

SPEECH BY
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IT IS A PLEASURE TO BE ABLE TO ADDRESS A NATIONAL CONVENTION HERE IN MY HOME STATE OF KANSAS. I THINK IT IS APPROPRIATE THAT YOU HAVE COME TO THE HEART OF RURAL AMERICA--TO DISCUSS THE PROBLEMS OF RURAL MAIL DELIVERY.

FIRST, I WOULD LIKE TO COMMEND DEAN KING FOR HIS WORK WITH YOUR ASSOCIATION. I FEEL A SENSE OF PRIDE WHEN A FELLOW KANSAN IS FILLING A NATIONAL OFFICE.

WHILE IN WICHITA YOU WILL HEAR FROM DOZENS OF SPEAKERS DISCUSSING POSTAL ISSUES CONFRONTING CONGRESS AND THE NATION THIS YEAR. WHILE I INTEND TO SAY A FEW WORDS ABOUT RURAL MAIL DELIVERY, I WANT TO SPEND A FEW MINUTES DISCUSSING AN ISSUE OF IMPORTANCE TO ALL OF YOU. I AM REFERRING TO THE STATE OF OUR ECONOMY.

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1980 HAS BEEN DESCRIBED AS "THE YEAR OF THE ECONOMY." TALK OF TAX CUTS, BALANCED BUDGETS, AND INFLATION HAS DOMINATED NIGHTLY NEWSCASTS AND CONGRESSIONAL DEBATES. AS PRICES AND TAXES CAREEN OUT OF CONTROL, SO DO THE PLANS OF CONSUMERS AND TAXPAYERS. THE NUMBER ONE PRIORITY OF EVERY ELECTED OFFICIAL IN WASHINGTON SHOULD BE TO BRING REASON TO THE AMERICAN ECONOMY.

INFLATION MUST BE CURBED--BUT CAN WE DO IT.

THE SIMPLE FACT IS, THAT INFLATION MUST BE BROUGHT UNDER CONTROL. INFLATION IS STILL PUBLIC ENEMY NUMBER ONE. INFLATION IS STILL THE POISON THAT SHATTERS DREAMS AND DISRUPTS LIVES.

YOU KNOW WHAT IT MEANS TO SEE THE REAL VALUE OF YOUR PAYCHECKS SHRINK EVEN AS OUR SALARIES INCREASE. YOU ALL KNOW THE INSECURITY AND ANXIETY OF DOUBTING THAT YOUR SAVINGS AND SALARY CAN REALLY PROTECT YOU FROM THE PROVERBIAL RAINY DAY. YES, WE ALL UNDERSTAND THE MENTALITY THAT SAYS, "I HAD BETTER BUY IT NOW, BECAUSE THE PRICE WILL ONLY GO UP."

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AT TODAY'S INFLATION RATE OF AROUND 13 PERCENT, THE DOLLAR BILL YOU CARRY IN YOUR WALLET WILL BE WORTH ONLY 50 CENTS IN FIVE AND ONE-HALF YEARS. IN TEN YEARS, A \$1.80 POUND OF HAMBURGER WILL COST ALMOST \$7.00 A POUND. A \$12 PAIR OF CHILDREN'S SHOES BY 1990 WILL COST \$45. THE THOUSAND DOLLARS YOU SAVED A MERE THREE AND ONE-HALF YEARS AGO IS NOW ONLY WORTH \$700. IS IT ANY WONDER THAT AMERICANS REFUSE TO PUT THEIR PAYCHECKS IN PASSBOOKS SAVINGS ACCOUNTS PAYING 5 1/2 PERCENT INTEREST?

WHAT IS THE ANSWER? WHILE IT IS CLEAR THAT INFLATION IS THE PRIMARY CONCERN OF A LARGE MAJORITY OF OUR COUNTRYMEN, THE SOLUTION IS ELUSIVE.

DISAPPOINTMENT RUNS RIFE AS INFLATION RUNS RAMPANT

THE PRESENT ADMINISTRATION CERTAINLY HAS NOT FOUND IT. ON THE CONTRARY, THIS ADMINISTRATION HAS SHOWN FOR ALL TO SEE PRECISELY HOW NOT TO FIGHT INFLATION. THERE HAS TO BE A BETTER WAY TO COMBAT RISING PRICES THAN FORCING MORE AND MORE AMERICAN WORKERS IN UNEMPLOYMENT LINES. I AM NOT TALKING MERELY ABOUT ECONOMIC THEORY, BUT THE COLD, HARD, FACTS OF LIFE. IN HUMAN TERMS, THIS RECESSION MEANS BOARDED UP WINDOWS ON MAIN STREET AND FATHERS WHO CAN'T PAY THE FAMILY RENT. THE 8.5 PERCENT

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UNEMPLOYMENT EXPECTED BY THE END OF THIS YEAR WILL MEAN FEWER BUSINESSES TO DELIVER THE MAIL TO, AND FEWER MAILMEN NEEDED TO DO THE JOB. WE SEE IT RIGHT HERE IN KANSAS EVERY DAY AS FARMERS GO UNDER AND SMALL BUSINESSES SHUT DOWN. 5,500 KANSANS HAVE BEEN LAID-OFF BY JUST ONE AIRCRAFT MANUFACTURER. AND WITH ALL THIS HUMAN SUFFERING, THE ADMINISTRATION STILL EXPECTS INFLATION TO BE NEAR 10 PERCENT AS WE BEGIN 1981.

THERE HAS TO BE A BETTER WAY TO FIGHT INFLATION. THERE MUST BE A LESS COSTLY WAY TO REDUCE PRICES, STIMULATE PRODUCTION, AND AVOID MASSIVE UNEMPLOYMENT.

FROM COAST TO COAST AMERICANS NEED TAX RELIEF

THERE ARE NO PANACEAS, NO EASY ANSWERS. I WOULD BE DECEIVING YOU IF I INDICATED THERE WERE. BUT, THERE IS ONE STRATEGY THAT CAN GREATLY RELIEVE THE INFLATIONARY PRESSURES IN OUR ECONOMY WITHOUT BRINGING ON AN EXTENDED RECESSION AND ALL THAT COMES WITH IT. I BELIEVE THAT THE AMERICAN TAXPAYER NEEDS TAX RELIEF IN 1981. AS COLUMNIST BILL VAUGHN ONCE WROTE: "THE TAX COLLECTOR MUST LOVE POOR PEOPLE -- BECAUSE HE HAS CREATED SO MANY OF THEM." FROM COAST TO COAST THE VORACIOUS APPETITE OF THE FEDERAL GOVERNMENT IS EATING THE WAGE EARNER ALIVE. THE FIGURES BEAR THIS OUT

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1981 PROMISES TO BE A YEAR OF RECORD TAX INCREASES. EVEN IF THE 96TH CONGRESS WERE TO RECESS TOMORROW, AMERICANS WOULD PAY \$87 BILLION MORE IN TAXES NEXT YEAR THAN IN THE PREVIOUS TWELVE MONTHS. THAT AMOUNTS TO ALMOST \$350 MORE FOR EVERY MAN, WOMAN, AND CHILD IN THIS COUNTRY. SOCIAL SECURITY TAX INCREASES AND INFLATION PUSHING PEOPLE INTO HIGHER TAX BRACKETS ARE JUST TWO EXAMPLES OF THE RECORD INCREASES YOU CAN EXPECT. THIS MOUNTING BURDEN DEMANDS RELIEF. IN THE FACT OF THE EXPECTED TAX INCREASES, ANY TAX REDUCTION CAN HARDLY BE CALLED A "TAX CUT."

A WEEK AGO TODAY THE SENATE FINANCE COMMITTEE, OF WHICH I AM RANKING REPUBLICAN MEMBER, CONCLUDED SEVEN DAYS OF HEARINGS ON POSSIBLE TAX CUTS FOR 1981. THE COMMITTEE HEARD FROM 73 WITNESSES, INCLUDING SOME OF THE MOST DISTINGUISHED ANALYSTS OF OUR ECONOMY. DESPITE DISAGREEMENTS ON TIMING AND SUBSTANCE, THERE WAS A BROAD CONSENSUS THAT TAX REDUCTION IS URGENTLY NEEDED, AND THAT IT SHOULD BE STRUCTURED TO STIMULATE INVESTMENT AND PRODUCTIVITY. AS YOU KNOW, FINDING SUCH AGREEMENT AMONG ECONOMISTS IS RARE THESE DAYS.

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LAWRENCE KLEIN OF THE UNIVERSITY OF PENNSYLVANIA, ONE OF THE MOST RESPECTED ECONOMISTS IN OUR COUNTRY, GAVE PARTICULARLY ENLIGHTENING TESTIMONY. MR. KLEIN WENT TO THE TROUBLE OF ANALYZING THE EFFECT OF A NUMBER OF TAX PROPOSALS ON THE ECONOMY AS A WHOLE -- HOW A PARTICULAR TAX CUT WOULD AFFECT JOBS, PRODUCTION, AND INFLATION. HE DISCOVERED AN INTERESTING FACT. EVERY TAX CUT PROPOSAL BUT ONE WOULD REDUCE UNEMPLOYMENT, INCREASE PRODUCTION AND BUSINESS ACTIVITY, AND MOST IMPORTANTLY, REDUCE INFLATION.

THE WASHINGTON SPENDORAMA MUST END.

THE FEDERAL BUDGET MUST BE BALANCED AND MADE RESPONSIVE TO THE NEEDS OF THE AMERICAN PEOPLE. EVERYDAY WE HEAR OF ANOTHER SCANDAL OF SOME KIND - INVARIABLY INVOLVING FEDERAL DOLLARS BEING ABUSED, WASTED, OR IRRESPONSIBLY USED. IT IS PARTICULARLY DISCOURAGING THAT THE ADMINISTRATION HAS FAILED TO BALANCE THE BUDGET DESPITE INCREASING TAXES BY ALMOST \$100 BILLION THIS YEAR. IN FACT, THE TOTAL FISCAL YEAR 1980 DEFICIT WILL BE ALMOST \$77 BILLION, THE HIGHEST IN HISTORY. WE HAVE SEEN LITTLE OR NO EVIDENCE OF BELT TIGHTENINGS IN RECENT FEDERAL BUDGETS. FEDERAL SPENDING INCREASED IN THE CURRENT FISCAL YEAR BY \$79 BILLION COMPARED TO THE PREVIOUS YEAR. IT IS POSSIBLE TO ENACT A WORKABLE CONSTITUTIONAL AMENDMENT WHICH MANDATES A BALANCED BUDGET BUT STILL PERMITS SUFFICIENT FLEXIBILITY TO RESPOND TO ANY ECONOMIC OR MILITARY CRISIS.

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HOWEVER, WE MUST NOT LOSE SIGHT OF OUR PRIORITIES AS WE REDUCE TAXES AND CUT FEDERAL SPENDING. ADEQUATE MAIL SERVICE SHOULD BE ONE OF THOSE PRIORITIES. THE AVAILABILITY OF FAST AND DEPENDABLE COMMUNICATIONS IS CRITICAL TO BUSINESSES AND INDIVIDUALS THROUGHOUT RURAL AMERICA AND THE ENTIRE COUNTRY. IN MANY AREAS OF RURAL AMERICA THE RURAL CARRIER IS THE SOCIAL LIFELINE OF THE COMMUNITY.--A VITAL LINK WHICH MUST BE PRESERVED.

POSTAL SERVICE AND BUDGET RESTRAINT

TO ACHIEVE SOME SPENDING RESTRAINT, IT WILL BE NECESSARY TO CAREFULLY REEXAMINE EVERY PART OF THE FEDERAL BUDGET. POSTAL OFFICIALS HAVE ESTIMATED THAT ELIMINATING SATURDAY SERVICE WILL SAVE OUR TAXPAYERS ABOUT HALF A MILLION DOLLARS. HOWEVER, WE SHOULD NOT LOSE SIGHT OF THE FACT THAT THERE ARE OTHER FACTORS WHICH CONTRIBUTE FAR MORE TO HIGH POSTAL RATES THAN SIX-DAY DELIVERY.

MOREOVER, ELIMINATION OF SATURDAY SERVICE WOULD LEAD TO DOZENS OF PROBLEMS. SMALL BUSINESSES WOULD BE FACED WITH THE LOSS OF MAIL SERVICE FOR SEVERAL DAYS A WEEK. FRIDAY AND WEEKEND NEWSPAPERS WOULD NOT BE IN THE MAIL BOX UNTIL MONDAY IN SOME AREAS, AND WHEN LOCAL HOLIDAYS ARE SCHEDULED FOR MONDAY, THE MAIL WOULD BE DELAYED EVEN FURTHER.

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I FORESEE OURSELVES CAUGHT IN A VERY VICIOUS SPIRAL OF DECREASING SERVICES AND INCREASING PRICES, WHICH IN TURN WOULD DECREASE VOLUME. THOSE THAT WILL BE HURT MOST BY SERVICE CUTS AND INCREASED RATES ARE THOSE AMERICANS WHO RESIDE IN THE RURAL PARTS OF THIS NATION -- INDIVIDUALS WHO DO NOT HAVE READY ACCESS TO INEXPENSIVE TELECOMMUNICATION SYSTEMS OR WHO ARE NOT ABLE TO JUST WALK TO THE NEAREST NEWSSTAND TO PICK UP A MAGAZINE OR NEWSPAPER. THE POSTAL SERVICE HAS TRULY BEEN AN AGENCY THAT BINDS THIS COUNTRY TOGETHER. THE EXISTENCE OF A POST OFFICE IN A SMALL TOWN GIVES AN AREA AN IDENTITY, A FEELING OF UNITY AND A SENSE OF COMMUNITY. AND, I AM BECOMING INCREASINGLY CONCERNED THAT THE ONE AGENCY WHICH DEALS WITH MORE PEOPLE EVERY DAY THAN ANY OTHER ARM OF THE FEDERAL GOVERNMENT WILL SEE ITS ROLE SHRINK -- NOT BECAUSE OF A LACK OF NEED FOR ITS SERVICES, BUT BECAUSE MANY MISUNDERSTAND THE ROLE OF THE POSTAL SERVICE IN THE EVERYDAY LIFE OF EVERY AMERICAN.

THE ABILITY TO SEND AND RECEIVE MAIL FOR THE REASONS MENTIONED MAY BE MORE IMPORTANT IN RURAL AREAS THAN IN THE URBAN AREAS. THE MAILS ARE OFTEN THE LIFELINE OF RURAL AMERICANS. WE SHOULD NOT LIMIT THE CRITICAL ABILITY OF OUR PEOPLE TO COMMUNICATE JUST TO SAVE A FEW DOLLARS. EVERYONE SHOULD ENJOY EQUAL SERVICE REGARDLESS OF WHETHER THEY RESIDE IN A RURAL OR URBAN AREA.

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POSTAL PARITY

IF THE UNITED STATES CUTS BACK TO FIVE-DAY-A-WEEK MAIL SERVICE, WE WILL BE ONE OF THE FEW COUNTRIES THAT DOES NOT DELIVER MAIL ON THE WEEKEND. MOST OF EUROPE AND MUCH OF AFRICA AND LATIN AMERICA HAVE SIX-AND SEVEN-DAY SERVICE. THE SOVIET UNION ^{HAS} SEVEN-DAY-A-WEEK MAIL DELIVERY, AND CARRIERS SOMETIMES MAKE THE ROUNDS TWICE A DAY. IT MAY BE THAT WE ARE LOSING MORE THAN THE ARMS RACE TO THE SOVIET UNION. ONCE THE FARMERS ARE RECEIVING PARITY PRICES FOR THEIR CROPS, AND ONCE WE HAVE ACHIEVED PARITY IN MILITARY HARDWARE WITH THE SOVIET UNION, IT MIGHT BE IN ORDER TO CALL FOR "POSTAL PARITY."

AT THIS POINT, IT LOOKS AS IF SATURDAY MAIL DELIVERY IS SAFE FOR ANOTHER YEAR. WHILE NO FINAL DECISION HAS BEEN MADE, BOTH THE SENATE AND THE HOUSE HAVE REDUCED POSTAL SERVICE CUTS ENOUGH TO PRESERVE SIX-DAY

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MAIL SERVICE. I SUSPECT THAT WHEN THIS CONFUSING BUDGET PROCESS IS COMPLETE, THOSE DECISIONS WILL HOLD. HOWEVER, I MUST WARN YOU THAT THIS ISSUE WILL NOT GO AWAY. WE MUST BE PREPARED TO SHOW RESTRAINT IN THE GROWTH OF FEDERAL SPENDING, INCLUDING THE POSTAL SERVICE.

WHILE WE ARE DISCUSSING RURAL MAIL DELIVERY, I MIGHT TOUCH BRIEFLY ON ONE OR TWO OTHER ISSUES OF IMPORTANCE TO THE RURAL LETTER CARRIERS. ONCE AGAIN, WE HAVE HAD TO FIGHT ATTEMPTS TO REDUCE COST-OF-LIVING INCREASES FOR FEDERAL RETIREES TO ONCE-A-YEAR. IT WOULD BE A MISTAKE TO MOVE GOVERNMENT RETIREES BACK TO AN ANNUAL ADJUSTMENT. A CHANGE TO A ONCE-A-YEAR ADJUSTMENT WILL REDUCE THE AVERAGE RETIREE'S INCOME BY \$132 PER YEAR AND DANGEROUSLY LESSEN THE PROTECTION FOR INFLATION'S MOST VULNERABLE GROUP -- THE ELDERLY. THE SENATE, WITH MY VOTE, HAS RETAINED TWICE-A-YEAR ADJUSTMENTS TWICE IN THE PAST SEVERAL MONTHS. WE WERE SUCCESSFUL EACH TIME BY SOLID MARGINS, BUT, LIKE SATURDAY MAIL DELIVERY, THIS IS AN ISSUE THAT WILL BE WITH US FOR YEARS TO COME.

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THERE ARE OTHER POSTAL ISSUES WE COULD DISCUSS--THE IMPORTANCE OF INSURING A PRODUCTIVE FUTURE FOR THE POSTAL SERVICE BY ENABLING IT TO ADVANCE INTO THE ARENA OF ELECTRONIC MESSAGE SYSTEMS THEREBY IMPROVING PRODUCTIVITY WHILE HELPING TO HOLD DOWN COSTS; THE NECESSITY OF INSURING SAFE WORKING CONDITIONS FOR EMPLOYEES OF THE POSTAL SERVICE, THE SECOND LARGEST EMPLOYER IN THE UNITED STATES; SO AS TO MINIMIZE THE RISK OF ACCIDENTS SUCH AS THE ONE WE WITNESSED AT THE NEW YORK BULK MAIL FACILITY IN DECEMBER OF 1979 WHICH CLAIMED ONE PERSON'S LIFE. THE CRITICAL NEED FOR INCREASED HIGHWAY MAINTENANCE AND OUR NATION'S CONTINUED STRUGGLE FOR ENERGY INDEPENDENCE AND ONE OF THE MOST HIGHLY CONTROVERSIAL ISSUES -- THE IRONY OF PROPOSED RATE INCREASES COUPLED WITH PROPOSED CUTBACKS IN SERVICE.

THIS LIST COULD GO ON AND ON, FOR THIS IS AN IMPORTANT TIME FOR THE POSTAL SYSTEM. IN THE NEXT FEW YEARS, MANY IMPORTANT DECISIONS WILL BE MADE WHICH WILL SET THE COURSE FOR THE POSTAL SERVICE IN THE NEXT CENTURY. PRODUCTIVITY MUST BE INCREASED IN THE POSTAL SERVICE JUST AS PRODUCTIVITY MUST BE INCREASED IN EVERY OTHER SECTOR OF OUR ECONOMY BOTH PUBLIC AND PRIVATE. THE AMERICAN CONSUMER IS GOING TO EXPECT AND INDEED DEMAND A POSTAL SERVICE WHICH WILL CONTINUE TO PROVIDE EFFICIENT, EFFECTIVE AND AFFORDABLE DELIVERY. THERE ARE BIG QUESTION MARKS IN THE FUTURE OF THE POSTAL SERVICE AND IT IS THEREFORE VERY IMPORTANT THAT THE PEOPLE WHO

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KNOW THE POSTAL NEEDS OF OUR NATION - EVERY MAN AND WOMAN HERE TODAY -
PLAY A ROLE IN DETERMINING THAT COURSE.

I WOULD ALSO SUGGEST THAT YOU HAVE ANOTHER ROLE TO PLAY. YOU MAY HAVE
NOTICED THAT THIS IS AN ELECTION YEAR. I CERTAINLY HAVE. THOUSANDS OF
LOCAL, STATE, AND FEDERAL OFFICES ARE UP FOR GRABS. I HAPPEN TO THINK
THAT IT IS IMPORTANT FOR ALL AMERICANS TO SUPPORT THE CANDIDATE OF THEIR
CHOICE, WHATEVER HIS OR HER POLITICAL OR PHILOSOPHICAL PERSUASION. I
BELIEVE IN THIS COUNTRY'S POLITICAL SYSTEM, BUT IT WON'T WORK UNLESS
YOU GET INVOLVED.

WE ALL HAVE OUR AXES TO GRIND. THE AGENDA OF THE EIGHTIES IS IMPOSING.
WE MUST RETURN SANITY TO THE ECONOMY, BRING CONSISTENCY TO OUR FOREIGN
POLICY AND LIMIT THE ROLE OF GOVERNMENT IN OUR SOCIETY. THIS AGENDA IS
IMPORTANT, SO IMPORTANT, THAT EACH OF US, IN OUR OWN WAY, MUST PARTICI-
PATE. ONE WAY IS POLITICAL ACTION. YOU OWE IT TO YOURSELVES, YOUR
FRIENDS, AND YOUR COUNTRY.