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Eugene S. Cowen to 'Dear Senator,' 6 October 1971

Eugene S. Cowen

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THE WHITE HOUSE

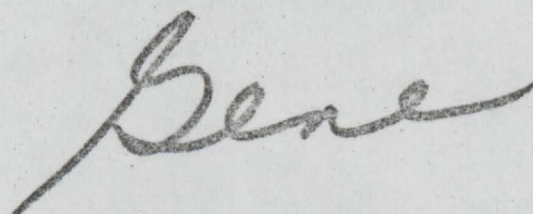
WASHINGTON

October 6, 1971

Dear Senator:

If you have not already seen this morning's Washington Post,
I call your attention to the enclosed Evans and Novak column.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gene".

Eugene S. Cowen
Deputy Assistant to the President

Rowland Evans and Robert Novak

Nixon's Biggest Victory



THE INTENSITY of President Nixon's commitment to his New Economic Policy was revealed last Thursday when he secretly appealed to eight Southern Democratic congressmen to support him in Monday's House vote on his six-month delay of a huge government pay increase.

In total privacy, Mr. Nixon invited the powerful chairman of the House Appropriations Committee, Rep. George Mahon of Texas, and other influential Southerners to the White House to hear this warning:

A House veto of his six-month postponement (from Jan. 1 to July 1) of \$2.6 billion in higher federal pay would leave his Phase II wage-control program in shambles.

To some of those present, Mr. Nixon's warning dramatized a hard political fact: If the House, led by the Democratic establishment,

voted to permit a single union (the Federation of Government Employees) to pierce the still-secret Phase II wage formula, Mr. Nixon would have penetrating ammunition in next fall's presidential campaign. He could blame the Democrats for possible failure of his whole anti-inflation program.

With this argument by Mr. Nixon added to his own passionate fears about runaway government spending, Mahon came out of that White House meeting with his mind made up to buck his party leadership. His decision was an essential element in the vote that defeated the veto effort, 207 to 174.

Although that private session in the Oval Office was followed by a stern presidential warning from Key Biscayne, most of the vicious battle leading up to the crucial vote was hidden from public view.

TO GREASE the ways for the veto of the six-month pay delay, the Democratic leadership secretly decided to go all out for a bill by Democratic Rep. Morris Udall of Arizona. Udall's shrewd tactic was a simple bill to restrict the government pay increase to whatever wage-control guide-

lines Mr. Nixon decrees for Phase II of the NEP.

Without warning, Democrats on the House Post Office and Civil Service Committee, where Udall ranks third, were summoned by House Speaker Carl Albert to a Sept. 27 committee meeting and asked to vote immediately on the Udall bill. There were no hearings. Speed was essential because the Udall bill would have to be ready for floor action on Oct. 6, the scheduled day of the vote to veto the six-month pay delay.

Every single Democrat showed up for that committee session on Monday morning, a day when most members are back home campaigning. The only Republican present, Rep. H. R. Gross of Iowa, complained bitterly but was overwhelmed.

Albert's strategy backfired, however. The Republican leader, Rep. Gerald Ford of Michigan, contrived to force the vote on the veto on Oct. 4, two days earlier than planned. That ploy caught the Udall bill still in the House Rules Committee while the veto resolution was on the floor.

But stranger still was the role of labor. Although AFL-CIO President George Meany is fiercely opposed to rigid wage guidelines for

Phase II, labor lobbyists swarmed the House corridors late last week drumming up support for the Udall bill containing those very guidelines.

They wanted the Udall bill only as a wedge to help pass the veto measure. Then the Udall measure would have been quietly buried in the Senate and the full increase for government workers — estimated at above 5.5 per cent — would have taken effect Jan. 1 no matter what guidelines are ordered by the President.

Strangest of all the fact that government workers led every single national category in percentage salary increases for 1969 and 1970. At 14.6 per cent, their average wage raises have been almost twice the nearest competitor — state and local government employees — and far above manufacturing.

It is true that much of this record — high wage increase was designed as catch-up pay. But if Mr. Nixon had lost the House vote, no union would have settled for less in Phase II than the federal employees.

Now, having held the line on the toughest economic issue he has faced since his NEP was proclaimed, Mr. Nixon is immeasurably stronger for other battles.

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