

# Bush cites “war on terror” to slash federal workers’ pay raises

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Under the 1990 Federal Employees Pay Comparability Act, workers would have received a 2.7 percent base pay raise plus locality pay increases that would have increased total pay by an average of 15.1 percent. Bush’s 2 percent increase will be divided between a 1.5 percent across-the-board increase and a mere 0.5 percent in locality pay raises.

Bush has proposed \$2 billion for civilian pay raises in his 2004 fiscal budget and says that the scheduled increases under the Pay Comparability Act would cost \$13 billion. In late July the House Appropriations Committee had voted to approve a 4.1 percent civilian pay raise, maintaining the traditional parity between civilian federal workers and uniformed military services members. However, Congressional Democrats, who conceded to Bush last year on the same issue, are unlikely to challenge him this time.

In a letter to Congress, Bush claimed that the scheduled increases would jeopardize national security, writing, “A national emergency has existed since September 11, 2001, that now includes Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom.”

In the wake of the 9/11 attacks, the Bush administration has pushed through sweeping attacks on democratic rights of citizens and non-citizens alike in the name of the “war on terror.” It is utilizing this same pretext to deny federal workers the raises they are due, in effect drastically lowering their wage rates when inflation and fluctuations in the cost of living in different localities are taken into account.

Bush’s move will most severely impact federal workers where living costs are traditionally higher and the disparity between civilian and federal pay is the

greatest—metropolitan areas such as New York, Boston, San Francisco, Dallas, Houston, Cincinnati, Orlando, Kansas City and Washington DC.

In his letter announcing the cut in pay raises, Bush also made a pitch for a \$500 million “human capital performance fund” to award raises to “the highest performing and most valuable employees in agencies with rigorous and disciplined performance management systems.” Such “merit”-based schemes would inevitably be used to reward Republican Party cronies and cut across union contracts.

Last year, Bush also restored cash bonuses for more than 2,000 of his political appointees, a practice begun under the first Bush administration but stopped under Clinton. These cash awards can amount to as much as \$2,500 or higher for senior political appointees, on top of annual salaries of \$115,000 to \$140,000.

In proposing to slash federal pay raises, Bush dismissed criticism that it would affect federal agencies’ ability to recruit and retain civilian workers, noting that the rate federal workers are leaving their jobs is “at an all-time low of 1.7 percent this year, well below the average quit rate in private enterprise.” With a nationwide July unemployment rate of 6.2 percent—and jobless figures not expected to improve in the coming months—it is hardly surprising that federal workers are wary about leaving their jobs.

The federal workforce has come under continual attack by the Bush administration, which is moving ahead with plans to allow private companies to compete for nearly half of the 1.8 million federal jobs. It has already stripped the collective bargaining rights of some workers at the Justice Department and the newly established Department of Homeland Security, and denied them for newly hired airport screeners. It aims to do the same for some employees at the Defense

Department.

Unions representing federal workers were only mildly critical of Bush's action and gave no indication they would mount any struggle against the withholding of the wage increases. Colleen M. Kelley, president of the National Treasury Employees Union, commented, "It's one of my annual disappointments that they do this." AFL-CIO President John Sweeney called the move "shameful," saying it "makes clear that Bush is making federal employees pay for his own fiscal recklessness."

While the administration's economic policy is indeed fiscally reckless, more fundamentally it is driven by a class bias aimed at enriching the wealthiest layers of society, pushing through massive tax cuts, and funding the insatiable military appetite of the ruling elite. To do this it is compelled to attack the income, jobs, social programs and basic rights of working people and the poor. To cover up this predatory policy, it shamelessly invokes the "war on terrorism," a "war" that administration officials have warned will continue for decades.

According to a White House announcement on Wednesday, Bush is preparing to request from Congress a supplemental spending bill to fund the continued military occupation of Iraq. Paul Bremer, US civilian administrator, recently estimated military expenditures in Iraq at \$100 billion over the next three years. US operations in Iraq are currently running at close to \$4 billion a month.

The White House last month predicted that the federal budget deficit would surge to \$455 billion this year and \$475 billion in 2004. Both Democratic and Republican analysts, however, say next year's deficit will likely top \$500 billion when the new Iraq war spending is taken into account. If the Republicans succeed in making Bush's tax cuts permanent, this would add almost \$1.6 trillion to the deficit over the next decade.



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