Written by **<u>Bob Adelmann</u>** on May 8, 2012



Senate Votes to Pump More Money into the Post Office

When the Senate <u>voted overwhelmingly</u>, 62-37, to continue funding the virtually insolvent U.S. Postal Service in April, it made clear its determination not to let reality enter into its deliberations.

Senator Joe Lieberman (I-Conn.) put it perfectly:

The Postal Service is an iconic American institution that still delivers 500 million pieces of mail a day and sustains 8 million jobs.This legislation will change the USPS so it can stay alive throughout the 21st century.



There are so many errors of fact in that statement reflecting such a lack of understanding of the reality in today's Postal Service that Lieberman should be ashamed of himself. The Postal Service used to deliver vastly more mail than it does today and is expected to deliver much less in the future. The Internet and email and social networking has decimated and largely eliminated vast swaths of what once was the service's function: delivering the mail. Lieberman failed to mention that by "sustaining" (the liberal's favorite term du jour) 8 million jobs it is reducing the private workforce by at least that many as funds are extracted from the private sector to keep the postal service alive. As for changing the USPS so it can stay alive "throughout the 21st century," the insertion of some \$11 billion allowed by the Senate might keep it going for three years before it runs out of money again.

By refusing to allow the Postmaster General, Patrick Donahoe, to make the cuts necessary to keep the service afloat, the Senate is making sure that that the service will have to come back to Congress and ask for more money. Donahoe wants to cut 252 of its 461 mail processing centers. The Senate said no: he can only cut 125 of them. Donahoe wants to eliminate 19,000 of the money-losing local post offices (out of 31,000), but the Senate said he can only close 3,700 of them. Donahoe wants to do it now. The Senate says he can't do anything until after the election. Donahoe wants to eliminate Saturday deliveries. The Senate told him no and furthermore told him not to ask them about it again for two years.

Despite faint whispers of sanity from a few members of the House, the Senate is determined to keep the postal service afloat in its present form, regardless of cost. At present the service is running in the red at the rate of \$33 million <u>every day</u> but since it's taxpayer's money, the Senate doesn't care. <u>Said House</u> <u>Representative Dennis Ross (R-Fla.)</u>

If the post office was a business, it would be in bankruptcy. It's insolvent.

Over the last six years, the Post Service lost 25 percent of their revenues. We as a Congress have to look at the fact that the post office is not in the 21st century. It's still 50 years behind and we have to bring it up, modernize it and allow it to take advantage of market trends.

And that is the mantra from Washington, even from "conservatives" like Ross: "We can fix this. We can make this work. Trust us. We know how."

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No, they don't. The Postmaster General has a good handle on the problems facing his company and has studied successes in the delivery service business, such as UPS and FedEx. He knows how Wal-Mart works, and has offered an extensive agenda of "fixes" to bring costs into line with declining revenues.

In an interview with the Heritage Foundation <u>last October</u> Rep. Darrell Issa (R-Calif.) claimed that if these measures were instituted, the post office might actually be able to turn a profit of \$2 to \$3 billion a year, instead of losing \$10 to \$15 billion. But even a staunch conservative like Issa has little interest in considering that the only way to "save" the post office and make it viable is to sell it, lock, stock and barrel. The problem isn't with the post office. The problem is with Congress. Neither the Senate nor the House has any interest in doing anything more than continuing to pump taxpayer money into it. As Gary North noted in a recent members'-only newsletter (<u>delivered electronically</u>):

Congress will vote to keep spending, despite the fact that even the agency that is doing the spending [the Postal Service] recognizes that there must be budget cuts.

How much support for budget cuts in any other federal agency can we expect in the future? When senior managers are willing to admit that their organizations are out-of-control fiscally, and they try to do something about it, the United States Senate decides by an overwhelming majority to tell those senior managers to stop the budget cuts, and, by the way, here is a pile of money, so that you will not have to make any more of these cuts...

Congress has no intention of cutting anybody's budget.



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