

FOR IMMEDIATE RELEASE

October 7, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the provisions of section 5305 of title 5, United States Code, I hereby report on the comparability adjustment I am ordering for the Federal statutory pay systems in October 1974.

The Director of the Office of Management and Budget and the Chairman of the United States Civil Service Commission, who serve jointly as my agent for Federal pay, have recommended a 5.52 percent average increase in Federal statutory pay rates. The Federal Employees Pay Council and other employee organizations have proposed an increase of 8.4 percent. The Advisory Committee on Federal Pay has agreed with the method used by the agent to arrive at the 5.52 percent, but has recommended that it be augmented by an additional 1.7 percent, producing a total increase of 7.22 percent. This additional 1.7 percent is based on a special study of pay increases that have occurred in the private sector since completion of the annual Bureau of Labor Statistics survey on which the agent's recommendation is based.

I have decided that I must choose the 5.52 percent increase, without the additional 1.7 percent. The Advisory Committee has made a forceful case for the additional amount, both in their report and in their meeting with me. However, I do not feel that in the context of our current economic situation, I should go beyond the clearly justified increase recommended by my agent. This increase gives full weight to full scale Bureau of Labor Statistics survey findings of this year in the same manner as last year.

The time lag between the annual BLS survey and the resulting pay adjustment has been an integral part of our Federal pay-setting system since the principle of pay comparability was first adopted. The overriding need of the nation at present is clearly to dampen the fires of inflation. To depart from past practice by the 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.

I have noted the Advisory Committee's recommendation that the results of the annual survey of private sector pay be made available by July 1 of each year rather than the present date of August 1. I am in full agreement that an earlier arrival of the survey results would be highly desirable, since it would provide more time for all the parties involved in the annual pay comparison to give thorough consideration to the very complex issues involved. Therefore, I shall see what can be done so that the survey results will reach my agent by July 1 of each year.

more

(OVER)

I am transmitting herewith the reports of my agent and the Advisory Committee, as well as a copy of the Executive order I have promulgated to put this pay increase into effect. Also transmitted herewith is a copy of an Executive order I have promulgated to increase basic pay and basic allowances for quarters and subsistence for members of the uniformed services, in accordance with section 1009 of title 37, United States Code, as added by Public Law 93-419 of September 19, 1974.

GERALD R. FORD

THE WHITE HOUSE,
October 7, 1974

#