

WHAT'S WRONG WITH THE CIVIL SERVICE

Inflated Pay

by Stephen J. Chapman

As if February's substantial pay raises for top-level government officials weren't enough—as, in the officials' eyes, they apparently weren't—a good many civil servants are getting another good-sized raise in October, supposedly to bring them up to the levels of pay for “comparable” jobs in the private sector. The February raise snuck up on us, amid a blizzard of favorable publicity, with no debate and no vote; October's is likely to do the same. But while there's a brief between-raises breathing space, it's worth looking at the world in which the raises are fashioned. It's a world full of arguments and assumptions that defy logic.

For instance, a newcomer to the Washington area is struck by its obvious prosperity: from all indications the city and suburbs are awash in affluence. The signs are numerous and visible everywhere. Metropolitan Washington boasts six Mercedes dealerships (Chicago has only five) and ranks sixth in the country in sales volume, ahead of cities like San Diego, Dallas, and Atlanta. The *Washingtonian's* monthly restaurant guide lists no fewer than 37 “expensive” and “very expensive” places—restaurants where a couple can expect to spend at least \$45 for dinner. According to the National Association of Homebuilders, Washingtonians have bid prices on previously occupied homes higher than anywhere else in the

United States; in prices for new homes it ranks fourth. Chic New York and Paris fashion designers have found the Capital a lucrative market for their goods, with stores like Saks Fifth Avenue and Bloomingdale's (which just opened its second Washington branch) doing a brisk trade.

What casual observation suggests, concrete facts confirm: Washington-area residents are the richest in the country. With an average annual household income of \$23,602, the Capital makes even fairly affluent cities like New York, Los Angeles, and Houston—none of which has an average household income of as much as \$17,000—look like poor relations. As Nicholas Von Hoffman noted in a recent column, only two other metropolitan areas even manage to scale the \$20,000 mark.

None of this must have surprised most Americans, who tend to regard Washington as a lavish refuge for scoundrels and parasites. The surprise came when those out in the provinces were told that top government people can barely make ends meet. In the weeks preceding the February raise, the daily press was filled with grim tales of poverty in the government's upper echelons. To those outside Washington, and no doubt to quite a few Washingtonians, the spectacle must have bordered on the comic: well-tailored men and women driving their late-model sedans from luxury homes and country estates to elegant French restaurants and Georgetown

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cocktail parties to cry on each others' shoulders about their low standard of living.

But in Washington, for the most part, the reaction was one of unqualified sympathy. Typical was an article by Lynn Darling of *The Washington Post*, who depicted in bleak colors the plight of a federal judge, cataloging "the mounting bills, the thousands of dollars in loans he cannot repay, the friends he avoids because he cannot return their dinner invitations." The pathos mounted as Darling revealed that this poor man, subsisting on \$42,000 a year, had been backed to the wall—"His wife, he said, has been forced to go to work as a real estate agent to help pay for the college education of three of his children, he has sold a dearly beloved 24-foot inboard motor boat, and given up membership in a country club."

Equally moving is the case of former Deputy Transportation Secretary John Barnum, who left that job when Jimmy Carter took office. Barnum, a Wall Street lawyer, was squeezed hard by the constraints of his \$44,600 salary: he had to give up his hobby of collecting modern art and take out a loan to keep his children in their private schools. He dismissed the \$12,900 February increase for that position as disgracefully inadequate: "They ought to give a 50-percent increase."

The point of Darling's article was summed up by Barnum: "It's just not possible to attract qualified people now." Darling herself claimed that "federal judges are leaving the bench and the black robe behind in record numbers." The Quadrennial Commission on Executive, Legislative, and Judicial Salaries, set up by Congress to make recommendations on federal pay, declared baldly, "The rate of good people leaving the government in the upper grades has become a flood." A group calling itself the Citizens' Committee for Restoring Public Trust in Government, brandishing an intimidating roster of prominent businessmen, educators, labor leaders, and

former government officials, took out full-page ads in the nation's major newspapers to warn ominously of a "Hidden Crisis in the Federal Government"—to wit, the impossibility of finding qualified people to accept the shockingly low pay that goes with government service. The argument was so disarming in its common-sense simplicity ("you get what you pay for") that it united people who would be expected to support a pay raise, like John Gardner, Vernon Jordan, and Douglas Dillon, with such usually tight-fisted conservatives as William F. Buckley, George Schultz, and George F. Will. There was almost no one left to disagree.

Despite the unanimity of opinion, it takes only a closer look to discover that the argument was transparent nonsense. The pay itself is the first clue: before the raise, congressmen got \$44,600 a year, federal judges \$42,000, and supergrades in the bureaucracy up to \$39,600. Those figures compare with the average working American male's yearly income of around \$9,000. Arguing that congressmen are underpaid requires some spectacular deductive juggling, since by the Quadrennial Commission's own admission the average member gets a raise of \$700 per year upon entering public service. Part of the reasoning behind the argument was that the people affected had gotten only very small raises since 1969, despite a big increase in the cost of living. What they ignored were the pay raises in 1968 and 1969, when congressmen got a raise of 40 per cent, federal judges 33 per cent, and supergrades about 29 per cent.

Not only does the supposed disease look awfully benign, but its symptoms are almost nonexistent. Take the alleged mass exodus from the federal bench: in the last two years, out of almost 500 judges, only five have retired—an annual rate of about one half of one per cent. The "flood" of high-level bureaucrats leaving the government is likewise barely a trickle, with resignations among super-

grades running between six tenths of one per cent and 1.4 per cent in the last five years, compared to a rate of seven to eight per cent for the civil service as a whole. Most members of Congress who leave public service, as always, do so involuntarily.

Neither is there any problem filling the few vacancies that occur in bureaucracy. The Civil Service Commission reported in December that the number of applicants for jobs outnumbered available positions by 30 to 1. In 1975, according to the Commission, 222,000 people took the Professional and Administrative Career Examination, of whom 112,000 passed. Out of this group, only 11,180 got jobs in the bureaucracy. Competition for civil service jobs has gotten so tough that a career counselor at George Washington University recently said, "A lot of students conclude the situation is too competitive and that they're not interested in government work; they develop a there's-no-sense-in-trying attitude."

The few jobs that are available are concentrated in the lower grades, which include clerks and typists. The result of the crowded scramble is that the government can afford to be highly selective about whom it hires: according to the Civil Service Commission, anyone who scores below 95 per cent on the test can pretty well abandon hope of being chosen.

It happens to be true, as noted by the aforementioned Citizens' Committee, that "executives in all branches are taking early retirement in record numbers." The reason, however, has little to do with low pay: much more important is the federal employees' extravagant pension system, which far surpasses anything found in the private sector. A government executive with 30 years of service can retire at age 55 with a full annuity; a 60-year-old supergrade needs only 20 years of service to get a full annuity, and a 62-year-old only five years. Not only that, but these pensions—unlike government salaries—are protected against inflation

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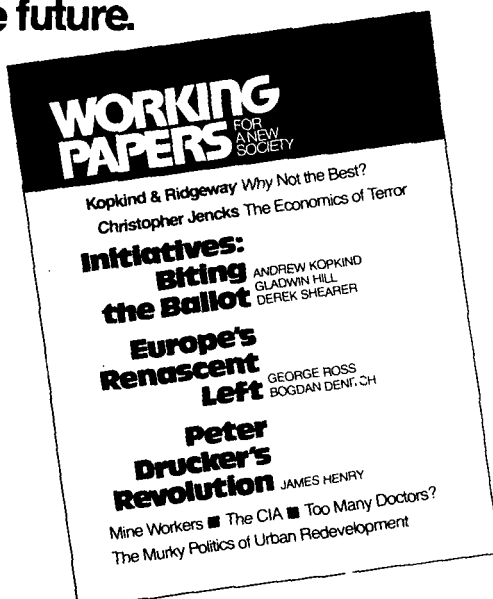
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by automatic twice-a-year cost-of-living raises. The supergrades who recently had their salaries raised to \$47,500 can retire at from \$26,700 if they're 55 and have 30 years service to \$38,000 if they're 65 and have ten more years service. Then the cost-of-living increases begin.

Wrong Assumptions

But it's not just the facts of the pay-raise crowd that are in error; their assumptions about what our government should be are all wrong too. The theory behind the pay raise is that we need highly competent, scrupulously honest career professionals at the top levels of the government and that these people need high pay so they'll stay around and won't be tempted into corruption. Now this certainly sounds good—who, after all, isn't for competence and honesty? The trouble is, the present system isn't producing these qualities as well as it could. In Congress, a 150-percent increase in pay over the last 13 years hasn't seemed to have had an appreciable effect on the incorruptibility of the members; in the bureaucracies, there is little corruption but a great deal of incompetence, inefficiency, and behavior with no goal other than self-preservation.

These ills arise in part from a well-paid career government. Having such a government necessarily means that the people in it won't always care deeply about what they're doing, that a high-level lifestyle will be important to them, and that they'll tend not to leave. What we really need is a relatively low-paid, relatively high-turnover government, one that will preclude bureaucratic stultification, guarantee a constant flow of new ideas, and, most important, be filled with people who are there because they really believe in it—the old notion of public service. If government service were a financial sacrifice (without requiring vows of poverty, of course), then it would attract idealists who, as their idealism flagged, would

leave and be replaced by new blood. The government would be run by people who didn't spend much time worrying about their own affluence or security.

As for temptations toward corruption, they are a product not of absolute levels of income, but expectations. In a low-paid government, no one would expect to stay long and no one would consider a life of luxury part of the deal. As long as congressmen think they're entitled to live like millionaires, the potential for corruption will always be there, no matter how many pay raises they're given.

The best people in government at any time are there primarily because they believe in what they're doing; they didn't take their jobs for the pay, and indeed would probably work for less. If there's any way to encourage the entry of more of these people into the government, and of keeping out the less idealistic, it's by *not* paying them high salaries. That way, when the sense of mission wanes they can leave and be replaced by fresher souls. The official catechism on federal pay is, then, doubly wrong: government ought to pay less than private industry, although it pays more; top-level officials ought to be leaving the government in droves, although they aren't. ■

Answers to the March puzzle:

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98	M	99	O	100	N	101	D	102	A	103	L	104	E	105	T	106	R	107	A	108	V	109	E	110	L	111	S

political book notes

*Public affairs books
to be published in April.*

America by Design: Science, Technology, and the Rise of Corporate Capitalism. David F. Noble. Knopf, \$12.95.

The American Prospect: Insights Into Our Next 100 Years. Henry F. Thoma, ed. Houghton Mifflin, \$7.95/\$3.95.

Anthony Eden. A. J. P. Taylor, ed. St. Martin's, \$8.95.

Boston, The Great Depression and the New Deal. Charles Trout. Oxford, \$15.95.

A Capitalist Romance: Singer and the Sewing Machine. Ruth Brandon. Lippincott, \$12.95.

A Capitol Crime. Lawrence Meyer. Viking, \$7.95. The notion that the reporter story will be to the 1970s what the detective story was to the 1940s is an intriguing one, and it has obviously occurred to *Washington Post* reporter Lawrence Meyer. His first novel is a whodunit about the murder of a Jack Anderson-like figure, starring a canny, cynical reporter for the *Washington Journal*. Unfortunately, Meyer is no Ramond Chandler; his writing and plot are only occasionally as tight as they should be, and his social observations of Washington are absolutely standard fare.

The Challenge of Daycare. Sally Provence, Audrey Naylor, June Patterson. Yale Univ. Press. Three women who helped run a daycare center in the New Haven ghetto have written a long, excruciatingly specific, but very sound account of their experiences and the issues it raised. Their attitude toward daycare is that it's inevitable, so we might as well prepare for it as best we can. But they are commendably aware of the huge traumas for parents and children that it can bring on if not administered very well indeed.

The Church and Third World Revolution. Pierre Bigo. Orbis, \$8.95/\$4.95.

Class, State, and Crime: On the Theory and Practice of Criminal Justice. Richard Quinney. McKay, \$8.95.

Cleared to Land: The FAA Story. Frank Burnham. Aero Publishers, Fallbrook, Calif., \$11.95.

Congress—Keystone of the Washington Establishment. Morris P. Fiorina. Yale Univ., \$8.50/\$2.95. An excerpt appeared in the March issue of *The Washington Monthly*.

The Crisis in Social Security: Prospects and Problems. Michael J. Boskin, ed. Inst. for Contemporary Studies, San Francisco, \$5.95.

The Election of 1976: Reports and Interpretations. Gerald M. Pomper, et al. McKay, \$8.95/\$3.95.

Falling Apart: The Rise and Fall of Urban Civilization. Elaine Morgan. Stein & Day, \$10.

The Feminization of American Culture. Ann Douglas. Knopf, \$15.

Flight from Inflation: The Monetary Alternative. E. C. Riegel. Heather Foundation, San Pedro, Calif.

The Future That Doesn't Work: Social Democracy's Failures in Britain. R. Emmett Tyrrell, Jr., ed. Doubleday, \$6.95.

Goals for Mankind: A Report to the Club of Rome on the New Horizons of Global Community. Ervin Laszlo, et al. Dutton, \$15/\$7.95.

The Growth of Crime: The International Experience. Leon Radzinowicz, Joan King. Basic, \$11.95.

A Government as Good As Its People. Jimmy Carter. Simon & Schuster, \$8.95.

The Hidden Word. R. A. Haldane. St. Martin's, \$8.95.

Hugo Black and the Judicial Revolution. Gerald T. Dunne. Simon & Schuster, \$12.50.

Inside the Alaska Pipeline. Ed McGrath. Celestial Arts, \$4.95.

In the People's Republic. Orville Schell. Random House, \$8.95. A look at life in China by a writer who managed, by working both in a factory and in the countryside, to see a good deal more of the nation than is accessible to most Westerners.

International Disaster Relief: Toward a Responsive System. Stephen Green. McGraw-Hill, \$7.95/\$3.95.