

REMARKS OF SENATOR BOB DOLE  
HALLMARK PUBLIC AFFAIRS GROUP  
HALLMARK CARD, INC.  
KANSAS CITY, MISSOURI  
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AS A NEW MEMBER OF THE SENATE POST OFFICE AND CIVIL SERVICE COMMITTEE, IT IS A PLEASURE TO BE HERE AT HALLMARK. FOR PERHAPS NO OTHER COMPNAY IN AMERICA IS LINKED WITH THE MAIL AS CLOSELY AND WIDELY. THE PRODUCTS OF MOST BUSINESSES AND INDUSTRIES, WHICH MAY RELY ON THE MAILS, QUITE EXTENSIVELY, BUT ONLY FOR DISTRIBUTION TO WHOLESALERS AND RETAILERS OR PERHAPS INCIDENTALLY SOMEWHERE ELSE ALONG THE LINE. BUT FOR HALLMARK THE MAIL IS REALLY AN **INDESPENSABLE** PART OF YOUR PRODUCT, THE BILLIONS OF CARDS, LETTERS AND GIFT MAILINGS YOU PRODUCE EACH YEAR.

THE MAIL IS TO YOU WHAT OUR HIGHWAYS ARE TO GENERAL MOTORS. AND SO THE PRICE OF POSTAGE, THE QUALITY OF SERVICE AND THE TECHNOLOGY OF MAIL HANDLING ARE ALL INTEGRAL PARTS OF YOUR BUSINESS-- IN A WAY UNMATCHED BY HARDLY ANY OTHER BUSINESS.

BEING A NEW MEMBER OF THE POST OFFICE COMMITTEE, I AM SOMEWHAT OF A STRANGER TO THE DETAILED WORKINGS OF THE POSTAL SERVICE AND ITS RANGE OF ACTIVITIES. BUT HAVING BEEN IN CONGRESS FOR NEARLY 14 YEARS, I AM FAR FROM BEING A STRANGER TO THE CONCERNS OF BUSINESSES --LARGE AND SMALL--AND OF CITIZENS--ALMOST EVERYWHERE-- OVER MAIL SERVICE IN AMERICA. IN FACT I DOUBT THAT OVER THESE YEARS ANY SINGLE SUBJECT HAS GENERATED MORE CORRESPONDENCE TO ME FROM THE PEOPLE OF KANSAS THAN PROBLEMS AND COMPLAINTS AND HEADACHES THEY HAVE WITH THE MAIL.

THESE CONCERNS LED CONGRESS FINALLY TO DISPOSE OF THE ANTIQUATED, POLITICALLY HAMSTRUNG AND INEFFICIENT POST OFFICE DEPARTMENT. AND IN 1974 WE REPLACED IT WITH THE U.S. POSTAL SERVICE, MODERN, POLITICALLY UNSCATHED AND -- ENDLESSLY FRUSTRATING. IF ANYTHING, CONVERSION TO THE POSTAL SERVICE CREATED EVEN GREATER DISCONTENT WITH THE AMERICAN PEOPLE--AS CHAOS AND NONSENSE APPEARED TO BE COUPLED WITH EVEN WORSE SERVICE AND ESCALATING COSTS.

### A TURNING POINT

THE FIRST TWO OR THREE YEARS OF REORGANIZATION WERE PRETTY ROUGH. BUT PERHAPS -- AND HOPEFULLY --WE WILL BE ABLE TO LOOK BACK ON 1973 AS THE TURNING POINT IN THE HISTORY OF THE POSTAL SERVICE. FOR I THINK THE SUCCESS ACHIEVED LAST YEAR IN IMPROVING SERVICE AND MEETING THE HOLIDAY MAIL CHALLENGE COULD PROVE TO BE AS IMPORTANT TO THE SERVICE, INTERNALLY, AS IT WAS TO THE PUBLIC AT LARGE.

THROUGHOUT THE SYSTEM THERE NOW APPEARS TO BE A MORE POSITIVE "CAN DO" ATTITUDE. FROM HEADQUARTERS IN WASHINGTON DOWN TO THE LOCAL POST OFFICE, I BELIEVE THERE IS A STRONGER, AND MORE OPTIMISTIC OUTLOOK WITHIN OUR POSTAL SYSTEM ON ITS ABILITY TO ACCOMPLISH THE GOALS OF THE 1970 ACT.

AND AMONG THE SERVICE'S PATRONS, THE MILLIONS OF BUSINESSMEN, HOME AND APARTMENT DWELLERS, CHURCHES, SCHOOLS --EVERYONE WITH AN ADDRESS OR POST OFFICE BOX--THERE IS PERHAPS, AT LAST, A GLOW OF HOPE THAT THE MAIL IS FINALLY

GOING TO GET STRAIGHTENED OUT. I KNOW HALLMARK SHARES THAT HOPE AND HAS BEEN COOPERATING WITH THE POSTAL SERVICE FROM THE BEGINNING TO MAKE THAT GOAL A REALITY.

I KNOW MY MAIL HAS REFLECTED THIS ATTITUDE. AND IN TRAVELING AROUND KANSAS, WHEN SOMEONE COMES UP TO ME WITH FIRE IN HIS EYES, IT IS MORE LIKELY TO BE A PROBLEM WITH FUEL, INFLATION OR BARBED WIRE THAT HE WANTS TO GET OFF HIS CHEST THAN A LETTER THAT TOOK FIVE DAYS TO TRAVEL ACROSS THE COUNTRY.

NO RETURN TO P.O. DEPARTMENT

AND BECAUSE OF THIS NEW ATTITUDE IN AND OUT OF THE POSTAL SERVICE, I THINK THERE IS MUCH LESS REASON TO BELIEVE THAT WE WILL SEE IT DONE AWAY WITH IN FAVOR OF A RETURN TO A POST OFFICE DEPARTMENT AGAIN. IN THE POST OFFICE COMMITTEE, SUCH TALK SENDS COLD SHIVERS UP THE SPINES OF ANYONE WHO RECALLS THE "GOOD OLD DAYS". THERE IS CERTAINLY NO SERIOUS CONSIDERATION OF SUCH A STEP, AND I THINK MANY IN CONGRESS ARE BEGINNING TO BREATHE EASIER AS OUR EFFORTS ON THE POSTAL REFORM ACT START TO BEAR FRUIT AT LAST.

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PROBLEMS REMAIN

OF COURSE, MUCH REMAINS TO BE DONE, I DO NOT THINK THINGS ARE AS BAD AS JACK ANDERSON WOULD WANT HIS READERS TO BELIEVE.

BUT THIS IS NOT TO SAY THAT MUCH MORE THAN A BEGINNING HAS BEEN MADE IN THE JOB OF SOLVING THE PROBLEMS THAT EXIST. THE QUALITY OF RURAL SERVICE IS A CONTINUING MATTER OF ATTENTION. AND COSTS REMAIN THE LARGEST SINGLE CONCERN FOR THE SERVICE AND FOR THE POSTAGE-PAYING PUBLIC. THE NEW TEN-CENT STAMP IS JUST ABOUT AS POPULAR AS FIFTY-CENT GASOLINE. BUT, CONSIDERING THE FACT THAT THE POSTAL SERVICE BUDGET CAN PROBABLY BE EXPECTED TO RISE BY NO LESS THAN TEN PERCENT A YEAR, THE COST OF POSTAGE CANNOT BE EXPECTED TO SHRINK.

WHAT CAN BE EXPECTED IS THAT THERE WILL COME A POINT WHERE THE MAINTENANCE OF ADEQUATE MAIL SERVICE WILL REQUIRE A CHOICE BETWEEN STILL HIGHER RATES OR INCREASED FINANCING FROM THE FEDERAL TREASURY.

SUBSIDY QUESTION

THIS POINTS TO SOME SORT OF HARD DECISIONS TO BE MADE IN THE SERVICE AND IN CONGRESS ON THE QUESTION OF PUBLIC SUBSIDIES. THIS WILL NOT BE AN EASY

OR A CLEAR-CUT MATTER, SO I EXPECT THAT A GOOD DEAL OF CONSIDERATION WILL BE GIVEN BEFORE ANY DECISIONS ARE MADE. ONE OF THE GREAT PROMISES OF THE NEW POSTAL SERVICE WAS ITS SUPPOSED SELF-SUFFICIENCY AND ABILITY TO BE RUN AS AN INDEPENDENT AND ECONOMICALLY VIABLE ENTERPRISE.

SINCE MANPOWER COSTS ACCOUNT FOR ABOUT 85 PERCENT OF ALL POSTAL EXPENSES, THE PRODUCTIVITY OF EVERY EMPLOYEE IN THE SYSTEM IS GOING TO BE A CRUCIAL FACTOR IN THE FUTURE OF COSTS AND QUALITY IN MAIL SERVICE. THE MECHANIZATION AND ORGANIZATION WILL OF COURSE, BE IMPORTANT TOO.

JUST HOW IMPORTANT THESE FACTORS ARE IS SHOWN BY A REPORT FROM THE GOVERNMENT ACCOUNTING OFFICE. IT ESTIMATES THAT UNDER THE PRESENT RATE STRUCTURE AND WITH LABOR COSTS RISING AT 5.5 PERCENT A YEAR, PRODUCTIVITY WOULD HAVE TO SHOW A FULL 50 PERCENT GAIN FOR THE POSTAL SERVICE TO REACH THE BREAK-EVEN POINT BY 1984.

THEREFORE, I EXPECT THAT THE CONGRESS AND OUR COMMITTEE ARE GOING TO HAVE TO FACE UP TO THE SUBSIDY QUESTION IN THE NEAR FUTURE.

BY NEAR FUTURE, I AM NOT SURE WHETHER THAT MEANS THIS YEAR. THE COMMITTEE'S AGENDA AND THE SCHEDULE FOR THE WHOLE CONGRESS IS UNCERTAIN AT THIS POINT. BUT AS THE COMMITTEE'S NEWLY RELEASED REPORT ON THE POSTAL SERVICE SHOWS, THERE IS A CLEAR RECOGNITION THAT THE QUESTION EXISTS AND THAT WE MUST COME TO GRIPS WITH.

IT WITHOUT UNDUE DELAY.

CONCLUSION

BUT LET ME SAY THAT I LOOK FORWARD TO THE COMMITTEE'S UPCOMING WORK.  
AND I ALSO LOOK FORWARD TO GREATER CONTACT WITH ALL THOSE WHO ARE VITALLY  
CONCERNED WITH THE WORK OF THE POSTAL SERVICE.

HALLMARK IS CERTAINLY A GOOD PLACE TO BEGIN, AND I APPRECIATE YOUR  
INVITATION TO BE HERE TODAY.