to the methodology of reassuring classified workers that the "squeaking wheel does not get all the grease." After postal employees go into the new postal corporation, it will be necessary to consider changes in the methodology of fixing salaries for classified workers.

Back to the postal strike, the President asked Blount when he expected to reach agreement with the union leaders on postal reorganization. Blount said that the deadline had been fixed at April 10 and that he expects to meet it. The President said that after this is completed, he expects to call a bipartisan meeting of the members of the Committees in both Houses. He will not ask the Committees to include the 10¢ letter rate in the reorganization-pay increase package.

Shultz then reported the status of the railroad strike. The deadline fixed by the Congressional action is midnight, Saturday, April 11. All of the leadership of all of the brotherhoods have agreed, but there is rebellion in the ranks of the sheet metal workers and there is no reasonable prospect of settlement. The Department will continue to work



for a settlement, but Congress should understand that it will be necessary to pass the legislation proposed earlier by the President. When this is done, "everybody involved will be relieved." We will hear threats of wildcat strikes, but even if they develop, they will not last long. He also made a passing reference to the trucking strike. An independent union in the Chicago area is unlikely to accept the 8% agreement.

He reported the good news that meat packers have already signed a new contract for the one which expires in August.

The President asked Scott for the legislative picture in the Senate. The Brooke resolution on a mutual MIRV freeze is being pushed by Mansfield. Senator Smith is considering a motion to recommit the resolution to the Armed Services Committee. The Carswell vote will come on Wednesday. Griffin has done a good job and all concerned expect the nominee to be confirmed.

Ford reported on the picture in the House, but he was primarily concerned with the time problem on the railroad strike. He inquired if the President's bill reported by the Senate Committee had been programmed for action in the Senate. Scott answered that it had not. Ford said that the Family Assistance Program is presently before the Rules Committee. Anderson said that Commer doesn't like the working poor provision and a number of other parts of the bill. For that reason, the rule is not likely to be granted promptly. The President expressed amazement at this, and said that as Mississippi would benefit infinitely more than large metropolitan states, Mr. Colmer should be upholding the plan.

The meeting adjourned at approximately 10:10 a. m.

RICHARD H. POFF



K - D/s send to Bob Hartmann.

BA APRIL 7, 1970

FOR IMMEDIATE RELEASE

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE
PRESS CONFERENCE
OF
SENATOR HUGH SCOTT
AND
CONGRESSMAN GERALD R. FORD
THE BRIEFING ROOM

AT 10:20 A.M. EST.

SENATOR SCOTT: Ladies and Gentlemen: Much of the discussion today turned on the agreement reached between the postal unions and the Government,--and this agreement stresses the importance of the collective bargaining provisions--the immediate general pay raise to Government employees and some subsequent pay adjustments which are tied to the postal reorganization proposals.

As you know, this agreement was entered into and in many ways perhaps greatly facilitated by the help of Mr. George Meany, whose whole approach was very statesman-like.

Since Congressional action is called for, in our view it is essential that what is sent to the White House shall include postal reorganization as well as the other features, since the postal unions have agreed, and Mr. Meany has agreed, to give their support to a package treatment.

Also, it must include Congressional action on a pay-as-you-go proposal, which will include a new postage stamp -- We might put Larry O'Brien's face on it -- and acceleration of estate and gift taxes.

The entire package is essential, and to send down simply a pay raise would be entirely out of consonance with the agreements which have been entered into.

CONGRESSMAN FORD: Let me just reiterate what Senator Scott said. It was the strong feeling of the President, and I think we all share it, that the agreement which was reached -- and a copy of it has been made available publicly -- is fair to postal employees and to Government employees.

It also provides fiscal responsibility in the proposed increased revenues through the Post Office Department as well as through the Internal Revenue Code.

But thirdly, and probably as important as any of the other two, is the fact that there is an agreement to get postal reform. This legislation, hopefully, will materialize in the Congress in the very near future. Unions have agreed to be for it rather than to oppose it.

MORE



Speaking of Larry O'Brien, he was, a few years ago, the initiator of postal reform. Of course, up until the assumption of his new responsibilities, he was one of two who was leading the campaign across the nation to try and achieve postal reform.

One other subject was discussed. The Secretary of Labor did call to our attention the absolute necessity of Congressional action before the end of the week on the legislation recommended by the President in the area of the labor-management dispute in the railroad industry.

The Senate Committee took action yesterday and hopefully it will be programmed in not only the Senate but in the House, so that we can have this matter settled once and for all by the agreement in legislative form that was agreed to by both the labor negotiators and the management people who were responsible.

SENATOR SCOTT: Today I am going to ask Senator Mansfield to expedite the listing on the calendar of the Senate Committee action on the railway labor legislation.

Q Is there any realistic prospect for a ten-cent stamp?

SENATOR SCOTT: I think there is considerable prospect that postal rates will be increased, and it is hoped that the agreement will be for a ten-cent stamp.

Q Do you two gentlemen favor the ten-cent stamp?

SENATOR SCOTT: I am going to favor whatever postal rate increase is essential to make this a pay-as-you-go situation. When you increase peoples' pay, and they very much need it, it has to be approached in this sense. It is fair, it is over-due, it is just. But in order to do it, you have to find a means to pay for it.

Q Did you discuss what will happen to the President's budget if you don't get that ten-cent stamp and you do go ahead with the six percent wage increase for all the employees?

SENATOR SCOTT: Obviously there was a good deal of discussion and there was a general feeling, and I think the President shares it, that it would be irresponsible to act on a pay increase without providing the means to pay for it also. It would not be in keeping with the agreement made by the Government and the postal unions.

CONGRESSMAN FORD: As I understand it, the total annual impact of the pay increases will be approximately \$2-1/2 billion. If we are going to have a responsible fiscal policy, there has to be some means found to raise additional revenue, otherwise you are going to undermine totally our effort to do something effectively about problems of inflation as far as the Federal budget is concerned.

Therefore, as far as I am concerned, I intend to support the kind of package recommended by the President for both the speed up of the estate and gift taxes and the additional revenue needed and necessary through the increased rates in first, second, third and fourth class mail.



SENATOR SCOTT: The post office reorganization is a real bonanza because it will save the Government, as a self-contained unit, about \$1 billion a year. It becomes very important, and I think most people agree that even three weeks ago it did not look likely of achievement. But now that it has labor and Government support, its chances are vastly improved.

Q Do you feel that the unions are living up to what you describe as their agreement to push for postage increases?

SENATOR SCOTT: There is strong evidence that they are actively living up to their agreement.

Q Senator Scott, does the Administration have any alternative way of paying for this increase, or if the pay increase should come back here without the accompanying legislation on raising the price of stamps, would the whole agreement be out of the window and would we be back where we started?

SENATOR SCOTT: I think that is anticipating something that at this time I cannot answer, but I can only say that it would not be responsible in the Congress to pass the pay increase without the means to pay for it.

CONGRESSMAN FORD: As I understand it, the additional revenue features of the overall package were not a part of the agreement between the union negotiators and the Government negotiators. They did agree on the pay increase, six percent for all employees and eight percent for postal employees, tied with postal reorganization.

The additional revenue features are the recommendations of the Administration which is a fiscally responsible position and hopefully the union representatives would be helpful, but it was not a part of the particular agreement that I understood was signed.

Q Did you discuss this morning any action you might take if this chain of events happens where just one of those bills comes back to you?

CONGRESSMAN FORD: I think it is premature to pass judgment on what might happen. We do have in hand an agreement signed by the postal employee representatives as well as the department. This does include the six percent for everybody, and the eight percent for the postal employees, tied in with postal reorganization.

We would expect, with the Administration back of the agreement, and with the labor unions, including Mr. Meany supporting it, that this kind of a package ought to go through the Congress and there should not arise that contingency that you suggest.

The revenue side is another matter, but I personally think it is absolutely essential.

Q Senator, the postal reform has nothing to do with the six percent increase, is that not correct? It is only tied to the additional eight percent?

SENATOR SCOTT: It is tied only to the eight percent, the postal reform. The six percent was a separate thing, but all of it was negotiated as a part of the total agreement.

Q What can you tell us about G. Harrold Carswell?

SENATOR SCOTT: I can say that the President is confident that Judge Carswell will be confirmed.

Q Do you share that, Senator?

SENATOR SCOTT: I share that, yes.

Q Will you vote in favor of him?

SENATOR SCOTT: I will vote in favor of the confirmation. I have said that before.

Q Do you have a nose count as to how much it will pass by?

SENATOR SCOTT: I think we had better wait until tomorrow. There are some people yet to be talked to, pro and con, and for an actual nose count, it will probably be better to wait until tomorrow.

I can say to you that I gave you a correct one yesterday, exactly.

Q Is there any significant opposition to postal reform? Is it increasing?

SENATOR SCOTT: There was opposition originally, but I think it is decreasing. It is decreasing because it appears to be the one way the Congress and the Government can extract themselves from an exceedingly difficult condition under the present circumstances.

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CONGRESSMAN FORD: As I understand it, Postmaster General Blount and the union representatives are finalizing a total agreement as to details in the next day or two. Once this is done I think you will find that the Congress will be very helpful and will expedite affirmative action. The main thing we have to achieve through postal reform is to get rid of the old political tradition in the Post Office Department and to get some efficiency into the Post Office Department. If you do, you will get better service and you will also be able to get better service, I think, in the long run for fewer dollars and lesser increases in postal rates.

Q Senator, could you clarify for me again, please, the agreement with George Meany and with the union? Did that have anything to do with the increase from six cents to ten cents?

SENATOR SCOTT: The agreement which is available to you, the first paragraph says "The general wage increase of six percent retroactive to December 27, 1969, for all postal employees." Then there is, among the various subheadings, Section (b), "An additional 8 percent wage increase for postal workers effective as of the date the enabling legislation becomes law." referring to a postal authority of some kind, a self-contained postal authority.

Q My question, Senator, was whether they indicated any agreement to go along with the increase in postage from six cents to ten cents.

SENATOR SCOTT: That is an undertaking by the Administration as to how to raise the money. The unions do not, in this agreement, undertake a commitment as to how the money is to be raised. But obviously, they are aware that if they are to get a pay increase it has to come from somewhere and that means the taxpayer.

Q Senator, has there been any discussion about minimums inasmuch as the ten-cent stamp appears to be headed for trouble? Has there been talk about what the Administration possibly might settle for?

SENATOR SCOTT: No, there has been no great discussion on any shrinkage there. The ten-cent stamp seems to be a good target to shoot for and they can develop Congressional sentiment from there.

CONGRESSMAN FORD: I don't think it is fair to say at this stage that the ten-cent first class stamp is doomed. I believe when the facts are laid out before the committee there is a possibility that the committee will act affirmatively on the proposals. I don't think that we should assume at this date that the package for fiscal responsibility is doomed.

Q Was there any element here at any time of any of your members saying "Why was the agreement made with the unions and not with the committees of Congress?"

SENATOR SCOTT: That was not discussed.

Q The Members of Congress feel their place is being usurped by the unions.



SENATOR SCOTT: I think the Members of Congress are in close touch with the White House so they are fully aware of what is going on. I am sure they are consulted from time to time.

Q Chairman Dulski, the Democratic Chairman of the House Committee, said at no time had he been invited to any meeting at the White House and he did not know why.

CONGRESSMAN FORD: I believe the immediate need was for action between the unions and the management of the Post Office Department. There was nothing Congress could do about the problems of the strike. This had to be between management and labor representatives.

Once that agreement has been achieved, then I think it is the proper thing to do to bring in the Congress and to get us to help to implement this agreement between the two sides in the dispute.

Q Senator Scott, earlier you said it would be irresponsible to have a pay increase without the means to pay for it. Can we take that to mean that the President would not accept one without the other?

SENATOR SCOTT: I think you can take it to mean that the President feels that his Administration and his Party's position is that we should operate on a pay-as-you-go basis. I don't attempt to say what would happen to legislation when it comes down here because it is impossible to say what form it will take. The going phrase here is "pay as you go." That is the intention of the Party leadership and of the President, I am sure.

Q Would you say that under no circumstances the President will accept a deficit in the budget?

SENATOR SCOTT: I can only say that I have not asked him, but I know that the thought is quite abhorrent to him.

Q Senator Scott, is this something new, that government services must pay for themselves?

SENATOR SCOTT: Since the Republicans came in it has been revived, yes.

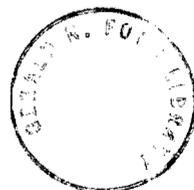
Q Do you subscribe to that?

SENATOR SCOTT: Generally speaking, yes. I would like to see it. All of us have our own individual aberrations at times. Consistency is still only a semi-precious jewel, but I would say by and large it ought to be adhered to.

THE PRESS: Thank you.

END

(AT 10:40 A.M. EST)



HOUSE ACTION, PERIOD MARCH 17 THROUGH APRIL 6, 1970

Tuesday, March 17, 1970

COAST GUARD AUTHORIZATION

RULE

The House adopted H.R.375, to provide for one hour of debate.

PASSAGE

By a voice vote, the House passed H.R.15694, to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard.

Also by a voice vote, the House agreed to the Bow amendment that provides that vessels authorized in the bill be constructed in the United States.

DURUM WHEAT

RULE

The House adopted H.Res.874, providing for one hour of debate, by a voice vote.

PASSAGE

By a voice vote, the House passed S.858, to amend the Agricultural Adjustment Act of 1938 with respect to wheat.

Wednesday, March 18, 1970

DISTRICT JUDGES

RULE

The House adopted H.Res.880 by a voice vote, providing for two hours of debate.

PASSAGE

By a record vote of 366 yeas to 18 nays, the House passed S.952, to provide for the appointment of additional district judges, and agreed to the committee amendment.



VETERANS' EDUCATION

By a voice vote, the House agreed to the conference report on H.R.11959, proposed veterans' education and training assistance amendments, thus clearing the measure for Senate action.

PUBLIC HEALTH CIGARETTE SMOKING ACT

The House agreed by a voice vote to the conference report on H.R.6543, to extend public health protection with respect to cigarette smoking; the House receded and concurred with amendment to Senate amendment No. 13 and sent the measure to the Senate for further action.

D. C. COURT REFORM AND CRIMINAL PROCEDURE

RULE

By a voice vote the House agreed to H.Res.381, providing for the consideration of, and two hours of debate on, H.R.16196, District of Columbia Court Reform and Criminal Procedure Act of 1970.

Thursday, March 19, 1970

POINT REYES NATIONAL SEASHORE

By a voice vote, the House agreed to the Senate amendment to H.R.3786, to authorize the appropriation of additional funds necessary for acquisition of land at Point Reyes National Seashore in California, thus clearing it for the President.

D. C. COURT REFORM AND CRIMINAL PROCEDURE

PASSAGE

By a record vote of 294 yeas to 47 nays, with one voting "present", the House passed H.R.16196, to reorganize the courts of the District of Columbia, to revise the procedures for handling juveniles in the District of Columbia, and to codify title 23 of the District of Columbia Code.

Prior to passage, the House adopted the following amendments by voice votes:

Mr. Harsha's amendment that qualifies "burglary" in the definition of violent crimes as used in the sentencing of multiple offenders;

Mr. Roberts' of Texas amendment that makes it a felony to possess a "Molotov cocktail" in the District of Columbia;

Mr. Gude's amendment that authorizes the District of Columbia to enter the interstate compact on juveniles.



D. C. COURT REFORM AND CRIMINAL PROCEDURE ACT Continued

Subsequently, this passage was vacated and S.2601, a similar Senate-passed measure, was passed in lieu after being amended to contain the language of the House bill as passed.

The House insisted on its amendments and asked a conference with the Senate. Appointed as conferees were Representatives McMillan, Abernethy, Dowdy, Cabell, Nelsen, Harsha, Broyhill of Virginia and Hogan.

Monday, March 23, 1970

NAVAL VESSEL LOANS

RULE

By a voice vote, the House agreed to H.Res.876, providing for one hour of debate.

PASSAGE

By a record vote of 281 yeas to 66 nays, the House passed H.R.15728, to authorize the extension of certain naval vessel loans now in existence and new loans.

Prior to passage, the amendment to omit submarine loan for Greece was defeated by a division vote of 10 yeas to 50 nays; and the amendment to omit submarine loan for the Republic of China was defeated by a division vote of 27 yeas to 84 nays.

RECOMMIT

Mr. Conte's motion to recommit the bill to the Committee on Armed Services was rejected by a voice vote.

VETERANS' EDUCATION

By a voice vote, the House agreed to H.Con.Res.554, authorizing certain corrections to be made in the enrollment of H.R.11959, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans, and to make certain improvements in the educational programs for eligible veterans and dependents.

Tuesday, March 24, 1970

STOCKPILE DISPOSALS

By unanimous consent, the House passed seven miscellaneous stockpile disposals from the national stockpile.



FOREIGN MILITARY SALES ACT

RULE

By a voice vote, H.Res.879 providing for one hour of debate was agreed to.

PASSAGE

By a record vote of 351 yeas to 26 nays, the House passed H.R.15628, to amend the Foreign Military Sales Act.

Prior to passage, the House agreed by a voice vote to Mr. Coughlin's amendment that calls on the President to institute comprehensive review of Department of Defense military assistance and sales programs; and to initiate discussions to control the international arms trade and use the prestige of his office to check and control international sales of conventional weapons.

RECOMMIT

By a voice vote, the House rejected Mr. Gross' motion to recommit the bill to the Committee on Foreign Affairs.

Wednesday, March 25, 1970

WATER POLLUTION CONTROL

By a record vote of 358 yeas the House agreed to the conference report on H.R.4148, to amend the Federal Water Pollution Control Act, as amended.

Subsequently, the House agreed to H.Con.Res.559, directing the Clerk of the House with regard to enrolling the title of the bill H.R.4148.

D. C. BAIL AGENCY ACT

By a voice vote, the House passed H.R.16612, to provide additional funds for the District of Columbia Bail Agency for fiscal year 1970.

Monday, April 6, 1970

No Legislative Business



