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# Defense Report

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## **The General Accounting Office Says Federal Retired Pay Should Lag Behind Inflation**

The General Accounting Office was established to be Congress's watchdog over the operation of the executive departments. Over the years of its existence it has studied almost every aspect of running the federal government. Some of its findings have been constructive, others have not. None has been more startling than the recent recommendation that adjustments to military retired pay and federal civilian annuities be kept compressed below the actual rise in the consumer price index — or the impact of inflation on the retirees' buying power.

To arrive at this strange conclusion the GAO has used an odd collection of supporting logic. They found, for example, that between 70 and 80 percent of the private retirement plans they studied had provisions for adjustment based on the consumer price index. Somehow, they translated this finding into a conclusion that federal retirees should only be permitted an adjustment of 75 percent of the CPI — the midpoint between the number of civilian plans that appear to have CPI provisions.

The GAO concluded, too, that federal retired pay was moving ahead of active-duty pay because the President has exercised his power to "cap" adjustments to active pay but has no authority to do the same thing to retired pay. The "capping" process, of course, has been the prime contributor to the steady slide of military pay below comparability with civilian pay and the creation of growing dissatisfaction in the ranks of our all-volunteer armed forces. The GAO seems to be saying that Congress should change the law on retired adjustments so a second inequity can be created to match the one caused by capping active pay.

But perhaps the most alarming aspect of the GAO's findings is the fact that they represent still another effort to meddle in the composition of the overall military compensation package without any attempt to determine the impact of the meddling on the way the compensation system operates and is perceived by the people most concerned with it, our men and women in uniform. It would have been far better had the GAO taken a hard look at the detailed recommendation of the President's Commission on Military Compensation and the Defense Manpower Commission, none of which has ever been subjected to serious scrutiny by Congress but which, nevertheless, did take comprehensive looks at the overall compensation package.

In this case, at least, the General Accounting Office seemed to ignore the accumulation of uncertainty in the minds of our military professionals about the way their needs are understood within the various elements of the government. Congress is charged by the Constitution with raising and supporting our forces and the General Accounting Office is a creature of that Congress. A report like this, based on faulty logic and ignoring the current dissatisfaction in the ranks about the state of military compensation, is not calculated to improve morale or raise the number of reenlistments.