

# Volcker, Rumsfeld Out To Gut Civil Service

by Carl Osgood

It has now become apparent that the unconstitutional gutting of civil service protections under cover of “reform,” which Secretary of Defense Donald Rumsfeld’s faction has been demanding, since the the Iraq War “hot phase” ended, is perhaps as much a product of Wall Street as it is of Rumsfeld’s Pentagon. By his own account, to a June 4 hearing of the Senate Governmental Affairs Committee, Rumsfeld and former Federal Reserve Chairman Paul Volcker worked together when the latter was chairman of the National Commission on the Public Service set up in 1988.

Indeed, much of the unlimited authority in Rumsfeld’s civil service “transformation” bill seems to draw from Volcker’s work. Volcker’s first commission grew out of a conference co-sponsored by the Brookings Institution and the American Enterprise Institute. In 1989, Volcker told the House Post Office and Civil Service Committee that “government can maximize its effective performance if cabinet officers and agency heads are given greater flexibility to administer their organizations”—subject, of course, to Presidential direction and Congressional oversight. He continued, “In short, we urge greater delegation of personnel authority and easier procedures for hiring and firing,” precisely the scrapping of civil service protections that Rumsfeld has demanded.

The Defense Secretary wants even more unchecked authority over the jobs of nearly 700,000 Defense Department employees, than Secretary Tom Ridge already has over the 160,000 Homeland Security employees. Rumsfeld’s bill is like the “civil service reform” carried out by the Nazis in 1934, and for the same purpose—to prevent traditional military considerations from obstructing the Secretary’s practice of pre-emptive war, and his definition of terrorist/military threats.

Volcker’s current vehicle, the New Commission on Public Service, also involving Brookings, released its report in January 2003, entitled “Urgent Business for America: Revitalizing the Federal Government for the 21st Century.” Among its recommendations, which extend to the entire Federal workforce, is that the entire government should be reorganized “into a limited number of mission-related executive departments,” the managers of each of which should have the authority “to develop management and personnel systems appropriate to their missions.” The Federal workforce should be “reshaped” to ensure “much higher levels of performance,” including “more flexible personnel management systems” to

meet agencies’ specific needs, and efforts to simplify and accelerate the recruitment of Federal employees. Again, much of this is reflected in the Pentagon proposal.

While Rumsfeld has enthusiastic support for his bill on Wall Street and in the House of Representatives, that has not been the case in the Senate. Governmental Affairs Committee Chairman Susan Collins (R-Me.), George Voinovich (R-Ohio), and Carl Levin (D-Mich.) have banded together to greatly tone down a version of civil service “reform” for DOD. Opening the June 4 hearing, Collins described the reworked bill as “allowing for a much-needed overhaul of a cumbersome, unresponsive system”; but it does require the DOD to work with the Merit Systems Protection Board (MSPB) on an employee appeals process; and does not grant the Secretary authority to waive collective bargaining rights of employees, while placing a statutory limit of 180 days on resolving labor disputes. Collins pointedly told Rumsfeld that, since DOD has repeatedly said it does not desire to waive collective bargaining rights, “We take the Department at its word, and therefore, do not grant the broad authority it does not intend to use.”

Except John Breaux (D-La.) and George Allen (R-Va.), who had nothing but praise for the DOD proposal, every committee member expressed some skepticism over the implications of these new powers for a Secretary of Defense. Ted Stevens (R-Ak.) asked Rumsfeld, “I’ve got to ask you, what’s the rush?” He opined that we need to maintain a system that allows people to be career civil servants and be protected against political change above them. Richard Durbin (D-Ill.) raised four, barbed questions: “Is collective bargaining inconsistent with quality performance? Is membership in a union inconsistent with pursuing the goals of national security? Is our existing Federal workforce incapable of meeting the challenges of the 21st Century?” When Rumsfeld and Pentagon personnel chief David Chu complained that the MSPB appeals process takes too long, Daniel Akaka (D-Hi.) pointed out, to the contrary, that nearly 80% of cases are resolved within 90 days.

Also testifying was Bobby Harnage, president of the American Federation of Government Employees. He congratulated the committee for producing legislation “which substantially restrains the Department’s desire for a blank check to create a new personnel system.” The authorities being sought by the Pentagon “have profound implications” for the present merit-principle-based civil service system and he warned that, under the House version of the civil service reform, “No one will be able to hold the Secretary of Defense accountable for upholding the merit system if the legislation is passed; one must only hope and trust.” He also warned the committee that if the Senate accepts the House bill, now embedded in the fiscal 2004 defense authorization bill, “Congress will have relinquished its oversight and legislative role with regard to approximately 700,000 government personnel.”