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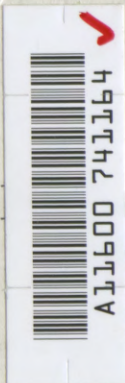
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LONGEVITY STEP INCREASES FOR POSTAL EMPLOYEES

GOVERNMENT

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HEARINGS

BEFORE THE

COMMITTEE ON

OFFICE AND CIVIL SERVICE

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS

FIRST SESSION

ON

H.R. 6092, S. 1459, and similar bills

BILLS TO AMEND THE PROVISIONS OF LAW RELATING

TO LONGEVITY STEP INCREASES FOR POSTAL

EMPLOYEES

AUGUST 31 AND SEPTEMBER 5, 1961

Printed for the use of the
Committee on Post Office and Civil Service



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1961

AUTHENTICATED
U.S. GOVERNMENT
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LONGEVITY STEP INCREASES FOR POSTAL EMPLOYEES

THURSDAY, AUGUST 31, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE
COMMITTEE ON POST OFFICE AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to call, at 11:25 a.m., in room 215, House Office Building, Hon. Kathryn E. Granahan (subcommittee chairman) presiding.

Mrs. GRANAHAN. The subcommittee will please come to order.

The Committee on Post Office and Civil Service has delegated to this subcommittee the following bills: H.R. 6092, by Mr. Morrison; H.R. 6502, by Mr. Halpern; H.R. 8473, by Mr. Fulton; H.R. 8758, by Mr. Lesinski; H.R. 8959, by Mr. Perkins; and S. 1459.

(The bills H.R. 6092 and S. 1459 follow:)

[H.R. 6092, 87th Cong., 1st sess.]

A BILL To amend the provisions of law relating to longevity step increases for postal employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (a) and (b) of section 3558 of title 39 of the United States Code are amended to read as follows:

"(a) There are established for each employee longevity steps A, B, and C. For each longevity step to which he is entitled each employee shall receive an amount equal to one step increase for his position.

"(b) Each employee shall be assigned to—

"(1) longevity step A at the beginning of the pay period following the completion of ten years of service;

"(2) longevity step B at the beginning of the pay period following the completion of thirteen years of service; and

"(3) longevity step C at the beginning of the pay period following the completion of sixteen years of service."

SEC. 2. No increase in compensation shall result from the amendment made by this Act prior to the first day of the first pay period following the date of its enactment.

[S. 1459, 87th Cong., 1st sess.]

AN ACT To amend the provisions of law relating to longevity step increases for postal employees

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (a) and (b) of section 3558 of title 39 of the United States Code are amended to read as follows:

"(a) There are established for each employee longevity steps A, B, and C. For each longevity step to which he is entitled—

"(1) each employee, other than a postmaster at a post office of the fourth class or a rural carrier, shall receive an amount equal to one step increase for his position,

"(2) each rural carrier shall receive an amount equal to one step increase for salary level PFS-4, and

"(3) each postmaster at a post office of the fourth class shall receive an amount equal to one step increase for salary level PFS-1 or to 6 per centum of his basic salary, whichever is the lesser.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one-half cent shall be rounded to the next highest dollar or cent, respectively.

"(b) Each employee shall be assigned to—

"(1) longevity step A at the beginning of the pay period following the completion of ten years of service; and

"(2) longevity step B at the beginning of the pay period following the completion of thirteen years of service; and

"(3) longevity step C at the beginning of the pay period following the completion of sixteen years of service."

SEC. 2. No increase in compensation shall result from the amendment made by this Act prior to the first day of the first pay period following the date of its enactment.

Passed the Senate July 17, 1961.

Attest:

FELTON M. JOHNSTON, *Secretary.*

Mrs. GRANAHAN. Our first witness will be Mr. Jerome Keating, vice president, National Association of Letter Carriers.

STATEMENT OF JEROME KEATING, VICE PRESIDENT, NATIONAL ASSOCIATION OF LETTER CARRIERS

Mr. KEATING. Madam Chairman, I have been authorized to represent a number of organizations, including the Government Employees' Council which is a council representing between 500,000 and 600,000 employees in Government and 23 separate unions; the United Federation of Postal Clerks, and John O' Connor, the legislative representative, is at my side.

The United Federation of Postal Clerks now includes the former UNAPOC organization and the Postal Transport Union. Mr. Nagle is here in the committee room, a former president of the Postal Transport. The Mail Handlers, Harold McAvoy, is present here today. The Motor Vehicle Employees, Mr. Gibson, was here earlier. He has left, however. The Custodial Employees, who are not affiliated with the council, but Ross Messer is the legislative representative. I speak in their behalf. George Warfel, the president of the Special Delivery Messengers, was here earlier too, I believe.

We are all in absolute agreement on this legislation. The bill is a very important bill. The Senate bill is the bill that does the things that have to be done a little bit better than the other bills.

The Senate bill you will note, is a little longer and the principal amendment to the Senate bill which is not contained in either the Lesinki bill, the Morrison bill, or the other bills that have been introduced, is the provision for rural carriers.

The reason for that amendment is this. The rural carriers have a little larger starting pay than other employees in level 4. Their pay is composed of two elements. It is composed of a base pay, plus so much per mile. Their starting level is a little bit higher and their steps are smaller. When they reach the top grade figuring on an average of a 45-mile route, their pay is exactly the same as in level 4. But because of the fact that the step increases are a little smaller, the bill was amended so that their longevity increase provided for in H.R. 1459 is exactly the same as in level 4. The bill is very simple.

Mr. DULSKI. It is my understanding we are considering H.R. 6092 but Mr. Lesinski's bill was substituted also.

Mr. KEATING. Congressman Morrison and Congressman Halpern have bills and the Lesinski bill is essentially the same.

Mr. DULSKI. As S. 1459?

Mr. KEATING. S. 1459 has this rural amendment which is not in any of the other bills. We recommend the passage of S. 1459 exactly as it is written.

The bill does two things actually. It corrects a longtime injustice. The first longevity pay increase was provided for in Public Law 134 that was passed in 1945. Under the provisions of that act the longevity increase was given only to employees in first-class post offices and not to all employees in first-class post offices. For example, it did not include supervisors. But at that time it was what was known as a meritorious increase and required 3 years in top grade.

In 1949 the bill, as passed, didn't give credit for past service so none of the employees received longevity or meritorious increases at that time, even though legislation was passed.

In 1949 a bill was passed that gave credit for past service. And following that there were two bills passed that year having to do with postal longevity. The first bill merely gave credit for past service—I think that was bill 428—and then Congress passed 530 later on, which extended the longevity to employees in all classes of post offices. When the bill was amended it set up the longevity provision. The longevity provision which affects all postal employees now provides for longevity increases at the end of 13, 18, and 25 years. At the same time—1949—the Federal employees didn't have any longevity provisions so a bill was passed providing longevity for Federal employees.

The essential thing, I think, is that in 1945 and again in 1949 when the step increase for postal employees in level 4 was \$100, longevity was set at \$100. When the longevity bill for the classified employees was passed—and that was the last one taken up; the last one passed—instead of \$100, it provided for an amount equal to their step increase.

The step increase in grade 5 in the classified service at that time was \$105 so those in grade received the same at that level and they received more at higher levels. They received \$5 more than the postal employees. In our opinion Congress went along with the same principle that was established. I think Congress wanted the longevity step to be the same as the step increase in the automatic pay grades but instead of defining it that way they put it down as X number of dollars.

During that time the pay schedules have changed, the cost of living has gone up, taxes have increased tremendously, and the situation has developed where a letter carrier or a clerk in level 4 who goes from the second longevity step after 18 years of service into the third longevity step which he qualifies for after 25 years service, he gets a take-home pay increase of \$3.60 a month. That is a man with three dependents. He gets \$1.80 a payday. Longevity is supposed to be a reward for faithful service. It is supposed to be an incentive and certainly \$1.80 a pay period, 90 cents a week, isn't a very great incentive.

We think that this bill which would place it upon the same automatic step increase as the classified employees receive is a very just bill.

To illustrate, in level 4 of the postal service, the step increase is now \$160. The beginning salary at level 4 in the postal field service schedule is \$4,345 a year. The starting pay in grade 5 of the classification service is exactly the same dollar amount. We receive increases of \$160 a year in the automatic pay grades. In grade 5 of the Classification Act they receive \$165. Of course their top salary is considerably more than our top salary. They have more steps involved. They go up to \$5,830. We go up to \$5,305. Essentially then, their longevity steps are \$165 and the comparative grade in postal service is only \$100.

What we are asking here is equality and equalization in the matter of longevity step increases.

Now there is another problem that is also involved in another part of the bill that is very important and that is this bill provides that the longevity increases shall be given after 10, 13, and 16 years.

Mr. CUNNINGHAM. Those are two separate items: One to make the longevity increases which you just mentioned—

Mr. KEATING. The same as the step increase and the other—

Mr. CUNNINGHAM. Make the increase the same as the step and also shorten the number of years.

Mr. KEATING. From 13, 18, and 25, to 10, 13, and 16.

Mr. CUNNINGHAM. Is that about what the classified workers are getting?

Mr. KEATING. There is a little difference there. I want to explain that and give you the pros and cons of exactly how it operates.

We would provide 10, 13, and 16 for postal employees. With classified employees their longevity is on a different basis in that regard. They receive it after 3 years in the top pay step in a given grade. They receive the second step after another 3 years and a third step after a third 3 years.

If they enter the service and they stay in the same grade all the way through, they will get their longevity after 10, 13, and 16 years of service.

The argument has been made that if they move into a new grade, that they don't get their longevity. However, there is a grave difference between the two services that I think I should point out. There is a recent study that has been put out by the Civil Service Commission that came out within the last month. In this study they gave the average and median pay of the four different classes of Government employees in the United States. In the Classification Act the average is \$5,697. Wage board's \$5,386. Postal, \$4,853, and other pay systems, and some who have their salaries set by administrative decisions, the average is \$6,617. That is in the United States.

Now the median for the Classification Act is \$4,940. Wage board is \$5,387. Postal is \$4,875, and the other systems and the administrative group is \$5,430.

So you see the postal employees are at the lower end of the scale in pay but there is another factor that I think is probably even more important when you come to consider the longevity pay, and that is when a postal employee enters a given level, the odds vary greatly, 10 or 12 or 15 to 1 that he is going to stay in that level until he retires. The reason for that is the fact that out of 505,237—and you will find this chart on page 16 of the Senate hearings—out of 505,237 in-

cluding the hourly rate employees, and the substitutes, 524,983 are in level 4 or below. In other words, the postal employees are in the lower pay levels. The vast bulk of them.

On the other hand—and you can find this on page 9 in the statement submitted by the Post Office Department—in the Classification Act, out of 982,101 employees, 593,000 are above grade 5.

To explain the operation, when a man becomes a clerk or a carrier he stays in level 4. He is not going to get out of level 4. All that he has to look forward to after he reaches the top automatic pay is this longevity pay and then retirement. There is a very small percentage—

Mr. WALLHAUSER. Madam Chairman, may I interrupt at this point.

I think you are making a very telling argument here. I have read that 65 percent of all postal employees remain in level 4 during their entire career. If you took everything, including level 4 and below, it would run as high as 75 percent.

Mr. KEATING. That is right.

Mr. WALLHAUSER. Actually the only promotion a postal worker can look forward to, is to become a supervisor.

Mr. KEATING. That is right. And the percentage is small. You can see by the large percentage of employees that are in the operational groups that the supervisory percentage is very small.

Mr. WALLHAUSER. So after he reaches his top pay in his level then the only other emolument that he has to look forward to is longevity?

Mr. KEATING. Longevity; that is right.

And certainly it isn't much of an incentive to work 13 years and get a 90-cent a week increase, and work another 5 years and get another 90 cents, and work another 7 years and get another 90 cents. We think we have to modernize that step and give the employees the step increase.

Mr. WALLHAUSER. Would you say the inequity in this longevity step increase, or this longevity increase I should say, has been somewhat of a deterrent to employment of postal workers? Has this become pretty well known throughout the Department?

Mr. KEATING. I would say this: I think one of the reasons for longevity is reward for faithful service and also to develop a favorable morale factor. I don't think that at the present time it does that. I think probably the reaction may be exactly the opposite. When the man gets his check he doesn't hardly notice he has passed that level. With the \$100 in the old days—and of course they kept more of it then because the taxes were less and the deductions were less—

Mr. WALLHAUSER. I should think the older employees who are dissatisfied with this longevity pay increase might by word of mouth discourage other folks from coming in.

Mr. KEATING. I think that that is very true.

Mr. WALLHAUSER. Would that be possible?

Mr. KEATING. That definitely would happen.

Mr. WALLHAUSER. Thank you.

Mrs. GRANAHAN. Mr. Keating, this would be comparable to the increment that State employees receive, would it not, in longevity?

Mr. KEATING. Yes. Of course as conditions change, if the step changes—I think it is good administration to pass this bill too—and it is too bad it wasn't put on that basis in the first place. Because automatic adjustments would have been made every time there is a

pay adjustment. Now that hasn't been done and what this does, I think it goes back and corrects what was a mistake perhaps in Public Law 134.

Now at that time in 1945 and even in 1949 there wasn't anybody alive who could foretell what was going to happen in this world of ours. They had the idea at that time that they were going to level out and get to the actual point where things were going to come down so the \$100 looked like a good proposition then and I am not criticizing it. But in the light of what happened and in the light of what is apt to come from what we can see today it certainly isn't a good policy to continue and I think this bill certainly ought to be reported out.

Mrs. GRANAHAH. I agree with you thoroughly. I do not think we can think of retrogressing, we must progress.

Mr. DULSKI. In reading the report of the Senate hearing, I would like the record to show I think Senator Monroney has made a good statement which I have taken out of context but I have referred to some of the words. It is on page 15 he says:

I would like to say that it seems to me that while we have been increasing salaries for all Government workers it has been the submerged situation of these employees that we are dealing with here which has always been the cutting edge of the argument for the increases. I mean each year when the pay bill comes up it has generally been the letter carrier and the clerk rate that have influenced the whole general upward movement.

I think he has made a good statement there and I concur with him wholeheartedly.

Mr. KEATING. He did a splendid job on the floor, too.

Incidentally, just to make this a matter of record, there was a substantial amount of debate on this bill when it was on the floor and all of the statements were favorable to it in the Senate and there were some very fine statements made in support of this legislation.

There was a fairly substantial amount of debate on this bill. It corrects an inequity and we sincerely hope you will be able to report it out exactly as passed by the Senate.

I might also point out that we are up against this situation: The Congress is moving toward adjournment. I know that you are all hoping that that will happen soon and if the bill is exactly the same as reported out by the Senate and can be acted upon by this committee, the chance of final enactment this year would be much improved.

Mr. CUNNINGHAM. That is staying in line with the usual situation when it comes to the postal employees. We wait until the last minute.

Mr. KEATING. We sat in the gallery one morning until 3 o'clock and many times our bills have been the last ones acted upon in the Congress.

Mr. CUNNINGHAM. That is my point. Something happens which seems to postpone your legislation until the small hours of the morning about the day of adjournment.

Mr. KEATING. We are used to twilight.

Mr. WALLHAUSER. Perhaps the Department would be in a better position to answer this, but would you have any idea as to how many employees would be affected by this longevity change?

Mr. KEATING. I think they have a statement in the record.

Mr. WALLHAUSER. I have seen an estimate.

Mr. KEATING. There are three estimates of cost.

Mr. WALLHAUSER. One of them I believe by your organization is \$30 million.

Mr. KEATING. Yes, \$30 million.

Mr. WALLHAUSER. The other is 50-some-odd million dollars.

Mr. KEATING. I think \$55 million, and I think the committee came up with \$45 million. So there are three estimates of cost.

The committee costs may be fairly accurate. They figure it would be around \$40 or \$45 million.

Mr. WALLHAUSER. Were not your figures fairly well estimated, with that \$30 million?

Mr. KEATING. I think they were. Well, here you have the figures. There are 162,749 employees presently in longevity grades.

Mr. WALLHAUSER. That is the figure I wanted to get into the record.

Mr. KEATING. There would be more added. Those between 10 and 13 years would be added. In level 7 you have 228,000 employees and the total that Mr. Murphy has is—well, that is the figure I just read, 253,000.

No, this is the total for everybody. The longevity. That is the total for everybody. There are 228,480 in level 7. Some of them will move up to longevity. Probably it will affect roughly around 200,000 employees or a little better.

Mr. WALLHAUSER. But you do make the statement, do you not, that your cost estimates were based on some reasonable figure?

Mr. KEATING. Yes, we use reasonable criteria. We used the best figure we had. There is an area in here where there can be wide disagreement unless you break the figures down finer than they are now. You would have to break down level 7 to get an exact cost and I think when we get in that area, we all guessed and everybody guessed a little bit different.

Mr. WALLHAUSER. Thank you.

Mr. KEATING. You are pretty sure on what is in the longevity but when you get into level 7 then you are estimated.

In statistics it depends on what norm you use, what the figures you come up with will be.

Mrs. GRANAHAH. Mr. Keating, we have just received a report from the Department which we have been after.

Now what was your figure on the cost?

Mr. KEATING. \$30 million.

Mrs. GRANAHAH. They say \$60 million.

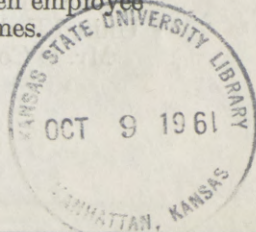
Mr. KEATING. How much?

Mrs. GRANAHAH. \$60 million.

Mr. KEATING. Well, they have gone up a little bit since the last time. I think it was \$59 million or \$55 million.

Mr. CUNNINGHAM. In the Senate they mentioned a figure. One of the Senators asked that their estimate of cost be justified and they sent up evidently a supplemental statement. I think their study was \$59 million.

Mr. KEATING. I think that figure is high. I remember a long time ago when John Lyle was on this committee, that was a long time ago, he said he noticed when the agencies or departments came up, if they were for a bill the cost was low but if they were against it the cost was high. I think that usually prevails and perhaps when employee groups come up maybe their figure is a little low sometimes.



Mrs. GRANAHAH. Probably, do you think, Mr. Keating, on account of the rural carriers being included, that might change the cost?

Mr. KEATING. I don't think it would change it too much. You see, the difference was only a few dollars a step.

Mr. ADDABBO. Mr. Keating, in this letter we just received from the Postmaster General today, would you care to comment on his statement, "The total effect of the present longevity provision is to give postal employees several distinct advantages over Classification Act employees, to increase the amounts of these payments and further reduce these servicetime requirements for postal employees would magnify these advantages without justification"?

Mr. KEATING. We discussed that a little bit when we compared the situation between classified employees and the postal employees. If you start in grade 4 you get an ingrade increase. You go to 5, you go to 6, and they are moved out when their job descriptions are changed. Sometimes the changes are made without a change in their actual duties. But a postal employee cannot do that. He stays where he is. We feel that the postal employee is discriminated against in this respect. I think they are discriminated against in pay, as the mean average points out, and they are discriminated against in their ability to move ahead.

Now certainly in the same level, the levels that are considered equal to each other—level 4 in the postal field schedule, and grade 5 in the classified schedule, even with the passage of this bill there is a \$5 advantage in favor of the classified employee, in the longevity step.

Mr. ADDABBO. In other words there is greater chance of advancement for employees under the Classification Act than there is in the postal service?

Mr. KEATING. That is right.

Another thing I think I ought to point out too—even if they used exactly the same terms that there are in the classified bill—in other words if you stayed in grade and you serve 3 years, the majority of our fellows would get their longevity at 10, 13, and 16, because they stay in that level. They do not go anyplace else. So the great majority of them would get that increase even if the wording of the language of the bill is exactly the same as the Classification Act. And the reason that the classification people don't get it more is because they do move up in these grades.

Mr. ADDABBO. Thank you, Madam Chairman.

Mr. OLSEN. I wondered if the witness had commented on the median averages comparing classified and postal?

Mr. KEATING. Yes, we put that in the record. The average of the Classification Act is \$5,697; wage board, \$5,386; postal, \$4,853; and the other acts and administrative positions, \$6,617. This is from the Civil Service report. The median in the Classification Act is \$4,940; \$5,387 is wage board; \$4,875 is postal; and the other pay acts and administrative duties, \$5,430. Postal is way low in the median and still lower when you come to the average.

Mrs. GRANAHAH. Thank you, Mr. Keating.

Our next witness is Mr. John F. O'Connor, legislative director, United Federation of Postal Clerks.

Mr. O'CONNOR.

**STATEMENT OF JOHN F. O'CONNOR, LEGISLATIVE DIRECTOR,
UNITED FEDERATION OF POSTAL CLERKS**

Mr. O'CONNOR. I have no desire to go into any further detail. I concur in all of the statements Mr. Keating has made here. I believe he has presented a very good argument in behalf of the passage of this legislation. I appreciate the committee meeting and giving us an opportunity to present our case. I certainly hope, without question, that you will report the bill.

I would like, if possible, to present a statement for the record. That is all I have to say.

Mrs. GRANAHAH. Without objection, the statement will be inserted in the record.

(The statement follows:)

**STATEMENT OF JOHN F. O'CONNOR, LEGISLATIVE DIRECTOR, UNITED FEDERATION OF
POSTAL CLERKS**

Madam Chairman and members of the committee, my name is John F. O'Connor and I am legislative director of the United Federation of Postal Clerks. This is the new title of our organization that came about as a result of merger agreements between the former National Federation of Post Office Clerks, the former United National Association of Post Office Craftsmen and the former National Postal Transport Association. As a result of these agreements we are now merged as one organization.

May I express our thanks to the committee on scheduling hearings on H.R. 6092 and S. 1459. The members of our organization deeply appreciate the actions of members of the committee and all other Members of Congress who have introduced similar legislation.

These bills recognize the present inequity existing in connection with longevity pay for postal employees and are an effort to correct this inequity. Post office clerks, whom I represent, following their entrance into the postal service, receive an in-grade increase in salary each year after satisfactory performance until such time as they reach the top of their salary level. Following this, and under the present law, they receive a longevity increase of \$100 at the end of 13, 18, and 25 years of service. This longevity increase is also given on the basis of satisfactory and meritorious service. However, this \$100 increase in the longevity grades for postal employees is a much lesser amount than that received under the in-step salary increases in cases of Federal employees outside of the postal service and was set many years ago.

In the case of Federal employees outside of the postal service, they proceed in the same manner as postal employees following their entrance into the service as to salary increases. But, in the instance of longevity increases they continue to get the amount of the in-step increase and in a shorter period of time, or after 10, 13, and 16 years of service.

H.R. 6092 and S. 1459 will correct this inequity existing between employees of the same Government, inasmuch as it would adjust the longevity requirements for both salary and years for postal employees and make them equal to that of other Federal employees.

Longevity increases have long been recognized, both in the postal and Federal service, as well as outside industry, as a reward for merit performance on the part of the employee. They are a recognition of experience and know-how and an incentive for employees to do their best on the job.

Longevity increases, or for that matter all salary increases, are not automatic increases but are given only on the basis of merit, performance, and faithful service.

It is agreed that an increase such as provided in H.R. 6092 and S. 1459 will cost money, but we have every right to believe that this will be returned to the Government in increased morale and productivity on the part of postal employees. Frankly, it has a demoralizing effect on an employee to reach a dead end street. This can be particularly true in the postal service where most employees cannot look forward to a supervisory or other promotion. Promotions are not available for more than one-eighth of the total group of postal employees.

The only reason longevity grades exist is to reward long efficient service. It is too much to ask a man to stay on the same job for years, as do most postal employees, without an increase in salary as a recognition of his faithful efforts in behalf of his Government.

The longevity grades as presently in the Postal Pay Act are antiquated and as such should be corrected. The time left in this session is short and we, therefore, urge that the committee do report S. 1459 or H.R. 6092 amended to read as S. 1459. We believe it is reasonable and are certain that it is in the best interest of the Government and the employees.

We appreciate the opportunity of presenting our viewpoint and thank the members of the committee for their consideration.

Mrs. GRANAHAH. The next witness is Mr. David Silvergleid, secretary-treasurer, National Postal Union.

Mr. Silvergleid.

**STATEMENT OF DAVID SILVERGLEID, SECRETARY-TREASURER,
NATIONAL POSTAL UNION**

Mr. SILVERGLEID. The reason I wanted to make this statement, Madam Chairman, is that while we recognize that time is short during this session and perhaps it might be more opportune to permit an identical bill to come out of the House if at all possible so that it could be enacted during this session, nevertheless the union I represent has gone on record for an entirely different approach to this problem. As a matter of fact, Madam Chairman, we have endorsed the principles as set forth in your bill and in a similar bill introduced by Congressman Joseph E. Karth, of Minnesota.

We believe that longevity payments, so-called, are not pay increases. As a matter of fact at the Senate hearing the Post Office Department representative tried to paint them under those colors and we objected to that most strenuously.

We believe, as I think the bill intends they be, that they are rewards for long periods of faithful service.

On that approach and on that basis, we maintain there should be no distinction in the amounts of reward given the lower paid and the higher paid employees. We have endorsed the principles of the bill espoused by you, Madam Chairman, whereby there would be four longevity grades at \$200 each for all employees in the postal service.

With regard to the fourth grade, we do not believe that after a man has put in 16 years of service, from that point on he should become completely stultified insofar as longevity rewards are concerned. We believe he should have something else to look forward to in the form of a fourth longevity increase.

We are asking the subcommittee at this time to think about it. To give some consideration to that approach in their discussions and considerations.

We certainly appreciate the fact that the subcommittee even under these unusual circumstances has gotten together and is attempting to get a bill out and we certainly thank you for it.

Mrs. GRANAHAH. Thank you very much.

The next witness is Mr. George D. Riley, legislative representative, AFL-CIO.

**STATEMENT OF GEORGE D. RILEY, LEGISLATIVE REPRESENTATIVE,
AFL-CIO**

Mr. RILEY. Madam Chairman, may I add the endorsement and full underscoring of the AFL-CIO of the remarks made by the affiliated representatives at the table today.

Mrs. GRANAHAH. Thank you.

The next witness is Mr. John W. Emeigh, secretary, National Rural Letter Carriers' Association.

**STATEMENT OF JOHN W. EMEIGH, SECRETARY, NATIONAL RURAL
LETTER CARRIERS' ASSOCIATION**

Mr. EMEIGH. We have a very short statement favoring approval of S. 1459. Our recent national convention in Atlanta, Ga., unanimously passed a resolution requesting this action and I would like to submit the brief testimony of President Martin supporting approval of that legislation.

Mrs. GRANAHAH. The statement will be received for the record.
(The statement referred to follows:)

**STATEMENT OF TOMMY M. MARTIN, PRESIDENT, NATIONAL RURAL LETTER CARRIERS'
ASSOCIATION**

Madam Chairman and members of the subcommittee, my name is Tommy M. Martin. I am president of the National Rural Letter Carriers' Association, an organization comprised of 38,420 regular, temporary, substitute, and retired rural letter carriers.

We are pleased to have this opportunity to appear before this committee and to express the views of this association on the legislation under consideration. This organization very strongly supports action to improve the provisions of present law relating to longevity step increases for postal employees. The present longevity grades A, B, and C, earned after completing 13, 18, and 25 years of postal service, respectively, and which add \$100 for each such grade to the basic compensation of the employee, became effective November 1, 1949—almost 12 years ago—and there has been no change since that date. The \$100 set as the monetary payment for each such longevity grade in 1949 has become a rather meager award for the service qualifications required in order to attain those grades. The present provisions deserve to be up-dated and improved in order that they will constitute a more adequate recognition of the years of postal service which they represent.

We wish to express our appreciation to Representatives James H. Morrison, John Lesinski, Kathryn Granahan, Joseph P. Addabbo, and other Members of the House who have introduced bills to provide for improvement in the longevity grade provisions of law. We also wish to express our thanks to you, Madam Chairman, and to the committee for scheduling and holding hearings on this legislation.

The bill under consideration, S. 1459, was amended by the Senate Post Office and Civil Service Committee to provide that rural carriers would receive longevity amounts equal to the amounts payable to employees in PFS, level 4—the level in which most city clerks and carriers are classified. This corrected what would otherwise have been an inequity for the rural letter carriers.

Our national convention, just concluded August 18 in Atlanta, Ga., gave its endorsement to S. 1459 as passed by the Senate and directed full support of this association toward enactment. Speaking for the Nation's rural carriers, we urge this committee to favorably consider this legislation and trust that it may be promptly reported to the House for action.

Mrs. GRANAHAH. We will now hear from Mr. Donald N. Ledbetter, secretary of the National Association of Postal Supervisors.

Mr. Ledbetter.

STATEMENT OF DONALD N. LEDBETTER, SECRETARY, NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

Mr. LEDBETTER. Madam Chairman and members of the committee, my name is Donald N. Ledbetter. I am the secretary of the National Association of Postal Supervisors which is composed of almost 26,000 members, located in post offices throughout the 50 States and possessions.

I am appearing today in the place of Daniel Jaspan, legislative representative, who is absent from the city attending the convention of the National League of Postmasters.

I am especially glad to have this opportunity of appearing before the committee headed by one of the first citizens of my home State of Tennessee, Hon. Tom Murray.

We are grateful to the chairman and members of this committee for scheduling hearings on S. 1459, the bill to liberalize longevity grades in the postal field schedule. The members of our association feel that if this legislation is enacted into law, the longevity grades in the postal service will be more in keeping with what was intended by Congress when the grades were established in 1945. Postal service longevity grades will also be brought into favorable comparison with those now existing in the Classification Act.

When the present \$100 longevity grades in the postal field service were first established as meritorious grades, they represented the amount of differential between steps in the salary scale. Today—16 years later—there are no PFS levels in the entire 20-level schedule which have a differential between steps as low as \$100.

Salaries have increased over the years but the longevity grades which originally represented the difference between steps have been allowed to lag far behind. Actually, the \$100 grade is not worth as much now as it was in 1945 when you consider what may be purchased for \$100 now as compared to 1945. The value of the dollar has declined steadily during the period 1945 to 1961.

In private business many firms reward their veteran employees with bonuses for long and faithful service. The size of the bonus is usually determined by the length of service of the employee. The bonus becomes an incentive for an employee to stay with the firm. Both the firm and the individual benefit when he does. Bonuses, of course, are not possible in Government service. But Government profits by retaining employees just the same as private industry does. Equitable longevity grades serve as incentives to employees to remain in the Government service during their most productive years.

The cost of training new employees is tremendous. An incentive such as the longevity grades proposed in S. 1459 would cause many young employees in the service to make a career of the post office.

I am sure the members of this committee are fully cognizant of the fact that promotions in the postal service are few and far between. Our association, of course, represents those employees who have been fortunate enough to advance into the supervisory levels. I think it is pertinent to point out, however, that of those few who actually attain supervisory positions, the large majority are never able to rise above the first line of supervision—PFS 7—simply because there are no opportunities. Longevity grades equal to the increment between

steps in the salary schedule such as proposed in S. 1459, would go a long way toward compensating these employees for whom there is no hope for further promotion.

Under the present longevity law, some employees in supervisory levels are discriminated against in that they lose a longevity grade upon promotion from a nonsupervisory position to a supervisory position. This is because the nonsupervisor receives longevity grades for years in the top step of the level, whereas the supervisor receives longevity grades for total years of service. We urge that the following be made a part of the bill:

Employees on the rolls on the effective date of this act shall be credited for the purpose of promotion to longevity grades established under this act with all periods of service heretofore rendered.

This would eliminate any doubt that credit for past service is intended.

We thank the chairman and committee for this consideration of the bill, and I want to thank you for permitting me to testify today for the members of the National Association of Postal Supervisors.

Mrs. GRANAHAN. We will now hear from Mr. Roy M. North, legislative representative, National Association of Postmasters.

Mr. North.

**STATEMENT OF ROY M. NORTH, LEGISLATIVE REPRESENTATIVE,
NATIONAL ASSOCIATION OF POSTMASTERS OF THE UNITED
STATES**

Mr. NORTH. Madam Chairman and members of the subcommittee, my name is Roy M. North. I am legislative representative of the National Association of Postmasters of the United States.

We are pleased to have the privilege of submitting a statement in support of S. 1459.

Our association, composed exclusively of postmasters, from a modest beginning in 1898, now has a membership of 33,718 or 96 percent of the Nation's postmasters.

This measure provides for three longevity steps, after 10, 13, and 16 years of service, each longevity to be equal in money value to the one step increase for the employee's position.

These steps would supplant those under the present law after 13, 18, and 25 years of service, each of \$100 value.

We submit, Madam Chairman and members of the subcommittee, that the proposed service periods for longevity recognition are more realistic than the present arrangement.

A rapid turnover in personnel is costly. It is, of course, beneficial to the Government to retain employees after expensive training periods. After 7 years in the level of his position, the employee reaches the top step. It is disheartening for him to realize that his hope for a next step up will not be realized until after his 13th year of service.

While, of course, some employees may be promoted to higher levels, unfortunately, that recognition must necessarily go to only a select few.

In this legislation, after reaching his top step, his next advancement will be after the 10th year, with two more promotions after 3-year

intervals. Therefore, this proposal gives the employee a chain of advancement when he needs the encouragement to make a career of his postal service.

As to the amount of longevity, the \$100 figure is outmoded and obsolete. When this amount was provided by law more than a decade ago, it was a commendable action and it was equal to some of the grade promotions at that time. Compared to present day prices, it is less than half of its former value.

In our opinion, we should, in the postal field service, have the same consideration as the classified service, longevities equal to the amount of step promotions. This will mean, of course, longevity step promotions from slightly over \$100 in the lower levels to more than \$300 in the higher echelons.

While the difference in amounts is significant, it seems sound to us that if a postmaster or other postal employee enjoys a larger remuneration by reason of higher responsibilities, his longevity promotions also should be in keeping with the step graduations of his level.

S. 1459 was amended by the Senate to more adequately take care of postmasters at offices of the fourth class. Instead of the \$100 or 5 percent, under present law, they will receive \$130 or 6 percent, whichever is the lesser.

This amendment was a source of considerable satisfaction to our association since these postmasters are dedicated postal employees who represent a most important segment of the postal system.

There may be some witnesses who will oppose this legislation because it will entail an increase in cost of postal operations and add to the gap between revenues and expenditures of the Post Office Department. In that connection, may we submit that as managers of the postal service in the field, we postmasters feel a strong responsibility in cooperating with the Postmaster General in his quest for increased postage rates. We look forward to action by this Congress in reducing the disparity now existing between outgo and income. While this interest on our part has no direct bearing on the subject of this bill—more adequate recognition of length of service—we feel that this insertion in our testimony is not untimely.

We have the finest postal service in the world today, which is a source of pride to all postal personnel. The additional cost of this bill will be more than repaid by appreciative employees in added zeal and enthusiasm in the performance of their work.

Again, we strongly recommend to your favorable consideration, S. 1459.

Thanks for your kindness in receiving our statement.

Mrs. GRANAHAH. Thank you, Mr. North.

The next witness is Mr. Harold McAvoy.

STATEMENT OF HAROLD McAVOY, NATIONAL PRESIDENT, NATIONAL ASSOCIATION OF POST OFFICE AND POSTAL TRANSPORTATION SERVICE MAIL HANDLERS, WATCHMEN, MESSENGERS, GROUP LEADERS, AND MAIL HANDLERS IN THE BUREAU OF FACILITIES

Mr. McAVOY. Madam Chairman and members of the subcommittee, for the record my name is Harold McAvoy. I am national presi-

dent of the National Association of Post Office and Postal Transportation Service Mail Handlers, Watchmen, Messengers, Group Leaders, and Mail Handlers in the Bureau of Facilities.

S. 1459 and H.R. 6092, the bill before you and the subcommittee has the full support of our national organization.

The bill introduced by Senator Olin D. Johnston providing for an adjustment for longevity pay is a giant step forward, especially the provision that would change the longevity step increases to the equivalent of the automatic increase.

Our national organization which is part of the Government Employees' Council and the AFL-CIO urges you, and the subcommittee members, to give speedy and favorable consideration to S. 1459 and H.R. 6092.

Thank you, Madam Chairman, for the privilege of appearing before you and the subcommittee.

Mrs. GRANAHAH. Thank you, Mr. McAvoy.

We will now hear from Mr. Ross A. Messer.

Mr. Messer.

**STATEMENT OF ROSS A. MESSER, LEGISLATIVE REPRESENTATIVE,
NATIONAL ASSOCIATION OF POST OFFICE AND GENERAL SERVICES
MAINTENANCE EMPLOYEES**

Mr. MESSER. Thank you, Madam Chairman and members of the subcommittee, for the opportunity to appear before you today. I am Ross A. Messer, legislative representative for the National Association of Post Office and General Services Maintenance Employees, representing the custodial employees of the postal field service and General Services Administration with locals in the 50 States, Puerto Rico, the Virgin Islands, and the District of Columbia.

I wish to take this opportunity to thank Congressman Morrison and the other members of this committee for their interest in correcting and liberalizing the longevity increases granted to postal employees. I also wish to thank you, Madam Chairman and members of the subcommittee, for your interest in this subject and the scheduling of hearings on this very important proposal.

Meritorious grades were first established in the postal field service in 1945 for certain employees after completion of 3, 5, and 7 years of service in certain grades. Many postal employees were excluded from the "meritorious grades" established in 1945. In 1949 and 1950 "meritorious grades" were changed to "longevity grades" and extended to all postal field service employees including those excluded in 1945. The meritorious promotions in 1945 were \$100 each, and in 1950 the longevity grades were established after the completion of 13, 18, and 25 years of service in the same amount, \$100 each.

S. 1459 and H.R. 6092 would make the longevity increases the same as the step increases of the various levels in the postal field service schedule instead of \$100. In 1945 when meritorious grades were established and in 1950 when longevity grades were established the step increases were \$100 each for nonsupervisory employees. Supervisory employees had one salary grade with no step increases.

S. 1459 and H.R. 6092 would make the longevity promotions upon the completion of 10, 13, and 16 years of service instead of the present

13, 18, and 25 years of service. The proposed changes in service requirement would place postal employees on the same years of service basis as Classification Act employees and provide step increases which is also the same as received by Classification Act employees.

In 1950 when longevity promotions were provided for all postal employees the increases were \$100 each. Since 1950 many changes have been made and the purchasing power of the \$100 longevity increase has steadily declined. It is our belief that longevity increases in the same amount as step increases are justified and should be made available to postal employees at the earliest possible date.

In private industry a large number of firms, both large and small, reward their employees with bonuses, which are not permissible in Government service. In many instances the bonuses begin after one or more years of service and increase as the years of service and/or salary increase. To some extent longevity increases for postal employees offsets bonuses to employees in private industry. While in many instances bonuses in private industry are given after the first year of service, we are asking the first longevity increase be granted after 10 years of service, the second longevity after 13 years of service and the third longevity after 16 years of service.

Our national convention of 1960 recommended four longevity increases of \$200 each upon the completion of 10, 15, 20, and 25 years of service. Due to the lateness of the session, and the fact that S. 1459 has been approved by the Senate, this association wholeheartedly endorses the provisions of S. 1459 and H.R. 6092, providing longevity increases upon the completion of 10, 13, and 16 years of service in the amount of the step increase of the various levels.

Madam Chairman, it is our sincere hope that the subcommittee will favorably report S. 1459 and that it may be enacted into law at this session of Congress.

I wish to again take this opportunity to thank you, Madam Chairman and members of the subcommittee, for this opportunity to appear before you today and present the views of this association on the liberalization of postal longevity promotions.

Mrs. GRANAHAN. Thank you, Mr. Messer.

The subcommittee will now adjourn until 11 a.m. Tuesday, September 5, 1961.

(Whereupon the subcommittee adjourned, to reconvene at 11 a.m., Tuesday, September 5, 1961.)

LONGEVITY STEP INCREASES FOR POSTAL EMPLOYEES

TUESDAY, SEPTEMBER 5, 1961

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON POST OFFICE
AND CIVIL SERVICE,
Washington, D.C.

The subcommittee met, pursuant to recess, at 11 a.m., in room 215, House Office Building, Hon. Kathryn E. Granahan (chairman of the subcommittee) presiding.

Mrs. GRANAHAH. The subcommittee will come to order, please.

The subcommittee is meeting this morning to continue hearings on S. 1459, H.R. 6092, H.R. 6502, H.R. 8473, H.R. 8758, and H.R. 8959, companion bills to amend the laws relating to longevity step increases for postal employees.

The subcommittee has received requests from Members of Congress who have sponsored the various bills, as well as other Members of Congress, to submit statements in support of the bills.

Without objection, these statements will be placed in the record at this point.

(The statements referred to follow :)

STATEMENT BY CONGRESSMAN JAMES H. MORRISON, OF LOUISIANA

Madam Chairman, I want to express my appreciation to my colleagues on the Committee on Post Office and Civil Service for your efforts in affording an opportunity for hearings to be held on these longevity bills. The comments heard from my colleagues indicate to me that these bills will receive your very earnest consideration.

My bill, H.R. 6092, is identical to the several other bills as they were introduced. I believe the amendments made by the Senate to S. 1459 are highly desirable and I urge your favorable consideration of S. 1459.

The present longevity grades, A, B, and C, earned after completing 13, 18, and 25 years of postal service, respectively, add \$100 for each such grade to the basic compensation of the postal employee. This system became effective in November 1949. There has been no change since that time. The \$100 was the amount of the step increase for postal employees at that time. However, the \$100 set as a monetary payment for each longevity grade in 1949 has become a rather meager reward for the service qualifications required in order to obtain those grades. Over two-thirds of the postal employees are in level 4 and most of these are clerks, carriers, special delivery messengers, and motor vehicle operators. The majority of these employees will stay in level 4 during the entire period of their postal service. Very few will ever be afforded the opportunity for promotion to a higher grade. It is correct to assume that the entire postal service of the majority of all these employees is performed in one level.

The only fair conclusion that we can draw from this is that the longevity system for these employees should be on a basis which takes this basic fact into consideration. The Post Office Department contends that this legislation is, in fact, a pay increase bill. Nothing could be further from the truth. Bills embodying the principles of longevity pay were first introduced in the 70th Congress in 1928. The principles were established at that time that longevity

increases were not pay increases. It was stated at that time that the longevity increases must be considered as a reward for continuous service rendered. The application of this principle has been applied continuously ever since. It is considered to be a good employee practice, developing morale, increasing efficiency, and reducing turnover. The principle of longevity increases has a wide application in private employment and is being expanded constantly. It is a reward for long and faithful years of service and experience.

This legislation will make two basic changes in the longevity increase system for postal employees. It will permit the first longevity step increase to be granted after 10 years of service and will permit the amount of the increase to be equal to the amount of the step increase within the levels established by the various schedules. Both of these principles are now prescribed for Classification Act employees.

Madam Chairman, I see no justification for the arguments raised by the Post Office Department against favorable consideration of this legislation. I feel sure that this subcommittee will give the favorable consideration to this bill that it deserves.

STATEMENT BY CONGRESSMAN JOHN LESINSKI, OF MICHIGAN

Madam Chairman, I wish to express my appreciation to the full Committee on Post Office and Civil Service and to this subcommittee for affording me an opportunity to be heard on these longevity bills. While it is rather late in the session, I believe there is still plenty of time for our committee and the House to act on this very worthwhile legislation.

My bill, H.R. 8758, is identical to the bill passed by the Senate, S. 1459. I believe the amendments made by the Senate relating to the rural carriers and postmasters at fourth-class post offices are very desirable.

As we know, the principle of remuneration for longevity was first introduced in the postal pay schedules in 1945 through Public Law 134. While the formula used in prescribing the longevity steps at that time was appropriate, it now works an injustice for the postal employees as compared to the Classification Act employees. Postal employees now get longevity increases at the end of 13, 18, and 25 years of service. The increases are \$100 each. On the other hand, Classification Act employees receive longevity step increases after 10, 13, and 16 years of service in the same grade in an amount equal to the regular within-step increase of a grade.

While it is true that a Classification Act employee does not carry his longevity credit with him when he is promoted to a higher grade, the majority of postal employees on the other hand never have the promotion opportunities that the Classification Act employees have. Most of the postal employees are in the lower pay levels and almost 70 percent of them are clerks and carriers in level 4 and have little anticipation of ever reaching a higher grade.

Longevity is supposed to be a reward for faithful service. It is supposed to be an incentive for work well done. The carrier or clerk in level 4 who goes to the third longevity step after 25 years of service will receive, under the present law, an annual increase of \$100—\$1.80 a pay period or 90 cents a week—and this after 25 years of faithful service. I hardly believed that this can be considered much of an incentive.

Madam Chairman, I believe that this legislation will remove an inequity that has been placed upon the postal employees. Since my bill is identical with the Senate-passed bill, S. 1459, I urge that your subcommittee take immediate action on the Senate bill so as to expedite the passage of this legislation during this session of the 87th Congress.

STATEMENT BY CONGRESSMAN CHESTER E. MERROW OF NEW HAMPSHIRE

Madam Chairman, I am pleased to have the opportunity to make the following statement in support of legislation to place postal employees on a comparable basis with Federal employees subject to the Classification Act with respect to longevity increases.

H.R. 6092 and S. 1459 provide nothing more than equal justice for those in the postal service, most of whom enter and retire at the same grade level;

namely, grade 4. Under present law classified employees receive longevity increases after 10, 13, and 16 years' service within a given grade; while postal workers' increases come after 13, 18, and 25 years of service. Classified workers' longevity pay is equal to the regular within-step increase of the grade, whereas postal employees receive a fixed amount of \$100. These bills would give the postal workers the same longevity pay increases as the classified employees now enjoy.

The comparable ratios of workers under the Classification Act and those in the postal service who receive longevity pay increases point up the present inequity between the two Government remuneration systems. Longevity increases are vital to the livelihood of large numbers of postal employees. The enactment of these bills will serve to correct a pronounced financial inequity, which is long overdue.

Take letter carriers for instance. No matter how proficient they are they will probably retire at the top of a grade 4. At the end of his first 6 years in the service the letter carrier has reached the highest maximum regular within-grade level. Except for longevity, which is far below his previous within-grade increases, he has reached a peak. Then he must wait to complete 13 years of service before he becomes eligible to receive a \$100 longevity increase.

The letter carrier is the frontline representative of the U.S. post office. He meets the public on a day to day basis and becomes an integral part of the average American community life. Most Americans would be surprised and saddened to learn of the limited promotion and compensation opportunities of their letter carriers. They would undoubtedly feel these public servants are not rewarded according to their just deserts.

There are continual demands for improving our postal service. Greater efficiency in post office operations and more prompt delivery of the mails were early pledges of the Kennedy administration, as they were in previous administrations. Our post office should be a model business enterprise, because it has our Nation's prestige and its resources behind it. But we cannot hope for the best service from our postal employees; nor can we recruit the best qualified personnel, if we don't offer equitable compensation and sufficient rewards for the job done. Our postal employees in the lower grades often do thankless but essential tasks under the most adverse conditions. These loyal, industrious workers deserve a better deal in return for their efforts. We must not ignore their inequitable position.

Longevity increases have long been recognized both in the public and private sectors as rewards for meritorious performance and job know-how. They are not granted automatically, as some may suppose, but are given for faithful service in behalf of our Government as incentive awards.

I am sure that the Congress does not intend that the postal workers should suffer from unfair discrimination in the law pertaining to longevity benefits. I feel the speedy enactment of the proposed H.R. 6092 legislation is a legislative must before this session adjourns. It is only common justice that both the classified and the postal employees should be given equal rights and equal recognition under the law.

STATEMENT BY CONGRESSMAN JOSEPH E. KARTH, OF MINNESOTA

Madam Chairman, I appreciate very much the opportunity to be able to make a statement in support of legislation amending provisions relating to longevity step increases for postal workers.

Earlier this session I introduced a bill, H.R. 7631, which would grant postal employees covered under the postal field schedule, postmasters of the fourth class, and rural mail carriers pay increases after 8, 13, 18, and 23 years of service. The great number of the workers which would benefit are the letter carriers and the postal clerks.

Over the years these loyal and faithful postal employees have had inflicted upon them a severe economic injustice through an unfortunate phrasing of law which froze their longevity pay increases to a pitiful \$100 a year after 13, 18, and 25 years.

Much has been made in testimony presented to the Senate Committee on Post Office and Civil Service that longevity pay increases and intervals of the postal service should more closely correspond to that of the Federal Government's classified service. Indeed S. 1459 which was passed by the Senate and is now

before this committee purports to bring that about by granting the amount of the within-step increases at 10, 13, and 16 years.

While the approach of S. 1459 has the superficial appearance of bringing the practices of the two Government employee services close together, actually the comparison is very misleading.

Realistically, the promotional opportunities and the occupational flexibility of the Federal classified service are foreclosed to workers in the postal service, the great number of whom as letter carriers and postal clerks are "frozen" at level 4 with little chance for advancement to supervisory positions. At present these amount to dead-end jobs—a situation which I deplore and hope this administration will correct so that the very real advantages of the classified Federal service are afforded the postal field service.

Such a bad situation is not susceptible to quick and easy solution, I admit. This realization prompted me to introduce my bill which would grant most postal employees increases of \$200 at the end of 8, 13, 18, and 23 years and help the great number of postal employees who need and deserve this consideration to maintain a decent standard of living—and, as important to the postal service, maintain their morale.

I believe the improvement of longevity pay for postal employees at this time is a measure of justice which is too long overdue. I do most strongly urge that your committee recommend the very best possible bill for passage by the House so that this legislation can be enacted without further delay.

Thank you very much for your courtesy.

STATEMENT BY CONGRESSWOMAN LEONOR K. SULLIVAN OF MISSOURI

Charman Granahan and members of the subcommittee, while your hearing this morning is intended primarily to hear testimony from officials of the various postal organizations, I appreciate very much your graciousness in permitting me to submit this statement in behalf of S. 1459, and to express my strong endorsement and support for this legislation.

Some time ago, I conveyed to the chairman of the Committee on Post Office and Civil Service my interest in this legislation, and I am indeed happy that the committee subsequently agreed to refer the bill to this subcommittee for hearings and—I hope—for prompt action. It would be most unfortunate, I believe, if the Congress should adjourn for this session before we complete action on S. 1459.

The members of the subcommittee are, of course, thoroughly familiar with the background and details of S. 1459, so I do not have to take up your time discussing facts with which you are already so familiar. But I do want to say that in our post office in St. Louis there is intense interest in this legislation, and I have assured the employees that I will back them in their desire to see it enacted into law. I think it is an eminently fair bill and deserves passage.

Many career Government employees in other agencies find it possible to use their skills and training for steady advancement into higher grades. If they reach a plateau of a grade in which they spend many years, then they can look for longevity increases of from \$105 to \$260 after 10, 13, and 16 years of service in the same grade. The career postal employee, on the other hand, often, by the very nature of his job and of the Post Office structure, finds himself spending his entire Government career in the same grade, with periodic within-grade increases until he reaches the top of the grade and then he is stuck there until he has completed not 10, 13, and 16 years—as is true for other Government employees—but 13, 18, and 25 years of service, in order to qualify for longevity increases. Then, when he does receive a longevity increase after such long intervals, it is for a flat \$100, or less than \$2 a week.

Therefore, Madam Chairman and members of the subcommittee, I believe fairness dictates that we extend to the career postal employee the same longevity procedures and opportunities available to most of the 2 million other Federal employees under the Classification Act provisions on longevity. This bill now before you, S. 1459, would accomplish that purpose—and nothing more than that.

I strongly support it, and urge that you start it on its way through committee and through the House of Representatives, so that we can vote on it, and pass it, before adjournment of this session. Thank you.

STATEMENT BY CONGRESSMAN TORBERT H. MACDONALD, OF MASSACHUSETTS

Madam Chairman, I appreciate this opportunity to say a few words in behalf of S. 1459 and H.R. 6092 which will amend the law relating to longevity step increases for postal workers. There is no question in my mind other than that postal employees should be placed on a comparable basis with employees subject to the Classification Act whose longevity increases are in the same amount as their regular periodic within-step increases. As a matter of fact, I have heard no objection from any other source.

It seems to me to be only fair and equitable that this measure be enacted inasmuch as the Senate has acted favorably on the bill. I just want to add, Mr. Chairman, that I hope you will report this bill in similar form so that the House can act upon it before we adjourn.

STATEMENT BY CONGRESSMAN SEYMOUR HALPERN, OF NEW YORK

Mr. Chairman, I am grateful for this opportunity to present my views to your committee in support of longevity step increases for postal workers.

The workers in our postal service deserve every just consideration for the vital contribution they make to our everyday lives. Had many of us lived in countries where the post office organization is a haphazard operation and where the safe and prompt delivery of letters and packages is indeed an uncertainty, I think we would be more appreciative of the efforts of American postal workers. Unfortunately, all too often their service to the community is not properly recognized nor rewarded.

Take the case before this committee today. I am sure that it was not the intent of Congress when it enacted Public Law 134 in 1945 to discriminate against the postal workers in this matter of longevity increases. Yet today the postal workers are at a distinct disadvantage in relation to Federal employees subject to the Classification Act. Federal employees who are compensated under the Classification Act receive longevity increases after fixed intervals (after 10, 13, and 16 years' service) in an amount equal to the regular within step increase of the grade they occupy. The postal workers, on the other hand, must wait until they have completed a longer period of service—13, 18, and 25 years—and then they receive longevity increases at a lower fixed amount of \$100.

This difference in compensation schedules is more unfair than it superficially seems. For one must remember that a great majority of postal workers enter and retire from the postal service in the same grade—grade 4. For the first 6 years of his service, a postal clerk or letter carrier receives a periodic increase—\$160 if he is a grade 4—every year. Then he reaches a plateau and the only thing he can look forward to is a longevity increase. He must complete his 13 years of service before he is eligible for such an increase. Thirty percent of postal workers today receive longevity pay as against only 6 percent among the classified employees. This is true because the classified workers have more opportunities for promotion to higher grade levels. They do not stay in a grade long enough to qualify for longevity. But postal workers, many of whom have few changes in the nature of their task over the years, tend to have very limited promotion opportunities. Because longevity increases are more vital to the livelihood of postal workers, it is doubly important that the law should offer them equal treatment.

My bill, H.R. 6502, and other similar bills being considered by your committee seek to rectify the present inequity in longevity increases and to put the postal workers on a comparable basis with the classified employees. I was happy to co-sponsor this legislation to adjust the postal workers' longevity pay and I strongly support these measures before your committee. Despite the unwarranted opposition of the administration to these bills, I feel we owe it to those in the postal service to enact this legislation before this congressional session ends. In closing I wish to commend this committee for the job it has done with these bills. I look forward to casting an affirmative vote for the passage of this much needed legislation on the floor.

STATEMENT OF HON. H. W. BRAWLEY, DEPUTY POSTMASTER GENERAL, PRESENTED BY HON. B. J. BEARY, DEPUTY ASSISTANT POSTMASTER GENERAL, BUREAU OF PERSONNEL

Mrs. GRANAHAH. The first witness this morning is Mr. B. J. Beary, Deputy Assistant Postmaster General, Bureau of Personnel. We are very happy to have with us this morning Mr. Beary.

Mr. BEARY. Thank you, Madam Chairman.

It is my privilege to appear before the committee to present the statement of the Deputy Postmaster General, Mr. Brawley, who is unable to be here this morning in person. If it is the desire of the committee, I can file the statement and give a very brief résumé of the main basis for the Department's position on the bill.

Mrs. GRANAHAH. Whichever you wish to do.

Mr. BEARY. I would suggest the latter. After that I shall be prepared, in company with Mr. Doyle, the General Counsel, and Mr. Block, the Director of the Compensation Division, to answer any questions the committee might have.

(Mr. Brawley's statement follows:)

STATEMENT OF DEPUTY POSTMASTER GENERAL H. W. BRAWLEY

Madam Chairman and members of the subcommittee, I appreciate this opportunity to appear before your committee to state the views of the Post Office Department on S. 1459, a bill to increase longevity benefits for postal employees.

I believe, Madam Chairman, that you have received the Department's report on this bill. In his letter to you, on this subject, the Postmaster General stated the reasons for the Department's opposition to this bill. In brief, these reasons are as follows:

(1) The bill, in effect, gives an immediate pay increase to many postal employees, now and in months to come. Raises effective only last year increased clerk and carrier salaries by 8.5 percent and all other postal employees by 7.5 percent. (I might add that salaries of clerks and carriers most directly affected by S. 1459 were by 8.8 percent.)

(2) The bill, in effect, further strengthens the advantage over Classification Act employees already enjoyed by postal employees under the present longevity system.

I should like at this time to go beyond the statement and examine more fully the impact of the proposed legislation on our whole pay structure and our program for personnel administration in the postal service.

The objective of our program of personnel administration for the postal service is to provide conditions of employment which will result in the attraction, retention, and fair treatment of the best caliber of employees for the various kinds of employment we have. A program dedicated to this end is naturally concerned with the pay of employees, not only from the standpoint of meeting the outside level of wages in order to compete but also from the standpoint of meeting the just demands of employees themselves. Every person is concerned about the amount of his paycheck, postal employees not excepted, but employees are concerned with many other facets of their employment, as well. They want a job environment that will cause them to look forward to each day's work as a challenge and an inspiration and not as a period of drudgery that must be passed on the road to retirement. They want a genuine career service—a system which provides promotional opportunities based on merit. They want recognition—recognition of their abilities, of their suggestions, of their work performance. They want a climate which will foster initiative and expression. They want knowledgeable, trained, able supervisors. They want what is coming to them by right and not by paternalistic administration—coverage of all legitimate job incurred expenses, pay when due, overtime when due, time off when due.

How does longevity compensation fit into this prescription of a good personnel program? To contribute effectively, a system of longevity compensation should provide satisfactory answers to these questions:

(1) Will it help the Department to retain able employees? The turnover rate for the Post Office Department is less than that for other Federal agencies and is substantially below that of private industry. In the circumstances, it does not appear that enactment of S. 1459 would cause any reduction in an already low turnover rate.

(2) Does it contribute toward satisfaction of the employee's need for meaningful recognition of his faithful service? The present system already contains such a recognition feature. Whether the monetary amount of \$100 for each of three steps, based on 13, 18, and 25 years of service, is too little or too much is a question of judgment as to the degree of recognition, to be afforded, not as to whether recognition should be given. If the number of different bills proposing a variety of amounts and service requirements is any gage of the state of opinion on this matter, it must be concluded that the only common ingredient is the sole desire for increased monetary benefits.

(3) Does it provide for equitable treatment among employee groups within the Federal Service? The most frequently expressed argument for the proposal now under consideration is that it will equate the treatment of postal employees and employees under the Classification Act for longevity purposes. The fact is that the bill does no such thing. It gives the surface appearance of producing equality by reducing service requirements to 10, 13, and 16 years for three longevity steps, respectively. It goes even further and provides that the value of each step shall be the same as a within-grade step increase for the employee's level. So far, the icebergs resemble each other. But let's look below the waterline. To qualify for a longevity step, an employee under the Classification Act must have served in his grade for an aggregate period of 10 years. The first longevity step is earned on the basis of 3 years of service in the top step for his position; successive increases are earned on the basis of 3 additional years of service in the same top step. If a GS employee is promoted to a higher grade, he loses his longevity benefit and must requalify in the higher grade under the same conditions as prevailed in the lower grade. Not so a postal employee. Having once become eligible for longevity benefits on the basis of total postal service, he continues to be eligible, regardless of his movement within the postal service. S. 1459 does not deal with these significant differences in approaches to the matter of longevity pay. Thus, the systems remain as far apart as ever in terms of basic approach to the matter of longevity compensation.

If it is deemed desirable to equate the two systems, then it does not seem logical to make a superficial adjustment in the postal system which further accentuates the advantages of the postal employee who always carries his longevity benefit with him. It would be far better, I think, to hold where we are until basic reconciliations can be effected as a matter of governmental policy. This subject should invite the attention of this committee or of any group constituted to make a review of Federal pay policy.

(4) Are the benefits to the Department and to the work force, as measured in the light of answers to the preceding questions, sufficiently great to warrant the cost? This is the only standard that we, in the Department, can apply to an expenditure of the magnitude provided by the bill—\$60 million. The question has answered itself, I think, and I am forced to state frankly that there are no benefits which the Department would derive from the proposed increase in longevity benefits which would offset this cost.

In order to be wholly fair about this matter, however, let us examine this proposal in the light of the arguments made by proponents of the bill.

(1) It is contended that the present system of longevity compensation is the result of legislative oversight. I have no way of delving into the minds of committee members who have dealt with the question of longevity pay for postal employees over the years since 1945 when additional grades first became a feature of postal pay. Suffice it to say that the concept of "faithful and meritorious service" in a given position, a principle of compensation very similar to that underlying the Classification Act longevity system, was abandoned in 1949 when the concept of total postal service was adopted. At that time, longevity compensation was extended to employees, such as postmasters and supervisors, who were paid under a single-rate schedule, and to all employees not previously eligible by reason of top-grade service in automatic grades. As an aside, it should also be pointed out that clerks and carriers in first-class offices who were fortunate enough to be in the top grade for their positions in 1949 have continued through a succession of savings provisions to enjoy compensation advantages above other employees ever since. In view of the vast amount of attention which has been devoted to this subject, I do not find it possible to believe

that the responsible legislators did not know what they were doing when the present postal longevity system was being developed.

(2) The argument is made that more postal employees are in dead-end jobs than under the Classification Act. This is undeniably true because of the large number of postal employees who are found in clerk and carrier positions in PFS-4. However, it does not seem to me to follow logically that all postal employees, including those who receive promotions to higher level positions, should receive the benefits granted GS employees who have remained in their grades. There are approximately 80,000 positions in the postal field service in levels above PFS-4. Except for postmaster positions, these positions in levels above PFS-4 are generally reserved for entry by postal employees on promotion. Nearly all of them are filled by employees who entered the service as clerks or carriers. Excluding postmaster position (some 24,000), the number of higher level positions is more than 20 percent of the number of regular clerks and carriers in PFS-4.

The Department has under consideration now a proposal to provide further incentives to city carriers through the establishment of a higher level position to which many carriers will be able to aspire. While the number of employees in PFS-4 will continue to be predominant, I think you will agree with me that there are substantial opportunities for advancement within the postal service. I want to reinforce this point by stating that under our promotional system, promotional opportunities are limited almost exclusively to long-service clerks and carriers, the same group of employees whose arguments for this bill have been most appealing.

(3) The argument is made that \$100 earned as longevity compensation is a pittance. The desire for more money is understandable, but I think the committee should keep in mind that an employee in PFS-4, step 7C, with 3 longevity, enjoys better than 5-percent advantage over basic salary. The proposed bill would increase this advantage for long-service clerks and carriers, and for long-service employees in all other positions to approximately 9 percent. This increase would not be shared in equally by the total work force. In the absence of sound economic justification for an increase for this group, I could not, in conscience, support this feature of the bill.

(4) Finally, I want to return to the main argument of the proponents of this bill; namely, that it simply gives postal employees longevity benefits equivalent to those enjoyed by their colleagues under the Classification Act. This is true only for employees who remain in one salary level throughout their postal career. For those who move to higher level positions, the bill gives postal employees benefits far more liberal than those enjoyed by GS employees, as I have stated before. Far from providing equal treatment, this bill sets a new milestone in liberality. If this bill is enacted, the die will be cast insofar as this feature of compensation is concerned. This committee, or any other group dealing with the problem of equalizing Federal pay, will have its direction established for it. The history of pay legislation is that benefits are never reduced. Once a liberal feature becomes a matter of law, there is no turning back. Thus, to equalize longevity benefits, pressure would be directed toward raising the GS employees to the new level established for postal employees. It is obvious, gentlemen, a similar benefit for GS employees will be far more costly than the \$60 million cost of S. 1459. It is noted, incidentally, that the longevity increases proposed for rural carriers and postmasters in fourth-class offices under S. 1459, as amended by the Senate, is at variance with one of the principles advanced by proponents of the bill; namely, that longevity-step increases should be the same as within-grade increases.

Thank you very much for affording me this opportunity to appear before you on this matter.

Mr. BEARY. In brief, the Department's position in connection with S. 1459 and companion legislation is one of opposition to it. The basis for the opposition is threefold. First, it would distribute an indirect pay increase in a limited and inequitable fashion to a minority of our employees 10 months after a general pay increase. Secondly, it would confuse the purpose between longevity payments and step increases by equating them. Thirdly, it would create and accentuate the disparity between the longevity benefits under the

Classification Act and the Postal Field Service Compensation Act, rather than bringing them into closer harmony.

The Department feels in essence that this is in the nature of piecemeal legislation which would not serve to improve personnel management in general, and for those reasons it is necessary to take a position in opposition to the bill.

Mrs. GRANAHAH. Have you completed your statement?

Mr. BEARY. Yes, Madam Chairman.

Mrs. GRANAHAH. How much additional does the Department consider it would cost to include the Senate amendments in this bill to cover rural carriers and fourth-class postmasters?

Mr. BEARY. I do not have a breakdown with me based on the Senate amendments. The cost estimate of the Department is approximately \$60 million for the whole bill.

Mrs. GRANAHAH. The other day when various witnesses appeared from the organizations, they thought the cost would be about \$40 or \$45 million. Possibly your figure of \$60.8 million would include the change made by the Senate amendment.

Mr. BEARY. That would explain it to a very small degree. I believe the positions are much too divergent to be reconciled on the basis of the Senate changes. I am not an expert on the financial aspects of it, but I might mention that in the printed hearings before the Senate committee, a letter was included from Assistant Postmaster General Richard Murphy, dated May 23, which provides the breakdown and the rationale that was used by the Bureau of Finance in arriving at the figure, which was then \$59 million. So you see that the \$1.8 million attributable to the changes made in the Senate would not go very far to explain the difference between \$40 and \$60 million.

Mrs. GRANAHAH. Why is there such a difference in the estimates?

Mr. BEARY. I can follow the explanation provided by our Bureau of Finance in arriving at their figures. I have not personally seen any breakdown or detailed explanation of the lower figure which has been provided, although there may be one.

Mrs. GRANAHAH. Mr. Addabbo, have you questions?

Mr. ADDABBO. No questions.

Mrs. GRANAHAH. Mr. Cunningham?

Mr. CUNNINGHAM. Thank you, Madam Chairman.

Mr. Beary, I notice on page 7 of your statement, point 4:

Finally, I want to return to the main argument of the proponents of this bill—namely, that it simply gives postal employees longevity benefits equivalent to those enjoyed by their colleagues under the Classification Act. This is true only for employees who remain in one salary level through their postal career.

Would you be able to state how many employees, percentagewise, remain in the same salary level throughout their career?

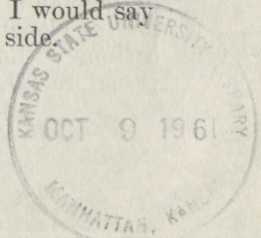
Mr. BEARY. I am sorry, Mr. Cunningham, we have no basis at this point for making an estimate on that. I would say without any hesitation that a great many do remain at the same salary level.

Mr. CUNNINGHAM. Would you tell me the approximate number of employees who are clerks? It does not have to be exact. I want to make a point.

Mr. BEARY. I am glad you left that loophole for me. I would say approximately 250,000, although that may be on the high side.

Mr. CUNNINGHAM. And letter carriers?

Mr. BEARY. Approximately 150,000.



Mr. CUNNINGHAM. There are 100,000 more clerks than carriers?

Mr. BEARY. Roughly; yes, sir.

Mr. CUNNINGHAM. Is it not a fact that the carriers have little or no opportunity to go to a higher level?

Mr. BEARY. It is not correct to say that they have no opportunity. I would say that in relation to employees in the lower grades in the Classification Act, they have far fewer opportunities than those people in the Classification Act. I have no solid figures to support the feeling that I have in relation to other employees at level 4 in the postal field service. They have had fewer opportunities in the past. The Department has been concerned about that in recent months. It is very much concerned about it. As indicated elsewhere in the prepared statement, efforts are underway to provide opportunities for letter carriers which considerably exceed what they have now.

Mr. CUNNINGHAM. The clerks are the ones who would be most apt to get a chance at the higher level positions.

Mr. BEARY. That has been correct in the past; yes.

Mr. CUNNINGHAM. As a matter of fact, is it not almost impossible for a carrier to get into a higher level position?

Mr. BEARY. No; that is not correct. I repeat that their opportunities relatively have been much less, but it is not impossible.

Mr. CUNNINGHAM. Why are these opportunities for carriers less than the opportunities for clerks?

Mr. BEARY. There has been a feeling on the part of many postmasters that there are certain jobs for which carriers are not so well qualified as clerks. We are not satisfied with the feeling the postmasters have had in many cases. We feel that they should be considered equally in terms of their qualifications for higher jobs. The promotion policy which was announced within the last few months by the Postmaster General makes clear that it is the policy of the Department that, whether they are clerks or carriers, they shall be considered on an equal basis and selected for promotion on the basis of their ability and their prospect of becoming good supervisors.

Mr. CUNNINGHAM. Do you mean that the new policy on the part of the Post Office Department is that clerks and carriers will now be treated coequal and will be advanced on the basis of qualifications, regardless of whether they are clerks or carriers?

Mr. BEARY. Yes, sir; that is the policy.

Mr. CUNNINGHAM. I have had quite a few letters from the carriers telling me that they have been denied the opportunity to bid on jobs in higher levels. I do not know if I made any friends of the clerks or not, but I introduced a bill to make sure that they have equal opportunity. Perhaps I ought to study this new policy of yours. If you have taken that position, perhaps the legislation is not required. I shall have to go into that.

Mr. BEARY. Of course, it is one thing to have a policy, and it is another to have a little time to make it work. I have no figures I could quote you at the moment as to what the effect has been in terms of the point you make, but it is distinctly the policy of the Postmaster General that people shall be promoted on the basis of qualifications without any extraneous considerations, whether it be occupational, racial, political, or anything else.

Mr. CUNNINGHAM. I certainly commend the Postmaster General for that feeling, because I think that is the way it ought to be.

Again referring to the same quotation, you say:

Finally, I want to return to the main argument of the proponents of this bill—namely, that it simply gives postal employees longevity benefits equivalent to those enjoyed by their colleagues under the Classification Act.

This is true only for employees who remain in one salary level throughout their postal career.

If that is the main argument against the legislation, and still, as I understood you, a sizable number of postal employees do not have the opportunity to move from one salary level to the other, what could we do for them in the event this bill does not become law? You say the main argument is what I just enumerated. You would then have to admit in a way that people who do not move or who are prohibited to move or it is impossible for them to move from one grade to another would be discriminated against.

Mr. BEARY. My own view is that there are a couple of approaches to that. One is to open up additional opportunities within the service for people so they are not frozen to the degree that they have been in the past. As I mentioned, the Post Office Department has been giving some very active attention to that.

Secondly, I would say a proper avenue would be to consider longevity in relation to the general pay structure and also in relation to the longevity system under the Classification Act, and to make them more similar in fact. There are very distinct differences in the concept behind both the field service's longevity system and the Classification Act.

Mr. CUNNINGHAM. Do you feel this legislation should be considered at the time the salary bill is considered?

Mr. BEARY. I have not checked this point out in the Department, so I cannot speak officially for the Department, but it is my thought that it should be; yes.

Mr. CUNNINGHAM. Would it be your thought that there might be such a bill that would be considered in the near future?

Mr. BEARY. I know consideration has been given to the matter. I could not say to what degree it has progressed, because basically this would be an administration position, and of course there are different agencies involved in that sort of decision.

Mr. CUNNINGHAM. I thank you, Mr. Beary. I have the greatest regard for the Postmaster General. I believe there is a closed door so far as carriers being able to advance, and if that can be corrected, that would be another reason that I would commend the Department and Mr. Day, because I think that is only reasonable and fair. Thank you.

Mr. BEARY. Thank you, sir.

Mrs. GRANAHAN. I think, Mr. Beary, the reason the organizations were so anxious to have this, along with a great many Congressmen, is the very fact that longevity increases are something they deserve for long and faithful service. The increments are not considered a salary raise. I feel that way about it myself. I feel something must be done. Maybe this is the only way it can be done. These men have served very faithfully over the years. I do not know of a more devoted group of people than the postal employees—the carriers, clerks,

and other employees—any group who are more willing to do everything they can. I come from a town which has a great many post offices, and they have their problems, too. The people in those offices are top people. They go in from high school or college and make a career of it. I think we must make the postal service more attractive to them and recognize the sacrifices they have made.

MR. BEARY. Madam Chairman, your sentiments strike a very responsive chord with the Post Office Department. I can assure you of that. The Department feels the way you do about it. Unfortunately, the Department does not believe that this particular legislation is the right thing to do. It is very conscious of the general problem. It recognizes not only the importance of the people in the lower pay ranges, but the very urgent necessity to do something about it.

MRS. GRANAHAN. I am delighted to hear that. I wish to commend the Department and the Postmaster General for its attitude. The gentleman seems to be dedicated to the job. I do not know of a man with a more retentive mind. He came before us and quoted figures the first time he appeared before the committee.

MR. BEARY. He makes the rest of us look a little poor in following him.

MRS. GRANAHAN. I would not say that. He is a businessman, and the Post Office Department is probably the greatest business in the land. Thank you very much.

MR. HAGAN?

MR. HAGAN. Madam Chairman, I am sorry I just arrived back in town and have not heard all the testimony, but I will read it in the record.

MR. BEARY, I would like to ask this question. Would this bill not correct an injustice against the postal employees as compared with employees who come under the Classification Act?

MR. BEARY. Congressman, our position is that it would not correct an injustice, but would accentuate the difference between the two of them.

MR. HAGAN. In what respect, briefly?

MR. BEARY. One of the main differences between the postal service longevity and the Classification Act longevity is that postal service longevity is provided on the basis of total postal service, whereas the longevity under the Classification Act is provided on the basis of longevity within a single grade, the length of time within that grade and the length of time at the top of the grade.

MR. HAGAN. Is it not true, though, that what they receive is not comparable to the rest of the Federal service?

MR. BEARY. Under the postal service?

MR. HAGAN. Yes.

MR. BEARY. It is not comparable in the amount of the increase except at the bottom grades of the GS, but it is more than comparable in terms of the larger number of people who receive longevities. This would be compounded, if that is the correct word, by the acceleration of the time period when you get longevities and the increase in the amount of longevities that would be received. Actually in the supervisory grades the amount of the step increases is greater under the Postal Field Service Act than under the Classification Act. That is one of the problems with this particular legislation. While the main

focus is on the rank and file who have the more limited opportunities, the increases are far out of proportion for those in the higher level positions than they would be for the rank and file. Therefore while the objective is perfectly sound the legislation itself is not acceptable so far as the Post Office Department is concerned and we do not feel it is the answer to the problem.

Mr. HAGAN. Is cost the main objection?

Mr. BEARY. It is not the main objection. Obviously it is a consideration, but the main objection is that it is not a piece of legislation which would contribute to the improvement of the pay scale and the wage structure of the postal field service.

Mr. UDALL. I regret that I came in late, Madam Chairman. Since I arrived I have read Mr. Beary's statement and that of Mr. Brawley. I want to commend Mr. Beary on a very forceful statement. I always appreciate the frank and effective statements made by the representatives of the Post Office Department.

I can see the arguments which are made against this bill. I had hoped that the Post Office and Civil Service Committee would bring out our rate bill before we fold up our tents and go home. I am still hopeful of that since it is very important. I am hopeful we will not only have this bill disposed of one way or the other but that the committee will take some action on the proposed rate increase, which I know is a matter of perhaps even greater concern to the Post Office Department than this particular matter.

I have no questions, Madam Chairman.

Mr. ADDABBO. What bothers me most is the figure of \$59 million. I have read the statement of Mr. Murphy before the Senate committee and I have read Mr. Brawley's statement using a figure of \$59,520,000. Could we possibly get from the Department some actual breakdown on how they arrive at this \$59 million figure?

My own view on this legislation is this: I understand 75 percent of the postal workers will remain in level 4 as long as they are in the postal service. I think that would give use more incentive to pass this legislation in view of the statement of Mr. Brawley on page 2 where he says the turnover rate in the Post Office Department is less than that of any other Federal agency.

When the men who gave such faithful service to the Post Office Department come in and ask for such a small pittance as recognition for their service to the Post Office and their Government I do not think too much objection should be raised.

The figures we often get are sound figures but they are at such variation that I think the Department, in justice to us here on the committee, should give us some breakdown as to how they arrive at the \$60 million figure.

Mr. BEARY. We would be glad to do so, Congressman. I don't know what the time availability would be to compile that information.

May I ask whether the breakdown furnished to the Senate committee as reported on pages 20 and 21 of the hearings would suffice for your purpose? Basically that is the way the current figure has been arrived at.

Mrs. GRANAHAN. Would you elaborate a little bit on how you arrived at those figures?

Mr. BEARY. There was presented before the Senate committee a breakdown of how many people are in present longevities A, B, and C. This cost justification was worked out in relation to that. That appears on page 16 of the Senate hearings. For example, all employees who are now in longevity A who have had 13 or more years of service, which totals something over 45,000 in number, would move to longevity B under the proposed legislation, and all those in longevity B with 18 or more years of service totaling over 61,000 would move to longevity C.

Similar calculations were made for other groups, so that in considering the number of people changed from the old longevity to a new and higher longevity would get the new amounts provided in this legislation, namely, the equivalent of one, two, or three step increases.

Mrs. GRANAHAN. How about the fourth class?

Mr. BEARY. That particular provision would be changed because of the amendment in the Senate bill. I do not have the detail on that.

Mrs. GRANAHAN. Thank you, Mr. Beary.

Mr. Cunningham?

Mr. CUNNINGHAM. I have no further questions.

Mr. ADDABBO. On page 16, where we have the postal field service schedule, the total of the employees in longevity steps A, B, and C comes to 162,749. Those would be automatically entitled to the new increase if this bill is passed. Is that correct?

Mr. BEARY. Yes, sir.

Mr. ADDABBO. And the same thing would apply to the 169,920 in the postal field service schedule on the hourly rate?

Mr. BEARY. That is a cumulative figure. That 169,920 figure is arrived at by taking the first figure, those under the annual rate, 162,000-plus, and the hourly rate, which is 7,000-plus, totaling about 170,000, to which you then would add the rural carriers, 15,406, and the fourth-class office postmasters, 4,874. Thus, there are in excess of 170,000 presently in longevity steps.

Mr. ADDABBO. What would be the step increase under this legislation, then?

Mr. BEARY. It would vary according to the salary level that the employee is in; \$160 for the level 4 rather than \$100; if you had a level 4 employee with three longevities, instead of \$300 as the aggregate of the longevities he would have \$480.

Mr. ADDABBO. In other words, an additional \$180?

Mr. BEARY. That is right.

Mr. ADDABBO. My mathematics may not be good but I would figure an overall average of about \$250 times the 170,000 people who would be entitled to this increase. That would be way less than the \$59 million shown here.

Mr. BEARY. I am possibly no better at the mathematics, but I think you should remember that the employee who now has one longevity by virtue of 13 years of service would have two longevities under the new legislation.

Mr. ADDABBO. Do you have a figure on how many would fall into that category?

Mr. BEARY. Those presently in longevity A amount to approximately 54,000. That is for 13 years of service, and they would automatically go into longevity B under the proposed legislation.

Mr. ADDABBO. This would take more computing.

Mr. BEARY. It is a difficult process and that is why I am hesitant about posing as an expert on that feature of it.

Mr. ADDABBO. Can we possibly get a statement from the Bureau of the Budget and have them break it down for us?

Mrs. GRANAHAH. We will now hear from Mr. John W. MacKay, president of the National Postal Union.

Mr. MacKay.

STATEMENT OF JOHN W. MacKAY, PRESIDENT OF THE NATIONAL POSTAL UNION

Mr. MacKAY. I am John W. MacKay, president of the National Postal Union. Our national secretary-treasurer, Mr. Silvergleid, appeared at your last meeting and made an oral statement at that time. We wish permission to submit a written statement in support of the principles of the longevity bills which you introduced, H.R. 5783 and H.R. 7631 introduced by Congressman Joseph Karth. We would like permission to submit written statements for the record.

Mrs. GRANAHAH. That may be done without objection.

(The statement referred to follows:)

STATEMENT OF JOHN W. MacKAY, PRESIDENT, NATIONAL POSTAL UNION

Madam Chairman and members of the subcommittee, my name is John W. MacKay. As president of the National Postal Union, 509 14th Street NW., Washington, D.C., I am privileged to represent approximately 32,000 postal workers affiliated in over 300 local unions in 43 States, the island of Puerto Rico, and the District of Columbia. Our national secretary-treasurer, David Silvergleid, accompanies me here on this occasion.

We are grateful, Madam Chairman and members of this subcommittee, for these hearings on S. 1459 and related bills, to establish an improved system of longevity salary levels for postal field service employees. The interest evidenced by the Honorable Kathryn E. Granahan, chairman of this House Post Office and Civil Service Subcommittee and other members of the committee for their sponsorship of bills to correct longstanding inequities in this regard we believe to be highly commendable.

REDUCTION OF AUTOMATIC STEP INCREASES

Now, Madam Chairman, there has been considerable agitation by employee unions, since the enactment of Public Law 68 in 1955, for a reduction in the number of automatic step increases in pay. Numerous bills to provide this reduction have been introduced in both Houses since that date and there are presently several such bills in the House of Representatives. We believe postal employees acquire the necessary know-how and experience to qualify for top-grade automatic pay in a period of not more than 3 of 4 years.

It should be noted that the bills introduced by Senator Johnston and Congressman Morrison propose to reduce the required waiting period for the first longevity step increase from 13 to 10 years. We are hopeful the number of automatic step increases will be reduced in the near future to no more than four or five. We believe a lapse of 3 to 4 years between attaining top automatic grade and first longevity step increase is sufficient.

With the above facts in mind, we would like to go on record in support of H.R. 7631, introduced by the Honorable Joseph E. Karth. The provisions of this measure are comparable to a similar proposal introduced by the chairman and are in direct line with the resolution on this subject adopted at our national convention in Detroit, Mich., in August 1960.

LONGEVITY INCREASE NOT A PAY RAISE

Bills embodying the principles of longevity pay were first introduced in the 70th Congress in 1928, and in consecutive sessions until enactment of the first

longevity levels for postal workers in 1945. During April 1940, a joint subcommittee of the 76th Congress, headed by Senator Pat McCarran, held hearings on S. 3110, a bill to provide Federal and postal employees with longevity pay levels. S. 3110 stated in part:

"As a reward for continuous service heretofore rendered or to be rendered hereafter, shall have their base pay fixed by law, increased \$100 per annum for the first 10 years of continuous service, heretofore or hereafter rendered; and such base pay shall be increased by an additional \$100 per annum for each additional 5 years of continuous service heretofore or hereafter rendered. *Provided*, That no credit shall be given for service in excess of 30 years."

At these hearings, Senator McCarran made the following statement: "The application of this principle in the Federal service has been accepted as good employee practice developing morale, increasing efficiency, and reducing turnover. The principle of longevity increases has a wide application in private employment, and is being constantly extended in that field. They are a fair reward for long and faithful years of service and experience."

Subsequently, Public Law 134, enacted in 1945 to take effect on July 1, of that year, provided for three longevity step increases for postal employees below the supervisory level to apply as follows: the first longevity step increase in the amount of \$100 per annum at the completion of 3 years satisfactory service in the top automatic step; the second in the same amount after the completion of 5 additional years of satisfactory service; the third in the same amount after the completion of 7 additional years of satisfactory service.

The requirement cited above applied until 1950 at which time another law was enacted providing that all postal employees reaching top automatic step after May 3, 1950, would receive their longevity step increases after the completion of 13, 18, and 25 years of service. This meant that many employees who were within reach of the first longevity step increase, had the procedure set forth in Public Law 134 been continued, now had to wait additional years for the same benefits.

In other words, the top automatic pay formula was replaced by the years-of-service approach. Our endorsement of the Karth bill, H.R. 7631, is further predicated upon the desire to provide some measure of justice for this group of faithful employees.

We cite this historical background to emphasize a continuing opinion that longevity step increases are important and should be strictly divorced from the category of "pay increases." We believe they should be considered strictly as recognition for long and faithful service.

JUSTIFICATION FOR ADDITIONAL LONGEVITY STEP INCREASES

It should be noted that the bill under consideration during 1940, S. 3110, provided for a maximum of five longevity step increases. Public Law 134, enacted during 1945, establishing the first longevity levels for postal personnel, limited the number of such steps to three. Over 15 years have elapsed during which there has been no increase in this number. In examining all the bills presently before this subcommittee, it becomes apparent that if the number of longevity step increases remained at three, an employee could not go beyond a fixed salary after completing 16 to 20 years of service, unless he secured promotion to a higher level. Post postal workers attain their greatest efficiency and are of most utility to the service during their 15 to 30 years service bracket. Therefore, it would appear reasonable and justified to provide at least four longevity step increases thereby enabling an employee to attain top longevity pay after 23 years of service.

AMOUNT OF STEP INCREASES

It has been indicated that S. 1459 and H.R. 6092 as introduced by the Honorable Olin D. Johnston and James H. Morrison, respectively, would provide postal personnel with a longevity system similar to that afforded employees in the classified service. The principle involved here provides longevity increases equivalent to the automatic step increase in that particular grade or level. We would like to again emphasize at this point, our contention that longevity increases are not intended as a specific increase in salary. They have been considered as a reward for many years of service.

The administration takes a strong position that payment for services should be determined primarily by the responsibilities and duties involved. In this

instance, the sole criterion is length of service. On that basis, we advocate all employees in the Federal service be accorded an identical dollar longevity step increase. Certainly, an employee in level 1, who has completed 8 or more years of faithful service, is entitled to the same consideration as far as longevity step increases are concerned as an employee in level 15. Under the terms of S. 1459 and H.R. 6092 the first described employee would receive a longevity step increase of \$130 per annum, while the employee in level 15 would receive a longevity step increase of \$365 per annum. We submit there is no justification for such disparity. We respectfully request this subcommittee give the utmost consideration to the flat figure of \$200 per annum for each longevity step increase as proposed in both the Granahan and Karth bills.

SUMMARY

In conclusion, Madam Chairman, we urge an early and favorable report on this legislation. We are hopeful expeditious action will be taken on this proposal by Congress during the 87th session. We again express our sincere appreciation for your interest in this matter and for the opportunity to present our views.

Mrs. GRANAHAN. The next witness is Mr. Everett G. Gibson, legislative director of the National Federation of Post Office Motor Vehicle Employees, AFL-CIO.

Mr. Gibson.

STATEMENT BY EVERETT G. GIBSON, LEGISLATIVE DIRECTOR OF THE NATIONAL FEDERATION OF POST OFFICE MOTOR VEHICLE EMPLOYEES, AFL-CIO

Mr. GIBSON. Madam Chairman and members of the subcommittee, my name is Everett G. Gibson, I am the legislative director and secretary of the National Federation of Post Office Motor Vehicle Employees, with offices at 412 Fifth Street NW., Washington, D.C.

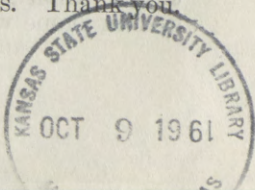
We sincerely appreciate the opportunity to appear before this committee today, in support of S. 1459, introduced by the distinguished Senator and chairman of the Senate Post Office and Civil Service Committee, Olin D. Johnston of South Carolina. We also appreciate you, Madam Chairman, and the members of this committee, for holding hearings on this important legislation.

We support S. 1459, as it has already passed the Senate and it is our sincere hope, that this committee will approve S. 1459 and report it to the full committee of the House Post Office and Civil Service Committee, so that it can be enacted during this session of Congress.

Under the provisions of S. 1459, there would be established longevity grades after 10, 13, and 16 years of faithful service, for each postal employee and provide an increase of each longevity, equal to the employees automatic step increase. It is our opinion, that S. 1459 is justified and would give the postal field service the same equality now given to the Federal employees as provided under the Classification Act.

Madam Chairman, on behalf of the organization which I have the honor of representing, we support S. 1459 and I want to thank you, Madam Chairman, and the members of this committee for allowing me to testify and support S. 1459.

We sincerely hope that this committee will approve S. 1459 and report this important legislation to the full committee, so that it will be enacted into law, during this 87th session of Congress. Thank you



Mrs. GRANAHAH. We will now hear Mr. John McCart, director of legislation, American Federation of Government Employees.

Mr. McCart.

STATEMENT OF JOHN McCART, DIRECTOR OF LEGISLATION, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

Mr. McCART. Madam Chairman and members of the subcommittee, in the interest of its members who are employed in the Post Office Department, the American Federation of Government Employees indorses S. 1459 and similar House bills under consideration by the committee today. In addition to the measure introduced in the Senate by Senator Olin D. Johnston, Representatives John Lesinski, James Morrison, Seymour Halpern, James G. Fulton, and Carl Perkins have sponsored similar bills in the House. To them and to the committee we desire to express appreciation for the serious attention being accorded this desirable legislation.

The bills would provide desirable improvements in the postal compensation structure. They would introduce uniformity while reducing the waiting period of an employee who has reached the maximum pay step of the level to which his position has been assigned. They would provide uniformity by requiring an even 3-year waiting period between the pay step 7 and the first longevity step, as well as between the first and second and the second and third longevity steps.

Presently an employee must wait 6 years after reaching the maximum regular pay step—step 7—before going to the first longevity step. The waiting period between the first and second longevity steps is 5 years and between the second and third longevity steps, 7 years. The overall effect of the bills would be to reduce the total waiting period from completion of the seventh level to attainment of the third longevity step to 9 years from the present 18 years.

An important effect of these bills would be to bring the requirements for advancement to each successive longevity pay step in the postal pay structure parallel with those established for classified employees in the Federal Employees Pay Act of 1945, as amended. Classified employees must serve 3 years at the maximum regular rate before advancing to the first longevity step of the grade involved. There are additional 3-year intervals between the first and second and the second and third longevity steps.

There is this difference between the two pay systems. Advancement to the next regular pay step or longevity step is automatic in the postal pay system. In the Classification Act system, it is dependent upon a positive determination of satisfactory service. The classification system requires an employee to serve 10 years in the present position, or in the present grade and equivalent or higher grades before qualifying for advancement to the first longevity step. In the postal pay system, the service requirement for advancement to longevity steps is total postal service.

In this respect the important difference between the postal pay system and the classification system is that the latter requires an employee to begin another 10-year service period upon advancing to a higher classification grade. This automatic characteristic of the postal pay system is one which the AFGE is hopeful to have introduced into the

Classification Act system in the near future. Such a requirement recognizes total Federal service and eliminates the artificial and somewhat unfair requirement that the employee must begin again this 10-year period of service upon promotion to a higher grade.

It is our belief, Madam Chairman, that the enactment of this legislation will be a factor in making the postal service increasingly attractive as a career. We thank you for the opportunity to present our views.

Mrs. GRANAHAH. The next witness is Mr. Bun Raley, legislative representative of the National League of Postmasters of the United States.

Mr. Raley.

**STATEMENT OF BUN RALEY, LEGISLATIVE REPRESENTATIVE OF
THE NATIONAL LEAGUE OF POSTMASTERS OF THE UNITED
STATES**

Mr. RALEY. Madam Chairman and members of the committee, my name is Bun Raley, legislative representative of the National League of Postmasters of the United States. I am testifying in behalf of the National League of Postmasters, the oldest postmasters organization in existence, having faithfully represented the postmasters of the Nation since 1904.

We are deeply grateful for the opportunity to appear before the committee in support of S. 1459, a bill to liberalize the present longevity grades. Our organization feels this is a matter of vital importance, and we appreciate the committee's decision to hold public hearings on this subject.

The bill under consideration would give postal employees longevity pay increases in an amount equal to the regular step increases of their grades as is done in the case of other Federal employees, instead of the fixed \$100 as provided by existing law. This bill would establish three longevity grades based on 10, 13, and 16 years' service instead of the present 13, 18, and 25 years of service.

The \$100 longevity grade increase as provided in the present law is a rather meager reward for long years of dedicated public service. We feel this proposal to give postal employees longevity pay increases in an amount equal to the regular step increase of their grades, is long overdue. This legislation will place postal employees on an equal basis with those in the classified service, who receive longevity increases in an amount equal to their step increases. In our opinion this discrimination should never have existed.

S. 1459 will reduce the number of years required for longevity grade promotions and establish uniform periods of 3 years to reach the next grade. This is a desirable change and we believe it will offer a greater incentive for competent people to enter the postal service.

Unfortunately this bill does not provide postmasters at offices of the fourth class with the same benefits extended to other postal employees. Postmasters at offices of the fourth class are loyal, dedicated people who serve the small communities with all the services provided by the larger offices. We, therefore, feel it would be a rank injustice not to extend these benefits to postmasters in the smaller offices.

At the present time longevity grade increases for postmasters at offices of the fourth class are based on 5 percent of their salary on \$100, whichever is the lesser. The basic compensation of postmasters at fourth-class offices ranges from \$495 to \$3,573. Therefore, it can be readily seen these postmasters do not receive adequate compensation for long years of dedicated public service.

The National League of Postmasters recommend that S. 1459 be amended to provide that postmasters at offices of the fourth class be granted longevity grade increases of 10 percent of their basic compensation, or \$160, whichever is the lesser, after 10, 13, and 16 years service.

Postmasters are managers of the postal establishments in the various towns and cities and the Post Office Department must look to the postmasters for the smooth and efficient operation of our great postal service. We, therefore, believe they should be adequately compensated for the services they render.

Madam Chairman and members of the committee, I appreciate this opportunity of submitting this testimony in support of S. 1459, with the proposed amendment to include postmasters at offices of the fourth class. I sincerely hope that the committee reports favorably on this proposed legislation.

Mrs. GRANAHAN. The next witness is Mr. Ashby G. Smith, president of the National Alliance of Postal Employees.

STATEMENT OF ASHBY G. SMITH, PRESIDENT, NATIONAL ALLIANCE OF POSTAL EMPLOYEES

Mr. SMITH. Madam Chairman and members of the committee, I wish to express my personal appreciation along with that of the National Alliance of Postal Employees for the consideration you are giving to this legislation. For purposes of identification, I am Ashby G. Smith, president of the National Alliance of Postal Employees, with offices at 1644 11 Street, NW., Washington, D.C. The organization which I am privileged to represent, numbers approximately 20,000 members in 117 branches throughout the United States. They share with me the sense of importance which attaches to this measure.

I might begin by quoting Mr. Elmer Statts, speaking for the Bureau of the Budget in opposition to the pay proposals of 1960 in which he testified before the full committee of this body the following:

Beginning in 1954, the President and other administration spokesmen have repeatedly advocated the principle, that Federal career salary rates should be generally comparable with private enterprise pay levels. A common conclusion of all the pay studies I have mentioned is that Federal pay should be reasonably comparable with pay in private enterprise for similar work. We urge your committee to accept this principle.

With the comments of the chairman of the Post Office and Civil Service Committee of the other body in mind upon his introduction of H.R. 5783, I express the hope that Mr. Statts and the Bureau of the Budget will extend the principle to comparability of wage rates within the Federal service as well.

I think this is important. This bill, it seems to me, points to one of the great anomalies of the pay system. For while heavy emphasis is laid upon this comparability, and indeed, the excess of Federal

wage rates over that of private industry, statistical evidence refuted such claims.¹

Allow me to draw your attention to the wage board in this regard. Here, we have the statutory requirement that area wages must be comparable. But the evident points to the regressive trend within the context of the Federal Government.

Average pay	1950	1955	1958	1959
Post Office.....	\$3,488	\$4,197	\$4,809	\$4,837
Wage board.....	3,133	4,111	4,894	5,195

The impact of this legislation, presumably, can be the key that unlocks the secret. For the averages could be drawn closer while not restoring completely the original relationship balance.

Mr. Maurice Stans, the former Director of the Bureau of the Budget presented to the Senate Post Office and Civil Service Committee a most revealing report on the original report of the Cordiner and the Young committee on the subject of Federal pay structure. On page 48, the report pointed to the inadequacy of the pay structure with this cogent reference to the postal field service schedule.

In the PFS maximum rates, including longevity, compared with minimum rates in the same grades vary from 31 percent (grade 1) to 20 (grade 2). * * * By contrast industry practices generally provide for much wider ranges than the above from minimum to maximum in a grade and for increasingly larger ranges as one moves from lower to higher salaries. The Cordiner committee report, for instance, revealed a median range of 35 to 39 percent at the \$5,000 per year level and a median range of 40 to 44 percent at the \$10,000 level 10.

With this happy circumstance prevailing in industry, I refer now to the table presented in the same report shown on page 75.

Here the spread of 11 percent in longevity alone at level 1 which shows a total spread of only 31.3 from the initial to the highest longevity grade, narrows to a 7.02 percent spread at the nearest \$5,000 level which happens to be the then maximum of level 6. The current equivalent is now step 4, level 5.

I cite the above-mentioned report, with what I hope is groundless expectation of administration disapproval.

However, the experience with the Classification Act of 1949 is so clear and affirmative that we may well obtain the administration's approval and support of this measure.

The postal field service longevity plan has been effective since 1945 with some modification since then. One hundred dollars per longevity step represents the flat rate limitation in the PFS schedule. The Classification Act of 1949 provides, as Chairman Johnston stated in the other body in his introduction of the measure, for a longevity increase equal to the step increase in levels in which the employees are assigned.

This approach to the plight of the long term employees for whom no promotional opportunities exist cannot be questioned on the basis of merit. In his "Review of Ten First Five Years of Operation of the Longevity Pay Plan" of the "Classification Act" of 1949, as amended,

¹ Statistical abstract U.S. Department of Commerce, p. 541: "A primary purpose of any pay system is to contribute substantially to the recruitment, retentary and motivation of a workforce adequate in numbers and quality."

Ismar Baruch sets forth some very cogent points in support of that program says:

All employees should be paid according to what they do; how well they do it and their length of service.

He further states that the longevity scheme encourages and rewards meritorious services; it provides an incentive for continuity of service. (This, I might add, presents the countervailing emphasis to early retirement which, we supported just a few days ago). Continuing with Mr. Baruch, the results of his study further reveals that turnover reduced, frozen salaries are offset and some impact is made on "dead-end" job situations.

All of these job limitation characteristics, Madam Chairman, apply almost totally to the postal service. Although some promotion opportunities do exist, their relation to the main body of employees is minor. Mr. Baruch states in his fifth anniversary study of the longevity plan of the Classification Act of 1949 that—

At the half way mark of the projected maximum annual cost of \$12 or \$13 million originally expected in 1960, it cost in 1954 about \$3,500,000 less than one third of the estimate. This cost is less than one tenth of 1 percent of the aggregate Classification Act payroll of about \$4,150 million on June 30, 1954.

I wish to point out that certain departmental jobs of the postal service are covered by the Classification Act. Therefore, we find this division of principle within the agency.

Madam Chairman, I, and the organization which I am privileged to represent, wish you to know how appreciative we are for the consideration which you have shown us in treating with this measure. May I at the same time express our appreciation for the concern of the chairman of this committee, Congressman Granahan, in sponsoring this measure. I express the hope that you will give this proposal your approval.

Thank you.

Mrs. GRANAHAN. The committee will adjourn at this time and go into executive session.

(Whereupon, Tuesday, September 5, 1961, the subcommittee adjourned.)



