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*Speech ~~to be given~~ by Rep. Gerald R. Ford Jr.
at Joint Convention of Postal Supervisors &
Post Office Clerks in G.R.M. Sat. May 27, 1950*

*7:00 address on
delivery*

Mr. Toastmaster, honored and distinguished guests, members of the Michigan Branch of Postal Supervisors, and members of the Michigan Federation of Post Office Clerks - It is a very real privilege and pleasure for me to meet with you at this 32nd Annual Convention in my home city of Grand Rapids. We in the Furniture Capital of the World welcome you and urge your return, individually and collectively, to this community.

I am particularly pleased to have the opportunity to discuss with you some of the perplexing and controversial problems relating to the postal service. The problems to be discussed are not limited in scope to the welfare of postal employees, but rather directly concern our citizens as a whole. Even though some of the technical problems may be of prime importance to those assembled here this evening, because the Post Office Department literally touches the home of every citizen of this country, the legislation and administrative decisions in reference to the department are of universal interest. I only ask that we all examine the issues, not only as government officials and employees, but



as citizens of the greatest nation in the world today. This is the nation which the rest of the world is depending on as the champion of freedom and the bulwark against the insidious forces of totalitarianism. Under no circumstances in the ³time of crisis should the United States as a whole or any group of its citizens take any action that would weaken us internally or otherwise. Because of the long record of patriotism and unselfishness of those here tonight I know your future activities will be in the best interest of our republic.

The deficit in the Post Office Department, totalling \$550,000,000 annually, has become a major concern in our federal budget problems. This bugaboo has been highlighted of late by the fact that the federal government has an increasing ~~annual~~ deficit in prospect for the next fiscal year. As you probably know, since this deficit has mounted to its present day proportions, the Post Office Department has consistently recommended against ~~the~~ ^{all} enactment of ~~every~~ ^{directly} proposed legislation, benefiting postal employees which involved additional costs to the department. A good example of this is the vigorous protest by the Department in opposition to the ^{annual} \$450.00 wage increase granted by the 80th Congress.



Our
~~A good place to begin~~ *might well begin* this discussion tonight ~~is~~ with a review
enacted
of the legislation ~~passed~~ during the present Congress which directly benefits
you as employees of the department.

POSTAL EMPLOYEES LEGISLATION

In 1949 during the first session of this Congress, Public Law
428 was *approved* ~~enacted~~. Under this law postal employees received a flat salary
increase of \$120 a year. Those employees in certain categories which
did not have at least three longevity grades were given these grades.
For the first time, postmasters and supervisors were given longevity
grades. These grades *amounted to* ~~were of~~ \$100 each except in the case of fourth-class
postmas^{ters} who received instead increases of 5% of their base salary.

For most postal supervisors, since practically all have 25 years of
service, this meant an increase of \$420 a year, in other words \$300
for their longevity grades and \$120 *as the result of* ~~in~~ the flat increase. Also, under
Public Law 428, the entrance salary for regular employees was increased
by \$200. This was accomplished by elimination of the first two grades
for regular employees. Hereafter substitute employees will still enter
the postal service in grade *one* (1) but after they have served a year will

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be promoted to grade (3). This is a logical step although I believe it
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probably did not go far enough. For example, when Public Law 134, 79th Congress, was approved, all employees who were on the rolls of the Post Office Department received an increase of \$400 a year. However, the ^{annual} entrance salary for postal employees remained at \$1,700.00. For ^{all} other federal employees, the basic entrance salary was increased.

There were additional beneficial sections of the ^{original} bill (H.R.4495), as it passed the House which were eliminated in conference with the Senate. I am referring to the increased annual leave for postal employees of 5 days a year and a uniform allowance. In my opinion, the annual leave situation today is one of the most controversial issues in Congress. Presently it is the subject of study by Congressional Committees and the Bureau of the Budget and probably one of these days in the near future firm recommendations will be made with respect to this problem. Whatever these recommendations may be, in my judgment they will inevitably be more favorable for postal employees inasmuch as, at the present time, postal employees receive eleven days less annual leave and 5 days less sick leave than other federal employees.



I am sure all of you are familiar with the Comptroller General's decision which voided many increases which the Department proposed to make under Public Law 428 and which were obviously the intent of Congress when that law was passed. To correct these interpretations of the law the House during this session considered a number of remedial bills. The first was H.R.6553, to permit rural carriers to count all of their time in postal service toward longevity grades. The second was H.R.6603, to permit custodial employees to count certain service toward their longevity grades. When these bills reached the Senate, it was suggested by the Post Office Department and the Comptroller General that there be a general review by Congress of the decision of the Comptroller General and that the language of Public Law 428 be clarified in one legislative proposal. Accordingly, H.R.6553 was amended in the Senate. This bill is now Public Law 500, 81st Congress and under it the following is established:

Three longevity grades to which all employees will be entitled after 13, 18 and 25 years of service. These longevity increases are of \$100 per annum for regular employees, except that fourth-class postmasters



will be paid 5% of their base pay rather than the \$100. In qualifying for these grades, employees may count all years of postal service and custodial employees may count their years of service both with the Treasury Department and the Post Office Department. Special delivery messengers may count their time when they were paid on a fee basis. Clerks in third-class post offices may count the time they were working in the post offices as employees of the postmasters prior to their Classification under Public Law 134, 79th Congress. Temporary employment may be counted where it is for a period of more than one year or where it is continuous to the date of appointment as a classified employee.

Some employees may find it advantageous to remain under the present system of longevity promotions. This law will permit them to select either the present system or the new longevity grades. However, gradually there will be a conversion to the new longevity grades system of 13, 18 and 25 years for all employees. This will simplify the law with respect to longevity promotions and is a definite improvement.

The Senate amendment further provides that longevity increases granted supervisors will not be counted in determining whether such a supervisor's



salary exceeds \$4170. This is the top limit permitted supervisors who are granted overtime compensation on Sundays, holidays or during the month of December.

Another piece of legislation of interest to postal employees is H.R.87. This bill, as you know, will give veterans who entered the postal service after World War II credit for their military service toward their promotions in the postal service on a pro rata basis. The basic logic for this particular legislation is based upon the fact that the time a man spent in the military service should be given the same consideration as that time spent in the postal service toward promotion. In other government positions outside of the postal service many veterans entered Civil Service for the first time and qualified for higher classifications based upon their military experience and skill. For example, ^{the prospective employee} ~~they~~ might have been an adjutant in the Army and by virtue of that experience qualified for a high grade position as a personnel officer under the federal Civil Service. Many veterans used their experience as radio technicians, electricians, and ~~the~~ other capacities in the military service as a basis for qualifying for certain Civil Service examinations and the records show



that the policy of the Civil Service Commission was liberal in this

Furthermore, regard. /Veterans who entered private industry, in many cases, were also able to use military experience as a basis for obtaining positions at a higher rate of pay. In the postal service, however, regardless of the qualifications of the individual, educational background, business experience or military assignment, a prospective employee must still enter at the lowest pay grade.

The Senate Post Office and Civil Service Committee has already recommended favorably H.R.87 as it passed the House including the July,1, 1950 cutoff date, and it is expected that the bill will come up for Senate consideration at the next call of the Senate Calendar. Because of the Department's objection to the proposal there is some likelihood that the President may veto the bill but that obstacle will have to be overcome once the Senate acts favorably.

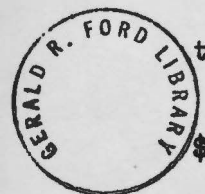
The House Post Office and Civil Service Committee has presently under consideration a number of bills which are designed to reclassify the salaries of postmasters and supervisors. Unquestionably most of the supervisors here tonight are familiar with the terms of H.R.4757, which is



under active consideration by the Committee. Hearings have already started on this bill in both the House and Senate Committees. Generally speaking, there seems to be agreement on the point that the classification of postmasters and supervisors should be reexamined, particularly in the light of the successive flat increases which have occurred beginning in 1945. It is fair to say that the consensus among the committee members seems to be that if inequities and inequalities can be identified, they should be corrected and, furthermore, there is a similar feeling in the House favoring such an approach, and those of us not on the committee simply await the initial action by that group.

There has been, however, a modifying factor with respect to flat increases as they affect postmasters and supervisors. I refer specifically to the over-all increase in the gross receipts in almost every area. In 1936, for example, the gross receipts of the postal service were \$665,000,000. Today, for fiscal year 1949, they are \$1,571,800,000. In Grand Rapids, during

the period from 1936 the gross receipts have grown from \$1,303,965 to \$3,567,042 in 1949. If the postal rate increase bill passed by the House is



approved by the Senate, postal revenues will be increased by another \$150,000,000 which in effect will represent an increased salary for postmasters and supervisors.

There is other legislation of interest to supervisors and clerks which is presently under active consideration by Committees of Congress. First, a bill sponsored by Representative Rees of Kansas, H.R.2586, which would make it possible to relieve clerks who have made payments on money orders where the signature has been forged and where the clerk has taken satisfactory precautions. The other is aimed at reducing the cost on bonds to department employees. Several of the proposals relate only to postal employees and would set up a fidelity bond trust by the employees themselves. Others cover all federal employees, ~~and would pay the bonds to private bonding companies.~~ One which is receiving favorable comment in the discussions of the Committee on Expenditures in the Executive Department is a bill which would have the Government pay the bond premium but provide for coverage on a blanket bond basis rather than have thousands of individual bonds. The adoption of this proposal would result in considerable savings to the employee and a much lower cost to the Government and seems superior to handling the problem on an individual basis.

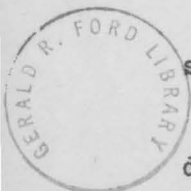


The members of the House and Senate committees having jurisdiction of post office department problems have no easy job. They are harassed from all sides. The general public wants more and cheaper service. Business, religious, educational and many other groups fight doggedly against rate increases. Employee organizations are naturally interested in legislation favorable to them. The committee's problems are ^{further} complicated by the attitude of the Department which is reluctant to make any favorable recommendations that will increase costs. *Frankly the committee members are not to be envied.*

THE POSTMASTER GENERAL'S CURTAILMENT ORDER

Probably no order of the Postmaster General in history has been as widely publicized or as warmly debated as the Postmaster General's order directing that only one delivery a day will be given in residential areas and two in business areas. Probably no other single decision by the Postmaster General ^{as it now stands} will have as great an impact on employees in the department as this particular order because more than 10,000 employees are ^{allegedly} scheduled to be released as a direct result.

I think the Postmaster General might have helped the situation to ^{for all concerned} some degree if he had given a ^{some prior} little notice that he expected to curtail the delivery of mail as outlined in his order. I direct your attention to the



If the Postmaster General wishes to save money
fact that there are a number of ^{other} places where ^{such} savings could be made in the
postal service. It is my view that the whole ^{service curtailment} issue should be examined, ^{by a responsible Congressional Committee}

and I was informed on Thursday that the House Committee on Post Office and

Civil Service is scheduled to begin exhaustive hearings on the matter on June

I respectfully suggest that General
1st. If the Postmaster ^{General} is making this move in order to save taxpayers money,

he should say so. He should not use the excuse that there is a shortage of

appropriated by the Congress, the records indicate
funds. I am informed ^{the} the Post Office Department was allocated practically

all funds requested from the Congress for this fiscal year.

This order, which was sprung upon the public totally without any
preliminary preparation, has created a great deal of consternation among the
users of the mails. It has the appearance of turning back the clock from the
standpoint of service and, if carried out, will disrupt delivery service in
all first-class and most of the second-class post offices. ^{In addition} The tone of the
order, together with directions of the Deputy Postmaster General with respect
to ^{the threatened discharge} ~~discharging~~ of employees, has had a drastic effect on the morale of our
postal workers.

It is inconceivable that if reductions in force are carried on in
a proper and orderly manner that this ^{curtailment order} should necessarily affect any regular
or substitute employees since there are many more than ^{10,000} ~~this number of~~ temporary



at the present time.
employees. Also, if the program were properly planned, normal attrition
with few exceptions
could be utilized for reduction in force procedures and no present postal
including temporaries
employee needs to lose his job. This order, *unfortunately* like so many others in the
was
postal service, ~~is~~ made on a mass basis without preliminary experimental
was
work. It ~~is~~ made before other economies with a lesser impact on the public
had or the postal employees ~~have~~ been instituted. These *other* economies have previously
been brought to the attention of the Postmaster General as a result of studies
made by the Congress and the Hoover Commission.

Let me give you several specific examples of what I mean. In the
Eightieth Congress, the Post Office and Civil Service Committee suggested
that the elimination of the individual recording of special delivery mail be
eliminated at a saving, which was estimated to be \$1,000,000 a year. This
particular recommendation was taken up by the Senate Appropriations Committee
and the Department was requested to run a sample test in two cities. These
sample tests worked out very well and then *the policy* ~~it~~ was extended throughout the
postal system. There was no disturbance to the public. Service was actually
improved during the test period by the lessons that were learned. *on the experimental period.* ~~we~~ *had sense* would

to dictate
seem that this should have been the procedure ~~followed~~ if a general curtail-
the Department beforehand
ment of service was to be ordered. In other words, ~~we~~ should know what the

in each area
result would be from the standpoint of service to the public. *effect on postal + the employees.* The public *+ the postal employees* should have been properly prepared for such a move and given an opportunity to express their views.

Another example of where economies might be *effectuated* ~~placed into effect~~ and service improved is in the adoption of mechanical sorting equipment in the larger post offices. The Postmaster General has stated *such a policy* ~~this~~ is a success *where a machine* in ~~the~~ machine at the Chicago post office ~~which~~ was rebuilt and improved after *such a* ~~the~~ recommendation was made by the House Post Office and Civil Service Committee during the Eightieth Congress. *Wherever practicable* Such machinery should be placed in other larger post offices *in order needed* to effect economies.

Public Law 231, Eighty-first Congress, established for the first time in the *post* ~~service~~ a research and development program. In the establishment of such a program the Post Office Department, in its official reports, merely left this idea *entirely* up to Congress without making any *specific* recommendations. However, now that *the department has* the law has been enacted, ~~they have~~ listed a whole succession of developments which they expect to make and improve under this program.

THE HOOVER COMMISSION REPORT

Many people are asking questions about the Hoover Commission Report and its effect on the postal service. You, as employees in the postal service,



are probably asked these questions more than anybody else and, for that reason, you may be interested in a short summary as to what action has been taken to date with respect to the Hoover Commission proposals as they affect the postal service.

Reorganization Plan No. 3, which has already been approved and is in operation, places into effect the following recommendations of the Hoover Commission:

- (1) Establishment of a Deputy Postmaster General (Sec. 3).
- (2) Establishment of a board of 7 advisers to the Postmaster General (Sec. 6).
- (3) Abolishment of the Bureau of Accounts, including the offices of the Controllor and Purchasing Agent (Sec. 5).
- (4) Abolishment of the First, Second, Third and Fourth Assistant Postmasters General and provides for the appointment of four Assistant Postmasters General (Sec. 4).
- (5) Transfers to the Postmaster General the functions of all subordinate offices and agencies of the Post Office Department (Sec. 4).

Recommendations of the Hoover Commission Task Force with respect

to a research and development program have been placed into effect by

Public Law 231 (81st Congress). By an amendment to the rate bill the House



approved the Hoover Commission recommendation that the Postmaster General be empowered to set the rates on special services. The 1951 budget incorporates the Hoover Commission suggestion of a Performance budget. Recommendations with respect to the account^{ing} and fiscal control of the postal service are incorporated in two house bills, H.R.5775 and H.R.6395. These bills are under consideration by the House Post Office and Civil Service Committee. Hearings on companion bills have been held in the Senate. The differences in views with respect to both of these bills concern the extent of control over expenditures which will remain with the Comptroller General. When these differences are resolved, legislation will probably be approved. I hope we will have an opportunity to vote on ^{the legislation during} ~~it~~ this Congress.

The recommendations of the Hoover Commission with respect to regionalization of the postal service have met with stiff opposition from Postmaster General Donaldson who has said -

"I would not want to be Postmaster General if this particular recommendation were put into effect and I would have the responsibility of providing present postal service."

As you know, of course, the postal service has already been region-



alized in many respects, such as the Railway Mail Service which now has fifteen divisions. There is a similar regional setup for the air mail service. The Central Accounting office is another regional setup. The pay for rural carriers is handled on a state-wide basis. The apparent tendency within the postal service itself appears to favor a gradual development toward the regionalization of the postal service. Unfortunately [↓] there has, however, not been a corresponding delegation of authority *by the Department.*

With respect to the Hoover Commission recommendation that the air mail subsidy be separated from air mail ^{payments} pay, the House Committee on Interstate and Foreign Commerce, which handles this legislation, is currently considering bills which would effect this separation. This is another complex problem involving the ^{proper} ~~correct~~ amount which should be designated as outright subsidy.

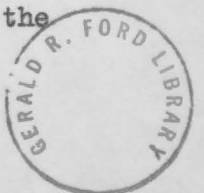
In my opinion, we should arrive at a means of separating this subsidy and *thereafter,* under the ~~formula~~ ^{formula}, the subsidy should not be charged to our postal service.

I firmly believe that our domestic aviation system should be kept strong,

not only as a means of transportation but as an asset in our national defense

setup, but at the same time ^{such} ~~any~~ subsidies should not be charged against the

Post Office Department.



The final recommendation of the Hoover Commission pertains to Senatorial approval of postmasters throughout the country. The alleged objective is to eliminate "politics" from the postal service. Frankly, I do not think "politics" as such are likely to be entirely eliminated by such

a change. Most of the ^{"politics"} ^{long} ~~politicizing~~ takes place before the names are ever submitted to the United States Senate. However, the question of Senatorial

approval of certain Presidential appointments, including postmasters, is a Senate prerogative and is a matter which in my judgment should be solved first in the Senate before the House takes any action.

I have tried to outline in my remarks what I believe are the three major fields of interest to postal employees at the present time, namely, legislation concerning postal employees, secondly, the order of the Postmaster General curtailing service, and third and finally, the Hoover Commission recommendations for the postal service. It is my sincere hope that my comments have been helpful. Thank you.

Personally I favor career men for such jobs. It has worked extremely well in Grand Rapids under our able Postmaster Art Hamilton.

of the Hoover Commission recommendations will result in career appointments. I favor the proposal wholeheartedly.



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SPEECH BY REPRESENTATIVE GERALD R. FORD, JR. AT
JOINT CONVENTION OF POSTAL SUPERVISORS AND POST
OFFICE CLERKS IN GRAND RAPIDS, MICHIGAN -
SATURDAY, MAY 27, 1950

Mr. Toastmaster, honored and distinguished guests, members of the Michigan Branch of Postal Supervisors, and members of the Michigan Federation of Post Office Clerks - It is a very real privilege and pleasure for me to meet with you at this 32nd Annual Convention in my home city of Grand Rapids. We in the Furniture Capital of the World welcome you and urge your return, individually and collectively, to this community.

I am particularly pleased to have the opportunity to discuss with you some of the perplexing and controversial problems relating to the postal service. The problems to be discussed are not limited in scope to the welfare of postal employees, but rather directly concern our citizens as a whole. Even though some of the technical problems may be of prime importance to those assembled here this evening, because the Post Office Department literally touches the home of every citizen of this country, the legislation and administrative decisions in reference to the department are of universal interest. I only ask that we all examine the issues, not only as government officials and employees, but as citizens of the greatest nation in the world today. This is the nation which the rest of the world is depending on as the champion of freedom and the bulwark against the insidious forces of totalitarianism. Under no circumstances in this

time of crisis should the United States as a whole or any group of its



citizens take any action that would weaken us internally or otherwise. Because of the long record of patriotism and unselfishness of those here tonight I know your future activities will be in the best interest of our republic.

The deficit in the Post Office Department, totalling \$550,000,000 annually, has become a major concern in our federal budget problems. This bugaboo has been highlighted of late by the fact that the federal government has an increasing deficit in prospect for the next fiscal year. As you probably know, since this deficit has mounted to its present day proportions, the Post Office Department has consistently recommended against the enactment of all proposed legislation directly benefitting postal employees which involved additional costs to the Department. A good example of this is the vigorous protest by the Department in opposition to the \$450.00 annual wage increase granted by the 80th Congress.

Our discussion tonight might well begin with a review of the legislation enacted during the present Congress which directly benefits you as employees of the Department.

POSTAL EMPLOYEES LEGISLATION

In 1949 during the first session of this Congress, Public Law 428 was approved. Under this law postal employees received a flat salary increase of \$120 a year. Those employees in certain categories which did not have at least three longevity grades were given these grades. For the first time, postmasters and supervisors were given longevity grades. These grades amounted to \$100 each except in the case of fourth-class postmasters who received instead increases of 5%



of their base salary. For most postal supervisors, since practically all have 25 years of service, this meant an increase of \$420 a year, in other words \$300 for their longevity grades and \$120 as the result of the flat increase. Also, under Public Law 428, the entrance salary for regular employees was increased by \$200. This was accomplished by elimination of the first two grades for regular employees. Hereafter substitute employees will still enter the postal service in grade one (1) but after they have served a year will be promoted to grade three (3). This is a logical step although I believe it probably did not go far enough. For example, when Public Law 134, 79th Congress, was approved, all employees who were on the rolls of the Post Office Department received an increase of \$400 a year. However, the annual entrance salary for postal employees remained at \$1,700.00. For all other federal employees, the basic entrance salary was increased.

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The Senate Post Office and Civil Service Committee has already recommended favorably H.R.87 as it passed the House, including the July 1, 1950 cutoff date, and it is expected that the bill will come up for Senate consideration at the next call of the Senate Calendar. Because of the Department's objection to the proposal there is some likelihood that the President may veto the bill but that obstacle will have to be overcome once the Senate acts favorably.

The House Post Office and Civil Service Committee has presently under consideration a number of bills which are designed to reclassify the salaries of postmasters and supervisors. Unquestionably most of the supervisors here tonight are familiar with the terms of H.R.4757, which is under active consideration by the Committee. Hearings have already started on this bill in both the House and Senate Committees. Generally speaking, there seems to be agreement on the point that the



classification of postmasters and supervisors should be reexamined, particularly in the light of the successive flat increases which have occurred beginning in 1945. It is fair to say that the consensus among the committee members seems to be that if inequities and inequalities can be identified, they should be corrected and, furthermore, there is a similar feeling in the House favoring such an approach, and those of us not on the committee simply await the initial action by that group.

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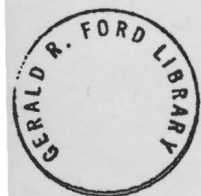
I think the Postmaster General might have helped the situation to some degree for all concerned if he had given some prior notice that he



expected to curtail the delivery of mail as outlined in his order. I direct your attention to the fact that if the Postmaster General wishes to save money there are a number of other places where such savings could be made in the postal service. It is my view that the whole service curtailment issue should be examined by a responsible Congressional Committee, and I was informed on Thursday that the House Committee on Post Office and Civil Service is scheduled to begin exhaustive hearings on the matter on June 1st. I respectfully suggest that if the Postmaster General is making this move in order to save taxpayers money, he should say so. He should not use the excuse that there is a shortage of funds appropriated by the Congress. I am informed, and the records indicate, the Post Office Department was allocated practically all funds requested from the Congress for this fiscal year.

This order, which was sprung upon the public totally without any preliminary preparation, has created a great deal of consternation among the users of the mails. It has the appearance of turning back the clock from the standpoint of service and, if carried out, will disrupt delivery service in all first-class and most of the second-class post offices. In addition the tone of the order, together with directions of the Deputy Postmaster General with respect to the threatened discharge of employees, has had a drastic effect on the morale of our postal workers.

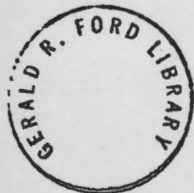
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employee including temporaries needs to lose his job. This order unfortunately, like so many others in the postal service, was made on a mass basis without preliminary experimental work. It was made before other economies with a lesser impact on the public or the postal employees had been instituted. These other economies have previously been brought to the attention of the Postmaster General as a result of studies made by the Congress and the Hoover Commission.

Let me give you several specific examples of what I mean. In the Eightieth Congress, the Post Office and Civil Service Committee suggested that the elimination of the individual recording of special delivery mail be eliminated at a saving, which was estimated to be \$1,000,000 a year. This particular recommendation was taken up by the Senate Appropriations Committee and the Department was requested to run a sample test in two cities. These sample tests worked out very well and then the policy was extended throughout the postal system. There was no disturbance to the public. Service was actually improved during the test period by the lessons that were learned in the experimental period. Good sense would seem to dictate that this should have been the procedure if a general curtailment of service was to be ordered. In other words, the Department should know beforehand what the result would be in each area from the standpoint of service to the public and the effect on postal employees. The public and the postal employees should have been properly prepared for such a move and given an opportunity to express their views.

Another example of where economies might be effectuated and service improved is in the adoption of mechanical sorting equipment in the larger post offices. The Postmaster General has stated such a policy is



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Public Law 231, Eighty-first Congress, established for the first time in the postal service a research and development program. In the establishment of such a program the Post Office Department, in its official reports, merely left this idea entirely up to Congress without making any specific recommendations. However, now that the law has been enacted, the department has listed a whole succession of developments which they expect to make and improve under this program.

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Many people are asking questions about the Hoover Commission Report and its effect on the postal service. You, as employees in the postal service, are probably asked these questions more than anybody else and, for that reason, you may be interested in a short summary as to what action has been taken to date with respect to the Hoover Commission proposals as they affect the postal service.

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Recommendations of the Hoover Commission Task Force with respect to a research and development program have been placed into effect by Public Law 231 (81st Congress). By an amendment to the rate bill the House approved the Hoover Commission recommendation that the Postmaster General be empowered to set the rates on special services. The 1951 budget incorporates the Hoover Commission suggestion of a Performance budget. Recommendations with respect to the accounting and fiscal control of the postal service are incorporated in two house bills, H.R.5775 and H.R.6395. These bills are under consideration by the House Post Office and Civil Service Committee. Hearings on companion bills have been held in the Senate. The differences in views with respect to both of these bills concern the extent of control over expenditures which will remain with the Comptroller General. When these differences are resolved, legislation will probably be approved. I hope we will have an opportunity to vote on the legislation during this Congress.

The recommendations of the Hoover Commission with respect to regionalization of the postal service have met with stiff opposition from ~~the~~ Postmaster General Donaldson, who has said -

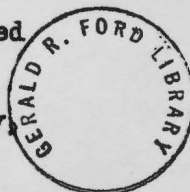


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As you know, of course, the postal service has already been regionalized in many respects, such as the Railway Mail Service which now has fifteen divisions. There is a similar regional setup for the air mail service. The Central Accounting Office is another regional setup. The pay for rural carriers is handled on a state-wide basis. The apparent tendency within the postal service itself appears to favor a gradual development toward the regionalization of the postal service. Unfortunately, however, there has not been a corresponding delegation of authority by the Department.

With respect to the Hoover Commission recommendation that the air mail subsidy be separated from air mail payments, the House Committee on Interstate and Foreign Commerce, which handles this legislation, is currently considering bills which would effect this separation. This is another complex problem involving the proper amount which should be designated as outright subsidy. In my opinion, we should arrive at a means of separating this subsidy and thereafter, under the formula, the subsidy should not be charged to our postal service. I firmly believe that our domestic aviation system should be kept strong, not only as a means of transportation but as an asset in our national defense setup, but at the same time such subsidies should not be charged against the Post Office Department.

The final recommendation of the Hoover Commission pertains to Senatorial approval of postmasters throughout the country. The alleged objective is to eliminate "politics" from the postal service. Frankly,



I do not think "politics" as such are likely to be entirely eliminated by such a change. Most of the "politics" takes place long before the names are ever submitted to the United States Senate. Personally I favor career men for such jobs. It has worked extremely well in Grand Rapids under our able Postmaster, Art Hamilton. If the Hoover Commission recommendations will result in career appointments, I favor the proposal wholeheartedly. However, the question of Senatorial approval of certain Presidential appointments, including postmasters, is a Senate prerogative and is a matter which in my judgment should be solved first in the Senate before the House takes any action.

I have tried to outline in my remarks what I believe are the three major fields of interest to postal employees at the present time, namely, legislation concerning postal employees, secondly, the order of the Postmaster General curtailing service, and third and finally, the Hoover Commission recommendations for the postal service. It is my sincere hope that my comments have been helpful. Thank you.



5/26/50

For release
on delivery

SPEECH BY REPRESENTATIVE GERALD R. FORD, JR. AT JOINT CONVENTION OF
POSTAL SUPERVISORS AND POST OFFICE CLERKS IN GRAND RAPIDS, MICHIGAN,
SATURDAY, MAY 27, 1950

Mr. Toastmaster, honored and distinguished guests, members of the Michigan Branch of Postal Supervisors, and members of the Michigan Federation of Post Office Clerks - It is a very real privilege and pleasure for me to meet with you at this 32nd Annual Convention in my home city of Grand Rapids. We in the Furniture Capital of the World welcome you and urge your return, individually and collectively, to this community.

I am particularly pleased to have the opportunity to discuss with you some of the perplexing and controversial problems relating to the postal service. The problems to be discussed are not limited in scope to the welfare of postal employees, but rather directly concern our citizens as a whole. Even though some of the technical problems may be of prime importance to those assembled here this evening, because the Post Office Department literally touches the home of every citizen of this country, the legislative and administrative decisions in reference to the Department are of universal interest. I only ask that we all examine the issues, not only as government officials and employees, but as citizens of the greatest nation in the world today. This is the nation which the rest of the world is depending on as the champion of freedom and the bulwark against the insidious forces of totalitarianism. Under no circumstances in this time of crisis should the United States as a whole or any group of its citizens take any action that would weaken us internally or otherwise. Because of the long record of patriotism and unselfishness of those here tonight I know your future activities will be in the best interest of our republic.

The deficit in the Post Office Department, totalling \$550,000,000 annually, has become a major concern in our federal budget problems. This bugaboo has been highlighted of late by the fact that the federal government has an increasing deficit in prospect for the next fiscal year. As you probably know, since this deficit has mounted to its present day proportions, the Post Office Department has consistently recommended against the enactment of all proposed legislation directly benefitting postal employees which involved additional costs to the Department. A good example of this is the vigorous protest by the Department in opposition to the \$450.00 annual wage increase granted by the 80th Congress.

Our discussion tonight might well begin with a review of the legislation enacted during the present Congress which directly benefits you as employees of the Department.

POSTAL EMPLOYEES LEGISLATION

In 1949 during the first session of this Congress, Public Law 428 was approved. Under this law postal employees received a flat salary increase of \$120 a year. Those employees in certain categories which did not have at least three longevity grades were given these grades. For the first time, postmasters and supervisors were given longevity grades. These grades amounted to \$100 each except in the case of fourth-class postmasters who received instead increases of 5% of their base salary. For most postal supervisors, since practically all have 25 years of service, this meant an increase of \$420 a year, in other words \$300 for their longevity grades and \$120 as the result of the flat increase. Also, under Public Law 428, the entrance salary for regular employees was increased by \$200. This was accomplished by elimination of the first two grades for regular employees. Hereafter substitute employees will still enter the postal service in grade one (1) but after they have served a year will be promoted to grade three (3). This is a logical step although I believe it probably did not go far enough. For example, when Public Law 134, 79th Congress, was approved, all employees who were on the rolls of the Post Office Department received an increase of \$400 a year. However, the annual entrance salary for postal employees remained at \$1,700. For all other federal employees, the basic entrance salary was increased.

There were additional beneficial sections of the original bill (H.R.4495), as it passed the House which were eliminated in conference with the Senate. I am referring to the increased annual leave for postal employees of 5 days a year and a uniform allowance. In my opinion the annual leave situation today is one of the most controversial issues in Congress. Presently it is the subject of study by Congressional Committees and the Bureau of the Budget and probably one of these days in the near future firm recommendations will be made with respect to this problem. Whatever these



recommendations may be, in my judgment they will inevitably be more favorable for postal employees inasmuch as, at the present time, postal employees receive eleven days less annual leave and five days less sick leave than other federal employees.

I am sure all of you are familiar with the Comptroller General's decision which voided many increases which the Department proposed to make under Public Law 428 and which were obviously the intent of Congress when that law was passed. To correct these interpretations of the law the House during this session considered a number of remedial bills. The first was H.R.6553, to permit rural carriers to count all of their time in postal service toward longevity grades. The second was H.R.6603, to permit custodial employees to count certain service toward their longevity grades. When these bills reached the Senate, it was suggested by the Post Office Department and the Comptroller General that there be a general review by Congress of the decision of the Comptroller General and that the language of Public Law 428 be clarified in one legislative proposal. Accordingly, H.R.6553 was amended in the Senate. This bill is now Public Law 500, 81st Congress and under it the following is established:

Three longevity grades to which all employees will be entitled after 13, 18 and 25 years of service. These longevity increases are of \$100 per annum for regular employees, except that fourth class postmasters will be paid 5% of their base pay rather than the \$100. In qualifying for these grades, employees may count all years of postal service and custodial employees may count their years of service both with the Treasury Department and the Post Office Department. Special Delivery messengers may count their time when they were paid on a fee basis. Clerks in third-class post offices may count the time they were working in the post offices as employees of the postmasters prior to their classification under Public Law 134, 79th Congress. Temporary employment may be counted where it is for a period of more than one year or where it is continuous to the date of appointment as a classified employee.

Some employees may find it advantageous to remain under the present system of longevity promotions. This law will permit them to select either the present system or the new longevity grades. However, gradually there will be a conversion to the new longevity grades system of 13, 18 and 25 years for all employees. This will simplify the law with respect to longevity promotions and is a definite improvement.

The Senate amendment further provides that longevity increases granted supervisors will not be counted in determining whether such a supervisor's salary exceeds \$4170. This is the top limit permitted supervisors who are granted overtime compensation on Sundays, holidays or during the month of December.

Another piece of legislation of interest to postal employees is H.R.87. This bill, as you know, will give veterans who entered the postal service after World War II credit for their military service toward their promotions in the postal service on a pro rata basis. The basic logic for this particular legislation is based upon the fact that the time a man spent in the military service should be given the same consideration as that time spent in the postal service toward promotion. In other government positions outside of the postal service many veterans entered Civil Service for the first time and qualified for higher classifications based upon their military experience and skill. For example, the prospective employee might have been an adjutant in the Army and by virtue of that experience qualified for a high grade position as a personnel officer under the federal Civil Service. Many veterans used their experience as radio technicians, electricians, and other capacities in the military service as a basis for qualifying for certain Civil Service examinations and the records show that the policy of the Civil Service Commission was liberal in this regard. Furthermore, veterans who entered private industry, in many cases, were also able to use military experience as a basis for obtaining positions at a higher rate of pay. In the postal service, however, regardless of the qualifications of the individual, educational background, business experience or military assignment, a prospective employee must still enter at the lowest pay grade.

The Senate Post Office and Civil Service Committee has already recommended favorably H.R.87 as it passed the House, including the July 1, 1950 cut-off date, and it is expected that the bill will come up for Senate consideration at the next call of the Senate Calendar. Because of the Department's objection to the proposal there is some likelihood that the President may veto the bill but that obstacle will have to be overcome once the Senate acts favorably.



The House Post Office and Civil Service Committee has presently under consideration a number of bills which are designed to reclassify the salaries of postmasters and supervisors. Unquestionably most of the supervisors here tonight are familiar with the terms of H.R. 4757, which is under active consideration by the Committee. Hearings have already started on this bill in both the House and Senate Committees. Generally speaking, there seems to be agreement on the point that the classification of postmasters and supervisors should be reexamined, particularly in the light of the successive flat increases which have occurred beginning in 1945. It is fair to say that the consensus among the committee members seems to be that if inequities and inequalities can be identified, they should be corrected and, furthermore, there is a similar feeling in the House favoring such an approach, and those of us not on the committee simply await the initial action by that group.

There has been, however, a modifying factor with respect to flat increases as they affect postmasters and supervisors. I refer specifically to the over-all increase in the gross receipts in almost every area. In 1936, for example, the gross receipts of the postal service were \$665,000,000. Today, for fiscal year 1949, they are \$1,571,800,000. In Grand Rapids, during the period from 1936 the gross receipts have grown from \$1,303,965 to \$3,567,042 in 1949. If the postal rate increase bill passed by the House is approved by the Senate, postal revenues will be increased by another \$150,000,000 which in effect will represent an increased salary for postmasters and supervisors.

There is other legislation of interest to supervisors and clerks which is presently under active consideration by Committees of Congress. First, a bill sponsored by Representative Rees of Kansas, H.R. 2586, which would make it possible to relieve clerks who have made payments on money orders where the signature has been forged and where the clerk has taken satisfactory precautions. The other is aimed at reducing the cost on bonds to department employees. Several of the proposals relate only to postal employees and would set up a fidelity bond trust by the employees themselves. Others cover all federal employees. One which is receiving favorable comment in the discussions of the Committee on Expenditures in the Executive Department is a bill which would have the Government pay the bond premium but provide for coverage on a blanket bond basis rather than have thousands of individual bonds. The adoption of this proposal would result in considerable savings to the employee and a much lower cost to the Government and seems superior to handling the problem on an individual basis.

The members of the House and Senate committees having jurisdiction of post office department problems have no easy job. They are harassed from all sides. The general public wants more and cheaper service. Business, religious, educational and many other groups fight doggedly against rate increases. Employee organizations are naturally interested in legislation favorable to them. The committee's problems are further complicated by the attitude of the Department which is reluctant to make any favorable recommendations that will increase costs. Frankly the committee members are not to be envied.

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