The gutting of the US Postal Service

Barry Grey
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The United States Postal Service (USPS) announced Monday that it will close more than half of its mail processing centers, eliminate 28,000 jobs and end overnight delivery of first-class mail. The plan, part of a huge cost-cutting and job-slashing program, is to take effect as early as next March, abolishing standards for timely delivery of mail that have been in effect for 40 years.

Two hundred and fifty two of the postal service's 461 processing centers will be shut, with the result that delivery of first-class mail will take two-to-three days, instead of the one-to-two days for most mail today. Periodicals will take up to nine days.

The USPS, the second biggest US employer, after Wal-Mart, is an independent agency of the federal government. It is run as a business and receives no tax dollars. Established in 1971, it is the successor to the US Postal Department, which was a cabinet level department of the US government, funded by Congress.

The transformation of the Postal Department into the USPS followed a nationwide wildcat strike by postal workers in March of 1970 that ended only when Nixon deployed thousands of US troops to man the New York City postal system. The change, directed in the first instance against the postal workers, was a major step in the direction of the privatization of the postal service. Monday's downgrading of mail delivery marks an acceleration of the process of undermining and breaking up the federal agency, long seen by corporate interests as an intolerable intrusion on their control of the market and an obstacle to increasing their profits.

The downgrading of mail delivery will, according to postal officials, save the agency $2.1 billion a year. It is only part of a broader scheme to slash 220,000 postal jobs, close 3,700 local post offices and end Saturday mail delivery. These moves will, according to postal officials, cut $20 billion from the agency's annual costs by 2015.

The USPS is also asking Congress to enable it to abrogate no-layoff clauses for career employees in union contracts, withdraw from federal health care and pension systems, halt payments into retiree health care and pension funds, and impose other concessions on its work force.

The ending of overnight first-class mail delivery will have a devastating impact on millions of Americans who rely on the mail to pay their bills and receive Social Security and other benefit checks, as well as prescription drugs, newspapers and periodicals. It will particularly affect the elderly and rural residents.

It will also impact the operations of businesses, including millions of small firms, which use the mail to send invoices and receive checks, disrupting their cash flow. There are as well many large firms, such as the DVD renter Netflix, whose business revolves around the speedy delivery of items all over the country.

The postal unions offer no serious opposition to the attacks of the USPS. They have signed one concessions contract after another and made it possible for the agency to slash its work force from 909,000 in 1999 to 612,400 today, a 29 percent reduction. This has continued under Obama, whose three years in office have seen the USPS cut costs by $12 billion and reduce its career work force by 110,000.

Postal management, backed by the Obama administration and most Democratic as well as Republican congressmen, claims that its service cuts and attacks on workers are dictated by economic necessity. They cite a sharp decline in mail volume due to the rise of the Internet and electronic communications, resulting in a $5.1 billion loss in fiscal year 2011 and a projected loss of $14 billion in the new year.

This, however, is a cynical evasion of the real issues posed by the gutting of the postal service. The claim that "there is no money" to maintain and expand the

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postal service and improve the conditions of its work force has no credibility in a country where, according to *Forbes* magazine, the 400 richest people had a combined net worth of $1.53 *trillion* this year, up 12 percent from the year before.

The social priorities of American capitalism can be seen in the fact that America's richest individual, Bill Gates, has a personal fortune ($59 billion) nearly three times the amount of cost-cutting planned by the postal service. The utterly parasitic character of the economic system is highlighted by the fact that hedge fund manager John Paulson, number 17 on the rich list, took in a personal *income* of $4.9 billion last year.

Do the powers-that-be really think the American people have forgotten about the bailout of Wall Street? Last week, *Bloomberg News* reported the results of its own investigation into the money doled out by the Federal Reserve to the banks during the credit crisis of 2008-2009. It had to conduct a lengthy legal fight to pry the relevant documents from the Fed.

Bloomberg found that as of March 2009, the Fed had committed $7.7 trillion to rescue the American financial oligarchy following the crash caused by its own money-mad and criminal operations.

The fact that in the second decade of the 21st century the United States is not able to maintain the basic level of mail delivery that prevailed in the previous century is a stunning expression of the putrefaction of American capitalism. In dismantling the postal service, the American ruling class is scrapping an institution that was established at the Second Continental Congress of 1775 under the leadership of Benjamin Franklin and enshrined in the US Constitution.

The degradation of the postal service is part and parcel of a more general decay of basic social infrastructure. The richest country in the world is one where almost routinely bridges collapse, levees break, storms or high winds plunge thousands and even millions of people into darkness. It is no accident that the US is also the most unequal country.

The domination of society by an obscenely wealthy oligarchy, which subordinates all needs to its rapacious pursuit of even greater wealth, is patently incompatible with the most basic requirements of modern, mass society. That domination, and the ever-greater concentration of wealth alongside mass social misery, demonstrates the irreconcilable opposition between social needs and a system based on private ownership of the means of production and the profit principle.

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