

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Keogh with Mr. Jackson.
Mr. Hébert with Mr. Mason.
Mr. Buckley with Mr. Miller of New York.
Mr. Alford with Mr. Younger.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 17: Page 6, line 15, insert "": *Provided further*, That the Army National Guard shall be maintained at an average strength of not less than 400,000 for the fiscal year 1961".

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 26: Page 12, line 25, strike out "\$174,726,000" and insert "\$180,296,000".

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 26, and concur in the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$174,686,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 28: Page 14, line 24, strike out "\$4,172,404,000" and insert "\$4,240,732,000".

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$4,243,398,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 51: Page 36, line 5, after "materiel," insert "and for all expenses of production of lumber or timber products pursuant to section 2665 of title 10, United States Code."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 52: Page 43, line 11, insert "*Provided however*, That none of

the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a competitive basis to the lowest responsible bidder."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 58: Page 47, line 13, insert:

"SEC. 534. During the current fiscal year, the Secretary of Defense, should he deem it advantageous to the national defense to accelerate any strategic or tactical missile or satellite program, may transfer under the authority and terms of the Emergency Fund, an additional \$150,000,000 for the acceleration of such missile or satellite program or programs: *Provided*, That the transfer authority made available under the terms of the Emergency Fund appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further*, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

Mr. MAHON. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate No. 58, and agree to the same with an amendment, as follows: In line 1 of said amendment, strike out "534" and insert "535".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. MAHON. Mr. Speaker, I ask that all Members speaking on the conference report be permitted to revise and extend their remarks, and that all Members be permitted to extend their remarks in the RECORD on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

HIGHWAY CONSTRUCTION

Mr. FALLON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10495) to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland? [After a pause.] The Chair hears none, and appoints the following conferees: MESSRS. FALLON, DAVIS of Tennessee, BLATNIK, SCHERER, and CRAMER.

SALARIES OF FEDERAL EMPLOYEES—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 442)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I return herewith, without my approval, H.R. 9883, a bill to increase the salaries of Federal employees.

Whenever I have been presented with legislation providing for increases in Federal salaries that were justified and warranted, I have unhesitatingly given my approval to such legislation—and I would gladly do so again.

H.R. 9883, however, is indefensible by any light. This hastily drawn bill violates every concept of fairness, every rule of reason and logic. Were this measure to become law, the already conspicuous unfairness and discrimination in our antiquated Federal pay system would be greatly intensified. Instead of making progress—by improving the Federal pay structure—we would actually be taking a long step backward.

The money cost of all this retrogression—not to mention its intangible costs—would impose an annual burden on the American taxpayer of three quarters of a billion dollars, and the money would not be wisely spent. Such fiscal and legislative irresponsibility, and particularly the bill's basic unfairness and the discrimination it would perpetuate, offend all thinking citizens, Federal employees among them, and make this legislation entirely unacceptable.

More specifically, H.R. 9883 is defective in the following respects:

1. The bill totally ignores the recognized precept that the only sound basis for setting Federal salaries is reasonable comparability to rates paid for similar work in private industry. Judged by this standard there is reason to believe, from such information as is now available, that a number of Federal salaries already exceed private rates of pay for similar work and, conversely, that other Federal salaries are below corresponding private compensation. H.R. 9883 in no respect addresses itself to these disparities and, in fact, actually perpetuates and intensifies them.

Furthermore, in the haste to pass some kind of pay legislation in this particular year, the national salary survey currently being made by the Department of Labor to ascertain the comparability of Federal salaries, grade-by-grade, with those paid in private business was completely ignored—notwithstanding that the Congress itself appropriated \$500,000 to finance it. This survey, which will be completed in September, was intended to provide a sound and defensible basis for adjustments in the Federal pay structure—and it still will. To that end, such recommendations as are indicated by the survey and other relevant evidence will be made to the Congress in January.

2. The inequities already present in our Federal pay structure would be sharply accentuated by H.R. 9883. It increases by the largest percentages

those salaries which are already apparently in excess of compensation rates for similar work in private industry. On the other hand, the lowest percentage increases are accorded those who appear to be underpaid in relation to their counterparts in private business. To thus heighten the present distortion would be grossly unfair and highly discriminatory.

3. Even within itself H.R. 9883 is manifestly unjust. For a large number of employees it would increase salaries by nearly 9 percent, but for others performing exactly the same work the increase would be only slightly over 7½ percent. Further, employees in the postal field service would, in general, be given larger percentage increases than those provided for nearly twice as many persons who are compensated under the Classification Act and other statutory pay schedules.

4. The claim by proponents of the bill that the pay increases it would provide are justified by a rise in the cost of living is utterly without foundation in fact. Since June of 1958, when a 10 percent pay increase for Federal employees was approved, the cost of living as measured by the Consumers' Price Index has advanced 2.1 percent. More importantly, since the beginning of this administration in January of 1953, Federal civilian employees have received two general pay adjustments, increasing average salaries 17½ to 20 percent in the aggregate, while during the same period the Consumers' Price Index has advanced less than 11 percent.

5. By not providing offsetting revenues for the \$248 million a year it would add to Post Office Department costs, the bill stands in complete disregard of the policy which the Congress itself established in 1958 that postal revenues should approximately equal postal costs less those costs deemed attributable to the performance of public services. The consequences of this disregard, were H.R. 9883 to become law, would be to increase the postal deficit, which must be met by the American taxpayer, to \$851 million a year.

6. The bill would unwarrantedly extend Federal retirement and life and health insurance benefits to employees of locally elected county stabilization and conservation committees who are not Federal employees because not appointed or supervised by Government officers. The Federal system should apply only to Federal employees. The legitimate needs of these people for such retirement and insurance opportunities should be met and the Department of Agriculture, accordingly, has for some months now been exploring means by which the Government might appropriately act. I have asked the Secretary of Agriculture to expedite these efforts.

Looking to the future, I urge the Congress, in accordance with my recommendation of last January, promptly to enact legislation which will make permanent the 2½ percent temporary salary increase accorded postal field service employees 2 years ago in 1958. That increase is now scheduled to expire in

January of next year, so action prior to adjournment of the current session is advisable.

With regard to general pay legislation, I am convinced, as I have indicated, that it is not presently required and should not be enacted until we can at the same time intelligently modernize our pay system. Evidently, however, this view is not shared by the Congress. In an effort to resolve the difference, therefore, I would be willing at this time to approve a modest increase reasonably commensurate with the percentage rise in the Consumers' Price Index since the last general pay increase became effective. This is the only increase that could possibly be justified under present circumstances. In fairness to the American taxpayer, however, new postal revenues should be provided sufficient not only to offset the cost of any such increase to the Post Office Department, but also to eliminate the current postal deficit.

I must preface my following remarks on another aspect of this legislation by emphasizing that I have an abiding admiration and respect for the great mass of those who work in the Government service. It has been my privilege to have lived and worked with them, in Washington and throughout the world, for half a century. They deserve and rightfully expect fair and enlightened treatment, in personnel matters, on the part of the Government. At the same time, with regard to their remuneration, they desire only that the accepted principles of reward for merit, length of service, and especial competence be followed. I bear all of this in mind in what I am about to say and I wish to make it clear that the remarks which follow are directed only to a small minority, and in particular their leadership, of what are in the main a fine and outstanding group of public servants.

The other aspect of this legislation to which I refer is unrelated to its merits and is to me deeply disturbing. I am informed that the enactment of H.R. 9883 was attended by intensive and unceasing political pressure exerted flagrantly and in concert on Members of Congress by a number of postal field service employees, particularly their leadership.

I fully respect the legal right of every Federal employee—indeed of all our citizens—to petition the Government. But the activity of which I have been advised so far exceeds a proper exercise of that right, and so grossly abuses it, as to make of it a mockery.

I am further informed that, in anticipation of my disapproval of this bill, it is planned to resume these deplorable tactics, to an even greater degree.

That public servants might be so unmindful of the national good as to even entertain thoughts of forcing the Congress to bow to their will would be cause for serious alarm. To have evidence that a number of them in the postal field service, led by a few, have actually sought to do so is, to say the least, shocking. Were the pressure tactics surrounding the passage of this bill, and apparently further intended in the event of its veto, widely known to the American people,

their indignation and outrage in all its power would be quickly felt—and rightly so.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, June 30, 1960.

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and bill will be printed as a House document.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the message of the President be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHANSEN. Mr. Speaker, I earnestly commend to the attention of my colleagues the following informative, factual statement regarding H.R. 9883 made by the U.S. Civil Service Commission:

The Civil Service Commission today said that it greatly regretted numerous inaccurate statements that have been made about the effect of the 7½ percent pay bill on Classification Act salaries. In stating the Commission's views that the legislation will have many inequitable results, Chairman Roger W. Jones said:

"1. Legislation now pending at the White House is not a flat 7½ percent increase for all grades and steps within grade under the Classification Act. The raises actually range from 8.3 percent for the top longevity step in grade GC-1 to 5.7 percent for grade GS-18. Furthermore, within all grades through grade GS-10, the average increase is 7.7 percent, with the range running from 7.5 percent to 8 percent or over. The greatest increases, in many cases, will be given in jobs where Government pay already is comparable to that in business and industry.

"2. Not only is the effect of the new schedule unequal, but it also further increases the lack of consistency among the different pay systems of the Government. At the same time discrimination is increased in numerous types of positions in which the Government under one of its salary systems already pays salaries in excess of those paid in private industry. A typical example of this result may be found in the case of general stenographers. Data thus far collected by the Bureau of Labor Statistics in 30 areas show a national average annual salary today for general stenographers of \$3,849. Differences already existing are illustrated by comparing this figure with the Classification Act and postal stenographers whose average salary is at the fourth steps in Grade GS-3 (\$3,780) and level 4 of the Postal Field Service (\$4,455). Under the salary bill now pending the GS-3 rate will advance to \$4,075 and the Postal Field Service rate to \$4,825, thus compounding existing discrepancies.

"3. A precedent for further imbalance and inequity under the Classification Act is set in connection with the application of increases in the salary system of Department of Medicine and Surgery of the Veterans' Administration. A 7½-percent increase is granted in the top salary for a Chief Medical Director, thus setting that salary above