

CIA (D)

SFChronicle

JAN 9 1975

Postal Service Chief Quits

From Page 1

Washington

Elmer T. Klassen, who has headed the \$12 billion-a-year United States Postal Service since 1971, announced yesterday that he will step down as postmaster general when his present contract expires February 15.

The board of governors of the postal service, reorganized in 1970 as a semi-independent agency, immediately named Benjamin F. Bailar, 40, the deputy postmaster general, to succeed Klassen in the \$60,000-a-year job as of February 15. No congressional confirmation is required.

It appeared that the departure of the 66-year-old Klassen would not stop congressional criticism of the vast postal service.

A congressional aide familiar with the postal operation described Bailar as "impressive and articulate" but said he would be taking on "an awful job — the postal service is troubled financially, organizationally and conceptually."

Bailar, a former vice president of the American Can Co., joined the postal service in 1972. He became deputy postmaster general

Back Page Col. 3

last December 3.

Klassen, a former president of the American Can Co., was the first postmaster general not appointed by a President. He became deputy postmaster general in 1969 and succeeded Winton M. Blount, who was appointed postmaster general by former President Nixon and who became the first chief of the postal service after the operation was reorganized and the job was removed as a cabinet post.

Klassen, who said he would return to private life, said in a statement, "My only reservation in stepping aside is that it may appear I am yielding the battle to the critics of the postal service. Nothing could be less justified."

He added: "The postal service still has problems but their solutions are evident and the ultimate goals set for the postal service in the reorganization act can in time be achieved."

The postal service has been sharply criticized by members of Congress and others for inefficiency and higher postal rates. Klassen has been criticized by Jack Anderson, the syndicated columnist, over contracts awarded by the postal service.

W. A. Wright, chairman of the board of governors of the postal service, said Klassen's resignation had been accepted "with regret."

New York Times

(Not in file)

[Dr. Melvin Crain]

See also NYT 8 Jan 75 - Man/Who Says He Once Served C.I.A. Asserts Post Office Helped Agency Open Mail (by Everett R. Holles)

SFC 13Jan 75 - FBI Was Closing In on Klassen (by Jack Anderson)



ELMER KLASSEN
Contract expiring



BENJAMIN BAILAR
Deputy who'll take over