

PROMOTION OF EMPLOYEES IN CUSTOMS FIELD SERVICE

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Mr. WALSH, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 7948]

The Committee on Finance, to whom was referred the bill (H. R. 7948) providing for the promotion of employees in the customs field service, having considered the same, report thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

All customs field service employees are affected by this bill. A small number of employees in the Customs Service office in Washington are not affected, however.

Previously enacted legislation affecting customs field service employees is as follows: The Welch Act, approved May 28, 1928, which amended the original Classification Act, set up new rates of pay for about one-third of the employees in the customs field service. On July 3, 1930, the Brookhart Act was approved which amended the Welch Act and it set up new grades and rates of pay for those one-third of the customs field service employees affected by the Welch Act. These employees are mostly in the clerical forces of the customs field service. A small field office is maintained in Washington. The Welch and Brookhart Acts did not cover merely the customs field service employees, but the whole Federal classified service except those services to which special legislation applies. These acts affected mostly inside employees in the customs field service. Employees in the customs field service are referred to as "inside" and "outside" forces. The "inside" employees are those who work in the customs offices and constitute mostly clerical workers, although there are some laborers and a few others. The "outside" forces are those who work on the docks—inspectors, guards, etc.

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The other two-thirds of the customs field service employees not affected by the Welch and Brookhart Acts were provided for under the Bacharach Act. This act, approved May 29, 1928, provided rates of pay for laborers, verifiers, openers and packers, clerks (during their first 4 years of service), guards, inspectors, and station inspectors. This act provided automatic increases for clerks, beginning at \$1,700 with advancement to \$2,100 after 4 years of satisfactory service. The Bacharach Act lifted all these employees out of the Welch and Brookhart Acts and gave them more favorable salaries, as well as embracing all employees not included in the Brookhart and Welch Acts.

THE PROPOSED ACT

The proposed act provides automatic promotions for persons whose salaries are fixed under the Brookhart and Welch Acts and also those persons whose salaries are not fixed under provisions of the Bacharach Act. Its effect would be that laborers, having one rate of pay (\$1,500) fixed by the Bacharach Act, would have five rates of pay, beginning at \$1,440 with automatic promotions of \$60 each year until the maximum is reached, namely, \$1,680.

For clerks the maximum is now \$2,100. The proposed act will add two additional rates of pay at the top, namely, \$2,200 and \$2,300. An illustration of how these acts affect clerks is as follows: A clerk enters the service under the Bacharach Act and remains under the provisions of that act until he reaches a salary of \$2,100. If he has been assigned to work which is covered by the Welch Act, which would call for grade 5 or grade 6 salary, he would no longer be within the terms of the Bacharach Act, but his salary would be fixed under the terms of the Welch and Brookhart Acts.

This proposed act provides for inspectors' automatic promotions yearly up to a salary of \$2,700, being known as salary rate 7 of the fixed rates. Salary rates for inspectors fixed by the Bacharach Act, and unchanged by the proposed act, begins at \$2,100 and ranges up to \$3,300. The Bacharach Act fixed salary rates for different grades in the inspection service but did not provide automatic promotions. As the Treasury Department was not given appropriations sufficient to automatically promote these inspectors, only a very few receive the maximum salary provided in the Bacharach Act. The total number of inspectors in the Customs Service, which includes customs patrol inspectors, is approximately 2,287 and not more than two of these are in the highest bracket of salary. Most of them are in the lower brackets and below the average of \$2,700.

Under the proposed act, salaries of inspectors would begin at \$2,100 and each year would be increased \$100 up to \$2,700. The proposed act then provides that not to exceed 50 percent of the inspectors shall be promoted to salary rates 8, 9, 10, 11, 12, and 13, the latter being the maximum of \$3,300 and 8 being the minimum of \$2,800. This provision would operate so that 50 percent of the total force of inspectors could not be above grade 7 and 50 percent would be above grade 7.

The selection of those to go into grades above 7 is discretionary with the Secretary of the Treasury, on recommendation of the Commissioner of Customs and, as far as consistent with efficient administration policy, is to be made on the basis of seniority.

Under the terms of the Bacharach Act the same grades as provided in the proposed bill were fixed, but no automatic promotion provision was included and therefore promotions were not made, although if money had been made available, the Secretary of the Treasury could have permitted the promotions.

EVIDENCE

Evidence before the committee showed that there were inspectors who had been in the Customs Field Service for 20 years and were still getting only \$2,100.

One of the arguments advanced in favor of this act is that inspectors in the Immigration Service are paid considerably more than inspectors in the Customs Service and this proposed Act would tend to equalize their salaries. Evidence was also presented that in many instances supervisors in the Customs Service receive a lower salary than the regular inspectors in the Immigration Service. The inspectors in the Immigration Service are given annual promotions. This results in inspectors in Immigration Service receiving a salary of \$400 more per year than inspectors in the Customs Service.

The Acting Secretary of the Treasury in his letter to the chairman of the Committee on Finance states:

Employees of the customs field service other than clerks have served without promotion for such a long period of years that they have become greatly discouraged. This lack of material recognition for loyal, faithful, and satisfactory service destroys the morale and retards the initiative of the personnel. It is particularly true of a large class of customs field employees (customs inspectors) who are required to work side by side with immigration inspectors who receive much higher salaries even though they may have served for a much shorter period of time. This is due to the annual promotions received by immigration inspectors under the act of May 29, 1928.

The Acting Secretary of the Treasury further states:

The major feature of the bill is the annual promotion of employees who have rendered satisfactory service. This is comparable to the present annual promotion of clerks in the Customs Service. It is, in effect, an extension to all customs field employees of the practice now governing the promotion of customs clerks in the lower grade.

Although the letter of the Acting Secretary of the Treasury is favorable in tone, it concludes as follows:

However, in view of the fact that the expense of the first series of promotions, if the bill is enacted into law, would amount to approximately \$720,000, and the further fact that there is now in progress a study by Government personnel agencies of the general subject of classification, compensation, and retirement of Government employees, the Department does not favor the enactment of the bill into law.

The proposed legislation is not in accordance with the program of the President.

We are unable, however, to concur in the objections of the Treasury, namely, that the enactment of this bill will entail an expense of \$720,000 the first year, but on the contrary feel that by the enactment of this bill, and giving material recognition to the loyal, faithful, efficient, and satisfactory service performed by these employees will bring about an increase in their morale and thereby tend to a more efficient administration with the result that increased revenues will be received, and better enforcement of our antismuggling laws will result therefrom.

Since this bill merely seeks to give the same recognition and opportunity for advancement to employees in the customs field service as as has been enjoyed by the immigration inspectors for a number of

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years and by large groups in the Postal Service, it is the opinion of your committee that the system of classification set up by the act of May 29, 1928, in regard to inspectors in the customs field service should become operative and that these employees should not be denied maximum salary rates fixed in that act merely because the act did not provide automatic promotions.

At the present time, after the existing law has been in effect for 9 years we find that not one customs inspector in the whole United States is receiving the maximum salary intended by the act of Congress. We find the majority of these employees still at the minimum of their respective grades. In this connection attention is directed to the following charts illustrating salary stagnation in the customs field service:

Chart illustrating salary stagnation in Customs Service

[Statistics taken from 1933 Budget figures; positions selected are from those groups which make up bulk of service]

Position	Total number	Below average of grade		At or above average of grade		Minimum of grade	
		Number	Percent	Number	Percent	Number	Percent
Verifiers, openers, packers.....	394	390	99	4	1	188	48
Guards.....	990	983	99	7	1	884	90
Inspectors.....	2,309	2,185	95	124	5	1,413	61

Position	Grade 5 (\$2,000-\$2,600; average, \$2,300)		Grade 6 (\$2,300-\$2,900; average, \$2,600)		Grade 7 (\$2,600-\$3,200; average, \$2,900)		Grade 8 (\$2,900-\$3,500; average, \$3,200)	
	Number in group	Average salary of group	Number in group	Average salary of group	Number in group	Average salary of group	Number in group	Average salary of group
Clerks.....	446	\$2,148	177	\$2,404	152	\$2,688	25	\$3,024
Customs agents.....					6	2,600	47	2,934
Deputy collectors.....	45	2,156	60	2,370	50	2,686	31	3,010
Deputy collectors in charge..	49	2,222	84	2,415	27	2,822	23	3,070
Entry clerks.....			15	2,367	7	2,743	16	2,931
Examiners.....	1	2,100	30	2,327	51	2,649	8	2,950
Liquidators.....	1	2,100	38	2,371	46	2,635	70	2,947
Samplers.....	27	2,007	10	2,340				
Storekeepers.....	116	2,106	76	2,550				

At the present time there are appropriated the following salaries to inspectors at the port of New York:

	<i>Per annum</i>		<i>Per annum</i>
153 inspectors at.....	\$2,100	10 inspectors at.....	\$2,800
80 inspectors at.....	2,200	48 inspectors at.....	2,900
20 inspectors at.....	2,300	1 inspector at.....	3,000
14 inspectors at.....	2,400	None at.....	3,100
22 inspectors at.....	2,500	1 inspector at.....	3,200
98 inspectors at.....	2,600	None at.....	3,300
18 inspectors at.....	2,700		

The salary according to the present law ranges from \$2,100 to \$3,300. According to the rates permitted under present law, the average salary should be \$2,700; actually, as shown by the above figures, it is \$2,390, and the constant and seemingly inexorable trend is toward the minimum. Inspectors receiving the average or above-average salary number 78; those below the average number 387.