

FOR IMMEDIATE RELEASE

October 1, 1974

Office of the White House Press Secretary
-----THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

The law on pay rates for Federal employees requires that they be paid salaries comparable with private enterprise and provides for an annual review process by which this comparability shall be determined and maintained.

Under that process, the Director of the Office of Management and Budget and the Chairman of the Civil Service Commission serve jointly as the President's agent for Federal pay.

Acting as my agent, Mr. Ash and Mr. Hampton have completed their review of pay comparability and have concluded that an average increase of 5.52 percent is justified this year. Accordingly, I have determined that Federal employees will receive a pay hike of that amount, and I have directed that it be placed in effect as of the beginning of the next applicable pay period.

In making this determination, I have also received two other recommendations. One was from the representatives of the Federal employees, who proposed an increase of 8.4 percent. The second was from an Advisory Committee on Federal Pay, consisting of three distinguished non-government experts in labor relations and pay policy.

I met with this second group and listened to a well-reasoned preparation of their views. In brief, they agree with the method used by my agent to arrive at the 5.52 percent figure but feel that an extra 1.7 percent should be added to make a total increase of 7.22 percent. This additional sum is based on a special study which was made at the direction of the Advisory Committee and covered increases that have occurred in the private sector since the completion of the annual BLS survey upon which the agent's recommendation is based.

I have given careful and sympathetic consideration to both of these additional proposals. Federal employees, like all other citizens, are suffering financially from the current high level of inflation. However, the comparability law requires that my sympathy for Federal employees be balanced by concern for the taxpayers who pay the bills. In today's economy, it is clear that one of the best services we can render to the taxpayer as well as the Federal worker is to keep the Federal budget within bounds to help alleviate current economic problems.

After weighing these considerations, I have concluded that I should not go beyond the clearly justified increase recommended by my agent. This increase gives full weight to the findings of the full scale BLS survey made this year in the traditional manner. To depart from past practice by use of a special survey to support a higher increase than can be justified by normal methods does not seem to me to be the right thing to do at this time.

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