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THE WHITE HOUSE  
WASHINGTON

August 25, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: PAUL O'NEILL  
FROM: JIM CONNOR *fdl*  
SUBJECT: Proposed Letters re H. R. 2559 which provided annual pay adjustments for top-level Executive, Legislative and Judicial Branch Officials

The President has reviewed your memorandum of August 12th on the above subject and approved the sending of the suggested letters accompanied by signing pens.

By a copy of this letter we are requesting Bob Linder to arrange for preparation of the approved letters.

cc: Don Rumsfeld  
Jack Marsh  
Bob Linder

*On 8/27 Jim Connor advised that the President has reconsidered sending these letters — they should not go. Advised Bob Linder — Advised OMB Jim Jura & C to discuss with Lynn*

**THE WHITE HOUSE**

**WASHINGTON**

8/15/75

MR PRESIDENT

The attached item was returned in the last courier pouch without a decision. We are resubmitting for your review.

Jim Connor

THE WHITE HOUSE  
WASHINGTON

August 13, 1975

MR PRESIDENT:

Staffing of the attached memo resulted in the following comments from Jack Marsh:

"It was not my impression that the President always wrote letters of this type after the passage of legislation, and I would not recommend them in this case. If he feels compelled to express his thanks, I would suggest only a very short acknowledgment, or that it be done personally. Additionally, I think letters of this type might weaken his position if he goes forward with a five percent cap."

Please indicate your wishes in this matter:

AA-7

Prepare the letters recommended by Lynn.

\_\_\_\_\_ Have Marsh prepare brief acknowledgment.

\_\_\_\_\_ Telephone the individuals involved

Jim Connor



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

AUG 12 1975

MEMORANDUM FOR THE PRESIDENT

FROM:

PAUL O'NEILL *Oneill*

SUBJECT:

Proposed letters re H.R. 2559 which provided annual pay adjustments for top-level Executive, Legislative and Judicial Branch officials.

Attached are proposed letters to the Chairmen, ranking minority Members and senior staff of the Senate and House Civil Service committees thanking them for their roles in the enactment of H.R. 2559. The persons addressed played key roles with Jim Lynn in shaping and enacting the legislation and thus in solving a very troublesome problem.

The working relationships that evolved among this group were the kind we wish we had on more legislative matters.

There is also attached a proposed letter to Congressman Stephen Neal of North Carolina. With some reluctance, he switched his vote to support this legislation, and the bill passed by a vote of 214 to 213. Chairman Henderson, who was instrumental in persuading Congressman Neal to vote for the legislation, has asked that the President write to Mr. Neal to thank him for his support.

We recommend that all of these letters be sent, accompanied by signing pens, if that is possible.

THE WHITE HOUSE  
Washington

Dear Mr. Chairman:

I would like to express my personal appreciation for your strong support and highly successful management of H.R. 2559, which was signed into law on August 11. As indicated in my letter to the President of the Senate, I regard this as a vital first step in resolving the salary inequities of the past several years, and it will certainly provide some well deserved relief almost immediately. Most importantly, however, enactment of this legislation will help ensure the long-range operational effectiveness of the Government by better enabling us to recruit and retain the experienced people we need.

As you observed on the floor of the Senate, "It is a sign to thousands of key Government people that the Congress recognized what inflation has done to their paychecks in terms of purchasing power since they were last given a raise. It can do much for morale among these people." I feel certain that it will. I would add that while we can expect these talented individuals to make

some substantial financial and personal sacrifices in order to enter or remain in public service, there are limits to what we can reasonably ask of them. Thus, I look forward to working with the Congress in attempting to find a remedy for the longer-range problems of pay lag and salary compression.

Again, my thanks for your major role in this significant effort.

Sincerely,

Honorable Gale W. McGee  
Chairman, Committee on  
Post Office and Civil Service  
United States Senate  
Washington, D. C. 20510

THE WHITE HOUSE  
Washington

Dear Senator Fong:

I would like to express my personal appreciation for your strong support and highly successful management of H.R. 2559, which was signed into law on August 11. As indicated in my letter to the President of the Senate, I regard this as a vital first step in resolving the salary inequities of the past several years, and it will certainly provide some well deserved relief almost immediately. Most importantly, however, enactment of this legislation will help ensure the long-range operational effectiveness of the Government by better enabling us to recruit and retain the experienced people we need.

As you observed on the floor of the Senate, "...we have to do something to keep these many employees, to try to encourage other employees to come in to take the jobs which are now vacant, and to keep our Government going..." I would add that while we can expect these talented individuals to make some substantial financial and personal sacrifices in order to enter or remain in public service, there are limits to what we can reasonably ask of them. Thus, I look forward to working with the Congress in attempting to find a remedy for the longer-range problems of pay lag and salary compression.

Again, my thanks for your major role in this significant effort.

Sincerely,

Honorable Hiram L. Fong  
United States Senate  
Washington, D. C. 20510

THE WHITE HOUSE  
Washington

Dear Mr. Crowlie:

I would like to express my personal appreciation for your significant role in the preparation and enactment of H.R. 2559, which was signed into law on August 11. As indicated in my letter to the President of the Senate, I regard this as a vital first step in resolving the salary inequities of the past several years, and it will certainly provide some well deserved relief almost immediately. Most importantly, however, enactment of this legislation will help ensure the long-range operational effectiveness of the Government by better enabling us to recruit and retain the experienced people we need.

As Senator McGee observed on the floor of the Senate, "It is a sign to thousands of key Government people that the Congress recognized what inflation has done to their paychecks in terms of purchasing power since they were last given a raise. It can do much for morale among these people." I feel certain that it will. I would add that while we can expect these talented individuals to make some substantial financial and personal

sacrifices in order to enter or remain in public service, there are limits to what we can reasonably ask of them. Thus, I look forward to working with the Congress in attempting to find a remedy for the longer-range problems of pay lag and salary compression.

Again, my thanks for your major role in this significant effort.

Sincerely,

Mr. Roderick C. Crowlie  
Staff Director  
Senate Post Office and  
Civil Service Committee  
New Senate Office Building  
Washington, D. C. 20510

THE WHITE HOUSE  
Washington

Dear Mr. Chairman:

I would like to express my personal appreciation for your strong support and highly successful management of H.R. 2559, which was signed into law on August 11. As indicated in my letter to the Speaker of the House, I regard this as a vital first step in resolving the salary inequities of the past several years, and it will certainly provide some well deserved relief almost immediately. Most importantly, however, enactment of this legislation will help ensure the long-range operational effectiveness of the Government by better enabling us to recruit and retain the experienced people we need.

As you observed on the floor of the House, "The existing system has failed. Four years is too long a period in our dynamic economy to wait for adjustments in pay of these high level positions." H.R. 2559 does not fully solve the existing problems, but it is a major step forward. While we can expect these talented individuals to make some substantial financial and personal sacrifices in order to enter or remain in public service, there are limits to what we can reasonably ask of them. Thus, I look forward to working

with the Congress in attempting to find a remedy for the longer-range problems of pay lag and salary compression.

Again, my thanks for your major role in this significant effort.

Sincerely,

Honorable David N. Henderson  
Chairman, Committee on Post  
Office and Civil Service  
United States House of Representatives  
Washington, D. C. 20515

THE WHITE HOUSE  
Washington

Dear Congressman Derwinski:

I would like to express my personal appreciation for your strong support and highly successful management of H.R. 2559, which was signed into law on August 11. As indicated in my letter to the Speaker of the House, I regard this as a vital first step in resolving the salary inequities of the past several years, and it will certainly provide some well deserved relief almost immediately. Most importantly, however, enactment of this legislation will help ensure the long-range operational effectiveness of the Government by better enabling us to recruit and retain the experienced people we need.

As you observed on the floor of the House about H.R. 2559, "...at best it represents only a partial catch-up to offset cost-of-living increases for one year." While we can expect these talented individuals to make some substantial financial and personal sacrifices in order to enter or remain in public service, there are limits to what we can reasonably ask of them. So, this is a constructive first step. I congratulate you for your role in it, and I look forward to working with the Congress in attempting to find a remedy for the longer-range problems of pay lag and salary compression.

Again, my thanks for your major role in this significant effort.

Sincerely,

Honorable Edward J. Derwinski  
House of Representatives  
Washington, D. C. 20515

THE WHITE HOUSE  
Washington

Dear Mr. Martiny:

I would like to express my personal appreciation for your significant role in the preparation and enactment of H.R. 2559, which was signed into law on August 11. As indicated in my letter to the Speaker of the House, I regard this as a vital first step in resolving the salary inequities of the past several years, and it will certainly provide some well deserved relief almost immediately. Most importantly, however, enactment of this legislation will help ensure the long-range operational effectiveness of the Government by better enabling us to recruit and retain the experienced people we need.

As Chairman Henderson observed on the floor of the House, "The existing system has failed. Four years is too long a period in our dynamic economy to wait for adjustments in pay of these high level positions." H.R. 2559 does not fully solve the existing problems, but it is a major step forward. While we can expect these talented individuals to make some substantial financial and personal sacrifices in order to enter or remain in public service, there are limits to what we can reasonably ask of them. Thus, I look forward to working with the Congress in attempting to find a remedy for the longer-range problems of pay lag and salary compression.

Again, my thanks for your major role in this significant effort.

Sincerely,

John H. Martiny  
Chief Counsel, Committee on Post Office and Civil Service  
House of Representatives  
Washington, D. C. 20515

THE WHITE HOUSE  
Washington

Dear Mr. Neal:

I noted, with pleasure, your support of H.R. 2559, legislation which deals with the long-standing pay lag and salary compression of Federal executives, judges, and Members of Congress.

I think all of us who supported passage of this measure should feel well satisfied with that decision, because the legislation represents a vital first step in dealing with a highly significant matter. It not only provides some needed equity to those involved but also will contribute to the long-range effectiveness of the Government by enhancing its ability to recruit and retain skilled, experienced people. Although the Government does not necessarily have to match fully private enterprise salaries, there are limits to which we can ask talented individuals to make major financial and personal sacrifices in order to enter or remain in public service.

This legislation will provide at least some well deserved relief, and I want to express my personal appreciation for your support of this effort.

Sincerely,

Honorable Stephen Neal  
House of Representatives  
Washington, D. C. 20515