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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am signing H.R. 14238, Appropriations for the Legislative Branch for Fiscal Year 1977, with reluctance.

Last year, the Congress enacted Public Law 94-82 which, after more than six years, allowed annual pay adjustments for all Federal employees. Before that time pay raises for officials at the top levels of the Federal Government had been frozen. As annual comparability increases came due each October, more and more Federal employees bumped up against the fixed ceiling, preventing them from receiving the annual comparability increase. Soon, many employees in the upper Civil Service grades were receiving exactly the same salary as policy-making officials.

Under these conditions, it became increasingly difficult to recruit top-flight people into the Federal Government and it became even more difficult to retain those who were already there. With salaries significantly higher in the private sector, many dedicated individuals are deterred from entering or remaining in the public service. Chief Justice Burger has spoken often -- forthrightly and eloquently -- on the identical problems which plague the Federal Judiciary.

While last year's law did not solve these problems by any means, it did give some small relief to Federal officials who had not had a pay raise since 1968, despite large increases in the cost of living.

In the bill I am signing today, Congress has not only withdrawn the small step they took last year to help alleviate the problems of Federal pay, but they have created additional chaos.

If the Congress had frozen only the pay of its members in this bill, I would sign without hesitation.

Instead, in this election year, the Congress chose not only to stop its own pay raises but those of the Judiciary and top-level Executive Branch employees as well.

Further, the Congress has created havoc in the pay levels throughout the Federal Government. The Congress wrote language in this bill which enables employees in Civil Service grades 16, 17, and 18, and some at grade 15, to be paid higher salaries than the Commissioner of Education, the Commissioner of Food and Drugs, the Commissioner of Indian Affairs, the Administrator of the Farmers Home Administration, the Director of the National Park Service, and the Archivist of the United States. Many other officials will receive lower salaries than their subordinates.

The Congress has made a bad situation worse.

I seriously considered returning this bill to the Congress without my approval.

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However, I am signing this bill because the Congress will have an opportunity to remedy the situation early next year when I present my recommendations after reviewing the proposals of the Quadrennial Commission on Executive, Legislative, and Judiciary Salaries.

I am also signing this bill because the Congress did take action on an Administration initiative of some importance -- the elimination of the so-called 1% kicker from increases provided Federal annuitants. The 1% kicker was originally intended to compensate for the delay in providing cost-of-living adjustments. However, as a result of compounding, there has been overcompensation. Since the 1% add-on was adopted, the cost of living has increased 58% while the 1% kicker adjustments have totalled 71%. Although the new cost-of-living adjustment system which this legislation establishes does not conform entirely to my recommendations, it nevertheless should maintain an appropriate balance between protecting Federal annuitants from inflation, while preserving the fiscal soundness of Federal retirement programs.

In signing this bill I express not only my chagrin but also my deep regret that so many dedicated men and women of the Judiciary and the Executive Branch will have their pay frozen by the actions of this Congress. We must all hope and expect that the next Congress will act more responsibly.

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