

Why the Post Office Is Under Attack

This [1970] postal corporation bill is the “Tonkin Gulf Resolution” of domestic legislation. I know of no precedent for this bill. The Constitution provides that Congress shall establish the Post Office and Post Roads. We abdicate this constitutional responsibility when we turn the function over to a corporation.

—Sen. Ralph Yarborough (D-Tex.),
Aug. 3, 1970

Just a couple of generations ago, the United States rescued a world in chaos after years of global economic depression and two world wars. The intention of President Franklin D. Roosevelt was for the U.S. to lead the world out of colonialism, by ending the era of empire and strengthening and spreading the principles of the nation-state everywhere in the world, including to the former colonies in Africa and the Indian subcontinent. The concepts of man that grew out of the Renaissance and reached their zenith with the founding of the United States, were to be spread to all the peoples of the world. Humanity would be freed from serfdom and feudalism.

Instead, after the death of FDR, the global financier oligarchy counterattacked, launching a renewed assault on the nation-state. Structures that had been designed to keep the oligarchy in check were targeted for destruction, as were the institutions through which sovereign nations served and defended their citizenry. One such institution is the U.S. Post Office, which has been “corporatized” into a government-owned Postal Service, as a major step toward eventual privatization.

Were you to believe the news media, the U.S. Postal Service (USPS) is in a serious financial crisis, facing the prospects of raising prices, cutting back mail delivery, and closing smaller post offices. But this is an engineered crisis, a stunt calculated to create the conditions under which draconian measures can be imposed, not only on the Postal Service, but upon the entire country.

Postmaster General Patrick Donahoe (he prefers the



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Patrick Donahoe, who likes to be known as the “CEO” of the postal system, services the junk-mail clientele, ignoring the rest of us.

title of “CEO”), is in on the game, claiming—along with President Obama—that painful sacrifices are necessary due to reductions in mail volume. Mail volume has indeed decreased, from a peak 208 billion pieces in 2000 to 168 billion pieces in 2011, but the Postal Service still outsources 20% of its workload, at a cost of \$12 billion a year! The USPS still delivers nearly half the mail in the entire world, so volume is not really an issue. It delivers enormous quantities of mail, in the most affordable and efficient postal system in the industrialized world. It is five times more efficient than Germany’s Deutsche Post and twice as efficient as Japan Post. And all of that is paid for out of the fees for postage and other services, without any Federal subsidies. The USPS does its job, and does it very well. Which is precisely why it is being targeted.

Throughout its history, the Post Office has been a force which unified and developed the nation. It has not only adapted to changes in the economy, but has often acted as the catalyst promoting these changes. Through an expanding network of postal roads and post offices, it tied urban and rural areas together. During the Great Depression, the Post Office not only survived, but expanded, building over 1,100 new post offices—many on the National Registry of Historic Places, with sculptures and murals promoting democratic ideals. Just as Abraham Lincoln completed the dome of the U.S. Capitol during the Civil War as a symbol of a united country, FDR wanted every American to have faith during

the Depression that the Federal government served as a force of social stability.

The Post Office has traditionally been a great equalizer, hiring whites, blacks, immigrants, men and women. It is one of America's largest unionized workforces, providing middle-class wages, with retirement and health benefits, to allow for dignified living, even in sickness and old age. Today, its employees include 38% minorities, 39% women, 28% veterans, and 6% disabled. It has been so progressive in its hiring practices, that even in 1801, some feared that slave revolts could be triggered by having self-confident African-Americans, trusted by a government agency, carrying mail to every town in America.

Yet Postmaster General Donahoe objects to the attachment that many Americans have to their local post office or their mailman. Mentally, Donahoe has already abandoned the traditional customers, and over the recent years, only two new products have been offered to them, "stamps-by-mail" and flat-rate boxes for shipping. It is strange that self-styled "CEO" Donahoe, so obsessed with running the Postal Service as a "business," views this broad postal presence as a burden. Postal workers are in daily contact with far more Americans than Walmart, McDonald's, and Starbucks combined. Most business leaders would embrace such a wide-reaching, daily contact. If Donahoe loved his customers as much as he loves his "crisis" he could find many ways to grow the Post Office and build a better nation.

The March of the Philistines

The Postmaster General has a different agenda, or to be more precise, he is the front-man for this new agenda. Last year, he paid \$125 million to the global management consulting company Accenture, which has expertise in technology outsourcing. Mass-mailing companies receive "work-sharing discounts" for pre-sorting and barcoding their mail; however, any small savings to the Postal Service never cover the large discounts that are extended to these companies. Also invited into the postal family is Boston Consulting, well known for advising in the rape of Eastern Europe during the privatization feeding frenzy of the 1990s.

Another Donahoe favorite is Evercore, arriving fashionably late, but potentially most dangerous of all. Evercore gives advice on restructuring, but is an investment bank and may be more interested in Donahoe's recent attempts at pulling the Postal Service (and its tens of billions of dollars) out of the Federal retirement

plans and Federal health systems. (This would be devastating to these Federal programs, but Evercore could make astronomical short-term profits.)

In this era of "shareholder values," the Postal Service is controlled by "stakeholder values." The giant corporate mailers use the Postal Service and deserve a voice like anyone else, but their interests may not be the same as those of other postal customers. For the most part, the direct mailing industry does not care whether mail is delivered six days per week or only three. They don't care if your local post office is closed (they know that Donahoe will not close any of their favorite post offices). They have an army of lobbyists, and it was actually easy for FedEx-Kinkos, for example, to convince Congress to remove all copy machines from post office lobbies. The question that needs to be answered is whether the Postal Service should serve the nation or the interests of a small group Wall Street pirates and junk-mail shippers?

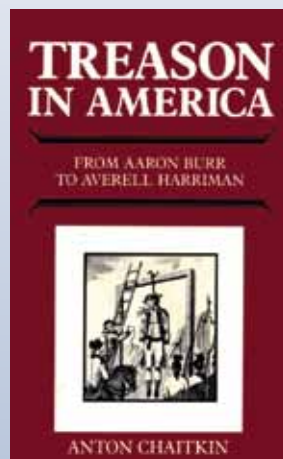
The History of Mail Service in America

Some historians have characterized Benjamin Franklin (1706-90) as the "essential founding father,"

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since he established the structures for a successful revolution and an enduring nation. In 1775, Franklin and his partner William Goddard (1740-1817) founded the “Constitutional Post”—an unusual name, since there would be no constitution for 12 years, no nation, nor even an identity of a united people. But Franklin wanted a new direction for mankind, and the “New World” was uniquely perfect for this new direction.

Empires in the Old World kept science and art exclusively for small circles of elites, while ample spectacles from gladiator fights to religious flagellations were provided to keep the serfs and peasants diverted and stupefied.

Franklin’s Constitutional Post was the first postal system designed to promote a literate, educated, thinking, and responsible citizenry. He wanted this outlook to reach every home in America, and he would seek the advice of local patriot leaders during the Revolution to guarantee that every postmaster and post rider was honest, trustworthy, and loyal to the American cause. In many ways, the achievements of America are a testament to the structures that Franklin helped put in place.

Ancient Rome had a far-reaching Imperial Post, but it was reserved by law for government officials and military orders. In the Holy Roman Empire, the mail was a family business of Venetian intelligence’s princely Thurn und Taxis clan, which read the mail as well as delivering it, to keep the oligarchy well-informed. Under the British Empire, revenues from the mail service also served as a tax stream to help defray the huge costs of its “perpetual war” strategy. (When Ben Franklin took over from the British, he lowered prices 20%, increased the speed, quality, and coverage of service, and—something the British could never do—he made a profit! Even years after America’s independence, Britain still sent its mail headed for Canada through the United States, knowing that Franklin had better infrastructure—even in Canada—than did the “mother country”).

First Domestic Letter and First Post Road

America’s first domestic letter, delivered by America’s first mailman (John Sharpe), on Jan. 22, 1673,



The Post Road linking Boston and New York City began to be constructed in 1673, when the first American mailman, John Sharpe, delivered a letter from the governor of New York to the governor of Connecticut. Sections of the road still exist.

helped to defend the colonies. America’s mail system has been vital to the nation ever since. That first letter was from New York Gov. Francis Lovelace to Connecticut Gov. John Winthrop, Jr., warning of 40 Dutch warships threatening to attack and recapture New York. (Those warships would attack the Virginia coast instead.) Sharpe’s instructions were not merely to deliver a single letter, but to survey the land, scout strategic sites, and build a “Post Road” from New York City to Boston for future trade and intelligence. The postal system was an anti-colonial project from its inception—100 years before independence!

From New York to Boston, sections of this old Post Road still exist; it is one of America’s most historic corridors. Paul Revere used it for his famous ride from Boston; George Washington used it for his victory parade in Manhattan; and during the British naval blockade of the War of 1812, it was a lifeline for the Northeast. Passenger stagecoach service was established from Boston to New York, and blacksmith shops sprang up along the route to keep the coaches rolling. (The stagecoaches depended on their contract to carry the mail, and when they lost the contract, a large section of the service was shut down.)

Carriage manufacturing grew (by 1811 New Haven, Conn. had nine factories), employing carpenters, painters, assemblers, and other trades. Railroads were built

along the road, since it was easier to obtain the legal right of way there; these railroads could more efficiently serve the passenger and freight needs of the corridor. As these railroads attracted industry, the industry attracted immigrants—creating perhaps the most diversified and advanced economy in the world. By today's standards, the Post Road may seem like a small infrastructure project, but it was this type of development that allowed the country to grow.

Some also say that the Post Road created an American culture of speed, since the first letters from New York to Boston took 14 days to arrive, but by 1824, it only took 36 hours. By 1800, there were 9,000 miles of post roads. These bustling corridors through the wilderness were in stark contrast to the British colonial plan of keeping the population concentrated in pockets, where access to the coastline was their only hope of survival. The British thought that fear might be their best ally, and promoted the idea that the wilderness was the “devil’s workshop.” In 1635, a law was passed in Massachusetts to prevent anyone from building a home more than half a mile from the town’s meetinghouse. In 1634, two New England men lost their way for six days in the wilderness and were “almost senseless” from fear, exhaustion, and lack of sleep when they returned.

Newspapers and Postmasters in 1776

America’s early newspapers were vital to the independence movement, and virtually all of the publishers were also postmasters. Everything from local gossip to international news would gravitate towards the post office, and the postmaster saw it as his civic duty to produce a newspaper. The country’s first newspaper, *The Boston News-Letter*, was published by postmaster John Campbell, who set up shop just steps from the eastern end of the Post Road. For 15 years, Campbell’s newspaper would be unrivaled in importance—until his replacement as postmaster established America’s second newspaper, *The Boston Gazette*, which was even more critical to the Patriot movement. The entire Patriot leadership used this and other papers in their call to arms, and when they could not openly call for certain actions, they used pen names. (Samuel Adams had seven pseudonyms.)

The *Gazette* would continue to be published by the next five postmasters, and it was this *Gazette* that called for the assembly of Patriots on the night of the Boston Tea Party. It was Benjamin Edes, postmaster and *Ga-*



Benjamin Franklin co-founded the “Constitutional Post,” 12 years before there was even a U.S. Constitution.

zette publisher, who led the 5,000 *Gazette*-reading Patriots to throw the British tea into Boston harbor. But before they went to the harbor, Edes first took the leaders to his newspaper office, in order to change into Indian costumes. Since 1770, the hated Loyalist Gov. Thomas Hutchinson had Benjamin Edes and his partner, John Gill, high on his “enemy list” of American rebels.

Ben Franklin worked hard to ensure that every house in every colony would be connected to the critical events of the day. Thomas Jefferson wrote that the mail was vital during this period, since the British were using rumors, falsehoods, and propaganda to undermine the American cause. Jefferson said the only trustworthy news was mail arriving from Congress or the battlefield. John Adams confirmed that Franklin’s system kept the American public well informed, writing that he once stopped at a remote tavern on a lonely road and encountered two “local yeomen” discussing how, “If the British Parliament can take away John Hancock’s wharf, why can’t they take away your barn?”

The Post Office and Mobility

The United States has been perhaps the most mobile country in the world, and much of this is due to the influence of the Post Office. Even when new modes of transportation were met with skepticism (and some-



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The first U.S. Air Mail flight takes off from Washington, D.C. on May 15, 1918. Onboard was the letter shown above (among others), bearing the stamp "Inaugural Aerial Post."

times even fear) by many in the general public, the Post Office was often the chief motivating factor promoting that technology. In 1831, trains began to carry mail for short distances, even though some, shocked by the idea of a train traveling at the fearsome speed of 15 miles per hour, accused it of being a "device of Satan to lead immortal souls to Hell." In 1896, when few Americans had even heard of an automobile, the Post Office was experimenting with various manufacturers to develop the "horseless wagon," and by 1899, the first trucks were used regularly on a route in Buffalo, N.Y. By 1914, the Post Office had so many vehicles that it was the first government agency in the world to have a "motor pool" and garage for repairs.

The Post Office may have had the greatest impact of all in aviation. Congress passed legislation in 1925 to require the Post Office to "encourage commercial aviation," but there were only three public airports in the entire country. The Post Office had to establish airports, build terminals, runways, create radio communications to direct the pilots, install safety lights and beacons, etc. Aviation throughout the world would copy the design, the procedures, and even the safety standards set by the

U.S. Post Office. Soon, when commercial airlines were established, the Post Office transferred the airports to the local municipalities and the control towers to the Department of Commerce. Charles I. Stanton, head of the Civil Aeronautics Administration (and early airmail pilot), said, "We planted four seeds . . . airways, communications, navigation aids, and multi-engined aircraft . . . They are the cornerstones on which our present worldwide transportation structure is built, and they came one by one, out of our experience in daily, uninterrupted flying of the mail."

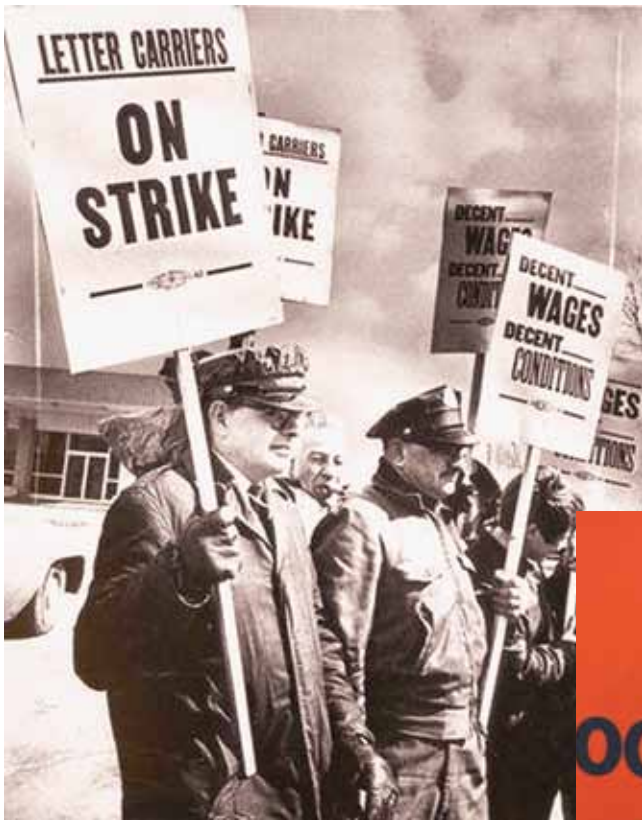
Crisis Management: Made in Britain

In 1969, Great Britain turned its Post Office from a government department with a Cabinet-level Postmaster General, into an independent corporation, now known as Royal Mail Holdings, PLC. A few weeks later, the U.S. foolishly copied the British model. The only difference was that the Americans wanted to avoid the term "Postal Corporation," so they chose "Postal Service" instead. When the United States uses American System methods, no matter what the field, it usually becomes the envy of the world; but when we abandon our own principles, we invite disaster.

This business model has been imposed on the world. British imperial foreign policy had been run by the "private" British East India Company. Emerging nations would have "experts" from the World Bank and IMF replace national goals with "accepted business practices." The Eurozone has replaced national sovereignty; private mercenary armies fight wars; the "markets" determine the value of our currencies; and insurance companies make medical policy. In America, perhaps our first step into this horror show was the passage of the 1970 "Postal Service Act."

President Nixon's Postmaster General, Winston Blount, said that his goal was to insulate his new mail "business" from any external pressure—even from the Congress or the White House. Business executives and a small army of accountants were brought in, and 8% of the workforce was purged—mostly for its lack of ideological commitment.

The Postal Service Act had a very cold reception in Congress, so Postmaster Blount bypassed Congress and ran a media campaign. The bill was not announced



Postal workers on strike in 1970, the year of passage of the 1970 "Postal Service Act," which Sen. Ralph Yarborough called the Tonkin Gulf Resolution of domestic legislation. It made the Post Office a corporation.

at a Congressional committee hearing, but at the National Press Club in Washington. After five months of mostly negative hearings on Capitol Hill, a decision was made to have six months of closed-door "executive deliberations," where a deal was struck.

The Role of Labor—and Ron Bloom

Some of the strongest voices for the nation-building outlook and against this corporatist direction of the economy were traditionally from the labor movement. AFL-CIO President George Meany (1894-1980) gave blistering testimony against the Postal Service Act. But today, postal unions have hired Ron Bloom as a consultant, precisely because he is so well versed in corporate jargon. "He talks their language," some insist. Bloom was vice president at the corporatist/fascist investment bank Lazard Frères, where he worked in mergers and acquisitions. Few would view his shift to the Post Office as a "labor-friendly" career move. He also worked for

the Steelworkers Union, but not because he was developing a plan for the United States to again lead the world in steel production, using modern technologies such as plasma steel furnaces, laser welding, or laser machine tooling. His only claim to fame was when two steel mills in the Pittsburgh area were closed and all the retirees lost their health plans, he was able to get a discount for the retirees' current prescription drugs—but no health plan. Bloom was senior advisor to Treasury Secretary Tim Geithner, on the President's Auto Industry Task Force, and currently has the title of "Senior Counselor for Manufacturing Policy" for President Obama.

Other labor leaders, such as UAW President Walter Reuther (1907-70), had advised President Franklin Roosevelt because of Reuther's in-depth knowledge of machine tools, and how to quickly reopen closed factories for the World War II mobilization.

Today, there is a world out there that is dying for American know-how and industrial potential, but Bloom's idea is not to build the world with maglev trains, NAWAPA water projects, or to put a man on Mars. Any good "organization man" never questions the trends, but learns to adapt. So Bloom helped to organize Obama's bailout for the auto industry,

whereby taxpayers paid billions to a plan in which auto companies would hire back workers at half the salary and with no benefits, but continue with Obama's free-trade agreements with auto-producer South Korea. Bloom's "industrial" policy is to establish (at taxpayers' expense) a few boutique manufacturing plants to make wind turbines, solar panels, and electric car batteries for a post-industrial utopia.

The ongoing takedown of America's Post Office is but another flank in the assault upon the United States by the British Empire and its Wall Street agents. The USPS is in trouble because it works, because it is an institution of national stability and infrastructure. We don't need our Postmaster General to be a CEO; we need him to be a patriot, to save the institution, not destroy it!



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Ron Bloom, consultant to the postal unions. Would you trust your post office to this man?