

Nixon on Pay Increase: 'Element of Self Denial'

Post 9/1/73
To the Congress of the
United States:

At a time when the rising cost of living is a major concern to us all, the federal government and its employees have a special obligation to avoid any action that would needlessly fan the flames of inflation. This obligation must not be taken lightly, even in cases when meeting it involves a reasonable element of self denial.

It is in this spirit, and with the knowledge that the action I am taking will help to hold down the cost of living for all Americans, that I now recommend a 60-day deferral in the pending pay adjustment for federal employees.

As required by law, I am also transmitting to the Congress an alternative plan designed to meet both the rightful needs of those who serve the government and the common interest of the general public who must bear the burden of increased inflation.

Under this plan, a pay increase for all federal employees based upon an appropriate comparability adjustment would become effective on the first pay period beginning on or after Dec. 1, 1973. The level of the comparability adjustment will be determined during the next few weeks. My agent on federal pay, the director of the Office of Management and Budget and the chairman of the Civil Service Commission, have recommended an average

pay increases of 4.77 per cent. This recommendation is now being reviewed by my advisory committee on pay, and this committee will make its own recommendations to me in late September. At that time, I will make my decision on the appropriate comparability adjustment.

I regret asking for this postponement of a federal pay increase but there can be no doubt of its necessity. At a critical time in the economic health of our nation, when many are being called on to make sacrifices in order to hold down inflation, no one should enjoy special immunity. Thus far, labor and management in the private sector have done their share by acting with commendable restraint and agreeing upon new wage increases. As one of the largest groups of workers in the country, federal employees can do no less. In fact, federal employees have a unique role to play in the fight against inflation because every dollar of their pay comes out of the federal budget. It is especially important this year as we seek a balanced, non-inflationary budget that federal spending be held to a minimum.

I urge the Congress to support this action, not because it is politically expedient or the easy thing to do, but because it is in the best interest of all Americans.

The alternative plan is attached.

/s/ Richard Nixon