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people of Estonia, Germany, Latvia, and Russia on this historic occasion and salute their leaders for the vision and statesmanship they have demonstrated on behalf of European integration. The United States will continue its active support for this process with the goal of a brighter and more peaceful future for all of our people in the next century.

Letter to Congressional Leaders on the Revised Pay Schedule for Federal Employees

August 31, 1994

Dear Mr. Speaker: (Dear Mr. President:)

Action on the FY 1995 Treasury, Postal Service, and General Government Appropriations Bill, will not be completed before the August 31st deadline for an alternative pay plan. Therefore, as a protective measure, in order to ensure that a substantially larger pay increase does not go into effect automatically by operation of law, it is necessary for me to transmit an alternative pay plan.

Under section 5303(a) of title 5, United States Code, the rates of basic pay of the statutory pay systems would be increased by 2.6 percent effective in January 1995.

Section 5303(b) of title 5, however, provides me the authority to implement an alternative pay adjustment plan if I consider the pay adjustment that would otherwise be required by law to be inappropriate because of ''national emergency or serious economic conditions affecting the general welfare.'' As you know, alternative pay plan authority has been used many times over the past 15 years. ''Serious economic conditions'' are defined in the statute to include consideration of economic measures such as the Index of Leading Economic Indicators, the Gross National Product, the unemployment rate, the budget deficit, the Consumer Price Index, the Producer Price Index, the Employment Cost Index, and the Implicit Price Deflator for Personal Consumption Expenditures.

The budget discipline put in place by my Administration has contributed to sustained economic growth and low inflation. To continue this budget discipline and its favorable impact on economic conditions I have determined that an alternative pay adjustment is appropriate for the 1995 pay raise under section 5303.

The 1995 budget I submitted to the Congress proposed a modest pay increase of 1.6 percent for Federal employees. I believed that this was an appropriate increase in view of the other disciplines we have worked with the Congress to put in place that have reduced the Federal budget deficit and improved our Nation's economy. Further, we are currently making substantial reductions in Federal employment pursuant to the Federal Workforce Restructuring Act enacted by the Congress this year. To achieve these reductions, many agencies are offering Federal employees early retirement and incentives of up to $25,000 to leave Federal service. These considerations, as well, lead me to conclude that the substantially larger pay increase that would otherwise automatically go into effect is not appropriate at this time.

The House version of the 1995 Treasury, Postal Service, and General Government Appropriations Bill includes a provision offered by Representative Steny Hoyer that provides a section 5303 pay raise of 2.0 percent and a limited section 5304 locality pay raise. The Senate version of the bill has no pay raise provision. The Administration has informed the conference committee that it would not object to the pay raise in the House version of the bill if military personnel receive a pay raise higher than the 1.6 percent proposed in the 1995 budget. It appears likely that the 1995 Defense Authorization Bill will provide military members a 2.6 percent raise.

Consistent with the provisions of the House-passed Treasury, Postal Service, and General Government Appropriations Bill, the pay raise will be made in accordance with the following plan:

In accordance with section 5303(b) of title 5, United States Code, the pay rates for each statutory pay system shall be increased by 2.0 percent, effective on the first day of the first applicable pay period beginning on or after January 1, 1995.

The statute also provides me alternative plan authority for locality-based comparability payments, or locality pay, under section 5304 of title 5. The deadline for transmitting this alternative plan to Congress is November 30. In the absence of legislation, it would be

my intent to provide Federal civilians with locality pay raises that equal 0.6 percent of civilian payroll.

In my opinion, this alternative pay plan for a 2 percent pay increase under section 5303 will not materially affect the Government's ability to recruit or retain well-qualified employees. Federal hiring rates and attrition rates are very low. In addition, most employees will receive other pay increases, such as locality pay and within-grade increases. Thus, we have every reason to believe that these pay increases, coupled with appropriate use of pay flexibilities such as recruitment bonuses and retention allowances, will allow the Federal Government to continue to be competitive in attracting and retaining quality employees.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Thomas S. Foley, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate.

Remarks to the Irish Media on the Peace Process in Northern Ireland in Martha's Vineyard, Massachusetts

September 2, 1994

Let me say first of all, I am so pleased to have Dick Spring here. And I'm pleased that he came across the ocean to visit with me and others in the United States who very much want this process to succeed.

I am delighted by the developments of the last several days and by all the efforts that have been made in the last few months. The United States is strongly supportive of this peace process. We want to reach out and work with all the elements in Ireland, in Northern Ireland. We want all the communities to feel a part of the peace process and to feel that there is a peace dividend. We want to continue to work with and support the work of the Government of Ireland and the Government of Great Britain. And we are prepared to take some steps to do whatever we can to help that now.

Dick is going to talk at greater length about some of the specific things we talked about here today, but the United States has tried to be a friend of peace in Ireland, and we will continue to do that. And we're very, very pleased by the developments.

NOTE: The President spoke at approximately 11 a.m. at the Friedman Guest House. In his remarks, he referred to Irish Foreign Minister Richard Spring. A tape was not available for verification of the content of these remarks.

Message on the Observance of Labor Day, 1994

September 2, 1994

As Americans celebrate our nation's 100th Labor Day holiday, we take time out of our busy schedules to recognize and to appreciate the importance of America's working men and women. We as a people strive to put our talents and interests to use every day. We find joy in learning new skills and in making new discoveries. It is in no small measure the many rewards we find in labor that make America's workers the finest in the world.

As our country faces an increasingly competitive international marketplace, America's tradition of innovation and progress is more important than ever. Today's world demands that we reinvent the compact between labor and management, guided by a firm commitment to ongoing dialogue and cooperation. It requires that our nation make use of the tools at hand: our abundant land, our diverse and determined people, and our shared belief in the values of hard work and fair play.

Working together, we have the power to build a new partnership for prosperity. We know how to improve quality and efficiency, to reduce production costs and to increase profits—knowledge that will serve to benefit employer and worker alike. With a renewed dedication to providing education and retraining, we can craft a work force ready to meet the challenges of the twenty-first century and beyond.

This year, we resolve to press forward in our efforts to promote new growth and opportunities, creating safe and healthy working conditions that enable our citizens to be good workers and good parents. For at the heart of the American Dream is the American family. And our goal must be to make the Dream a reality for all of our families. Indeed, as we celebrate Labor Day this cen-