

The Rising Profits of Public Service

by Taylor Branch

There have been 10 federal salary increases since the fall of 1962, and they have been the prime ingredients in doubling the U.S. payroll from about \$25 billion to more than \$50 billion in nine years. Since mid-1969 alone, the basic annual cost of the 4.3 million white-collar employees and servicemen has risen by about \$6.2 billion. Over the same period of time, the annual welfare costs of the United States have increased only \$1.7 billion—a comparatively trifling figure, but one which has the nation almost howling with pain and which President Nixon has called “a monstrous consuming outrage” for the taxpayer and the poor. Most of the welfare increase has resulted from the addition of three million souls to the rolls, while the basic white-collar/military salary group—which excludes federal blue-collar workers and mailmen—has actually declined. And there is a further distinction between the costs of welfare and federal salaries: this \$6.2 billion in federal pay raises has generated an increase of about \$15 billion in the unfunded liability of the military and civil service retirement systems, a debt to the retired public ser-

vants of the future about which the public itself and much of the Congress is largely ignorant.

Your interest may be drawn to these matters by more than your coarse material instincts as a taxpayer or a government employee. You may, for example, be interested in national priorities or inflation. Inflation may indeed flow from the basic salary process, which now produces almost automatic annual increases for one worker out of every 19 in the United States. Or you may be interested in fairness—in the fact that a grade 5 secretary’s salary has risen only \$2,800 since 1962, while a grade 13 (the captains or majors of the civil service) salary has increased about \$8,100, and the grade 18 (the highest in the civil service) salary has doubled from \$18,000 to \$36,000.

On January 8, 1971, when he signed the Federal Pay Comparability Act of 1970, President Nixon assumed almost exclusive control over salary policy. Two of his employees, the Director of the Office of Management and Budget (OMB) and the Chairman of the Civil Service Commission, take the figures from a survey of salaries in private industry and make obscure but controversial adjustments to produce

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