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Postal Losses, Prices Still Soaring

THE three cent stamp may be coming back. Present indications are that by next year we will need to add a three cent stamp to the present 10 cent stamp in order to have a first class letter delivered.

Congress may try to hold the postage rate increase to 20 per cent, but if it does there will be a bigger deficit. Chances are that our Big Spenders will go for a 30 per cent boost.

The purpose of the higher rate is to increase pay of postal workers under their new labor contract. Employees will be given pay and benefit increases of 7.2 per cent the first year, 4.2 per cent the second year, and 6.6 per cent the third year.

In a letter to business executives, Postmaster General Benjamin Franklin Bailar says: "These increases are not excessive, but with 700,000 employees, the total cost will run to about \$2 billion." This is a sum that the original postmaster general, Benjamin Franklin, never dreamed of back in 1775.

About four years ago, Congress took the Post Office out of its traditional place as branch of government and set it up as a quasi-corporation, with a monopoly on mail handling. This was to fix things so that the postal service would pay its way.

In 1973, it came closest to breaking even. It only lost \$13 million that year. The next, the deficit climbed to \$438 million, and for fiscal 1975, the outgo exceeded income by \$850 million. For fiscal 1976, a big chunk of the \$2 billion pay and benefit increase will be added to the operating deficit.

Now, if a privately owned corporation ran on that basis, shareholders would be asking what is going on. Since the public is at least the theoretical owner of the U.S. Postal Service, it is time for the public to take another look at this business.

The Postal Service just isn't paying its way, and there is no sign that

it is going to. Management obviously is handicapped by public demands, established operational procedures, union demands, congressional committees and a slow-acting rate commission. The latter is still considering a proposal submitted to it in 1973, which may be passed over in favor of the 13 cent stamp.

Bailar explained in his letter that "beginning in September, we will expand our definition of good service beyond the concept of speed and reliability of delivery, important though these goals are." That statement takes rereading to realize that it says other things may be given more emphasis than speed and reliability.

Another program that is to be introduced after a preliminary test, Bailar says, is a "Consumer Service Card." Its purpose will be to encourage customers to express their opinions, make suggestions, or report mail problems, "with the assurance of a quick response and an effort to resolve whatever problems exist."

Bailar may get a lot of interesting comments. About the only prospect for the expected 30 per cent increase in first class postage to please patrons would be for it to result in a corresponding reduction in mail containing statements of bills due, solicitations for donations, and invitations to join organizations.

The Deering Speak