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S 2714

[H.A.S.C. No. 93-30]

SPECIAL SUBCOMMITTEE ON INTELLIGENCE HEARING ON S. 2714  
TO AMEND SECTION 291(b) OF THE CENTRAL INTELLIGENCE  
AGENCY RETIREMENT ACT OF 1964 FOR CERTAIN EMPLOYEES,  
RELATING TO COST-OF-LIVING INCREASES, AND TO INCREASE  
THE PAY AND ALLOWANCES OF CERTAIN OFFICERS OF THE  
ARMED FORCES WHOSE PAY AND ALLOWANCES ARE NOT SUB-  
JECT TO ADJUSTMENT TO REFLECT CHANGES IN THE CONSUMER  
PRICE INDEX

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
SPECIAL SUBCOMMITTEE ON INTELLIGENCE,  
Washington, D.C., Tuesday, December 4, 1973.

The subcommittee met, pursuant to notice, at 10:12 o'clock a.m., in room 2337, Rayburn House Office Building, Hon. Lucien N. Nedzi (chairman of the subcommittee) presiding.

Mr. NEDZI. The subcommittee will come to order.

This morning we are meeting for the purpose of holding a hearing on S. 2714, which is a bill to amend section 291(b) of the CIA Retirement Act of 1964 for certain employees.

[S. 2714 and related documents follow:]

[S. 2714, 93d Cong., 1st sess.]

A BILL To amend section 291(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, relating to cost-of-living increases, and to increase the pay and allowances of certain officers of the Armed Forces whose pay and allowances are not subject to adjustment to reflect changes in the Consumer Price Index

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 291(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended (78 Stat. 1043; 50 U.S.C. 403 note) is further amended—

(1) by renumbering paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4), respectively; and

(2) by inserting the following new paragraph (1):

“(1) An annuity (except a discontinued service benefit under section 234(a)) which—

“(i) is payable from the fund to a participant who retires, or to the widow or widower of a deceased participant; and

“(ii) has a commencing date after the effective date of the then last preceding annuity increase under section 291(a);

shall not be less than the annuity which would have been payable if the commencing date of such annuity had been the effective date of the then last preceding annuity increase under section 291(a). In the administration of this paragraph, a participant or deceased participant shall be deemed, for the purposes of section 221(h), to have to his credit, on the effective date of the then last preceding annuity increase under section 291(a), a number of days of unused sick leave equal to the number of days of unused sick leave to his credit on the date of his separation from the Agency.”

(b) The amendments made by subsection (a) shall apply only with respect to annuities which commence on or after July 2, 1973.

SEC. 2. (a) Notwithstanding any other provision of law, effective on the date of enactment of this Act, the pay and allowances of members of the Armed Forces to whom this Act applies shall be increased to amounts equal to the amounts such pay and allowances would have been increased if the pay and allowances of such members had been increased, under section 1401a(b) of title 10, United States Code, by the same percentage rates, consecutively compounded, that the retired pay or retainer pay of members and former members of the Armed Forces entitled to retired pay or retainer pay since October 1, 1967, has been increased, and such member shall, on and after the date of enactment of this Act, have his pay and allowances increased effective the same day and by the same percentage rate that the retired pay or retainer pay of members and former members of the Armed Forces is increased under such section 1401a(b).

(b) This section applies to members of the Armed Forces entitled to pay and allowances under either of the following provisions of law:

- (1) The Act of June 26, 1948, chapter 677 (62 Stat. 1052).
- (2) The Act of September 18, 1950, chapter 952 (64 Stat. A224).

(c) No amounts shall be paid, as the result of the enactment of this section, for any period prior to the date of enactment of this section.

CENTRAL INTELLIGENCE AGENCY,  
Washington, D.C., November 5, 1973.

HON. CARL ALBERT,  
Speaker of the House of Representatives,  
Washington, D.C.

DEAR MR. SPEAKER: This letter transmits for the consideration of the Congress a draft bill<sup>1</sup> to amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended.

The proposed legislation conforms the Central Intelligence Agency Retirement Act to changes approved in Public Law 93-136 for the Civil Service retirement system by guaranteeing to a retiree or his survivor a minimum annuity equal to what would have been payable had the retiree been eligible for the most recent cost of living adjustment of annuity. The effective date of the proposed legislation is identical to that approved in Public Law 93-136.

A number of key features in the Central Intelligence Agency Retirement Act, including the cost of living adjustment provision, are based upon Civil Service retirement provisions. Enactment of the proposed legislation will assure that the Central Intelligence Agency retirement system remains in line with the Civil Service system in this important area.

We would appreciate early and favorable consideration of the proposed bill. The Office of Management and Budget has advised that there is no objection to presenting the proposed bill to the Congress from the standpoint of the Administration's program.

Sincerely,

W. E. COLBY, *Director.*

Enclosure.

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,  
Washington, D.C., November 30, 1973.

HON. F. EDWARD HÉBERT,  
Chairman, Committee on Armed Services,  
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with your request, the provisions of section 2 of S. 2714, a bill "To amend section 291(b) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, relating to cost-of-living increases, and to increase the pay and allowances of certain officers of the Armed Forces whose pay and allowances are not subject to adjustment to reflect changes in the Consumer Price Index," have been reviewed.

Under the bill, the monthly compensation being received by General Omar Bradley, United States Army, and General Carl Spaatz, United States Air Force—Retired, would be increased by approximately 39 percent. The percentage increase proposed equals the cumulative percentage increase in the retired pay of persons continuously on the retired rolls since October 1, 1967, which was the last time that the compensation being received by General Bradley and General Spaatz was increased. In addition, the bill would provide that in the future the

<sup>1</sup> Section 1 of S. 2714.

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percentage increases in retired pay authorized under 10, U.S.C., 1401a(b) would be applicable to the compensation payable to these officers.

General Bradley and General Spaatz are the two survivors of a select group of officers for whom the Congress enacted special legislation in recognition of their great contributions to the allied victory in World War II. Initially these officers were authorized to continue to receive the same pay and allowances whether on the active list or on the retired list, as authorized for officers on the active list in the grade of general. However, Public Law 85-422, effective June 1, 1958, provided that thereafter, the category of officers in question would be entitled to receive the pay and allowances to which they were entitled on the day before the effective date of that Public Law.

Since 1958, General Bradley and General Spaatz have received two increases in their compensation. Public Law 89-501 increased their compensation by 3.2 percent effective July 1, 1966; Public Law 90-207 increased their compensation by 4.5 percent, effective October 1, 1967. They have received no increase in their compensation since 1967. In the period from 1967 through July 1973 there have been cumulative increases in military retired pay of more than 39 percent.

Section 2 of S. 2714 provides for appropriate and timely adjustments in the compensation to which these distinguished officers are entitled. The Department of Defense strongly supports this proposal and urges its early enactment.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report for the consideration of the Committee.

Sincerely,

L. NIEDERLEHNER,  
*Acting General Counsel.*

#### BACKGROUND

The following named officers were permanent appointees as General of the Army, and Fleet Admiral under the Act of March 23, 1946 (60 Stat. 59).

Douglas MacArthur  
Dwight D. Eisenhower  
Henry H. Arnold  
George C. Marshall

Ernest J. King  
Chester W. Nimitz  
William Halsey  
William D. Leahy

That Act provided that such officers would be entitled to receive the same pay and allowance in retirement that they were entitled to receive on active duty. The Act of December 14, 1944 provided that officers in the grade of General of the Army or Fleet Admiral were entitled to the base pay of a rear admiral (upper half) plus a \$5,000 per year personal money allowance.

Under the Act of June 28, 1948 officers of the Regular Army or Regular Air Force appointed in the permanent grade of General of the Army under the Act of March 23, 1946 were exempted from mandatory retirement because of age.

Under authority of the Act of June 26, 1948 General Bradley and General Spaatz were appointed to the permanent grade of general and were authorized whether on active duty or in retirement, to receive the same pay and allowances as was authorized for officers on active duty in the grade of general.

Under authority of the Act of September 18, 1950 General Bradley was appointed to the permanent grade of General of the Army and was authorized to receive the same pay and allowances and other benefits authorized for officers appointed to that grade under authority of the Act of March 23, 1946. (Base pay and allowances of rear admiral (upper half) plus \$5,000 personal money allowance whether on active duty or in retirement and exemption from retirement for age.)

Under the authority of Act of June 28, 1948 and the Act of September 18, 1950, General Bradley continued on the active list of the Army and until June 1, 1958 received the base pay and quarters and subsistence allowances of an officer in the grade of rear admiral (upper half) and a personal money allowance of \$5,000 annually.

Under the authority of the Act of June 26, 1948 and until June 1, 1958, General Spaatz who retired in 1948 continued to receive in retirement the base pay, and the quarters and subsistence allowance authorized for an officer in the grade of general (pay and allowances for officer in pay grade O-8) plus a \$2,200 personal money allowance. Beginning on April 1, 1955 General Spaatz, as an officer in grade of general, received an additional \$200 per month under the authority of 201(e) of the Career Compensation Act of 1949 as added by Public Law 84-20, approved March 31, 1955.

Under the provisions of Section 7(a) of Public Law 85-422, approved May 20, 1958, the pay and allowances being received by officers in the category of General Bradley and General Spaatz were "frozen" at the amounts being received on May 31, 1958.

Under specific authority contained in Section 302 of Public Law 89-501 (effective July 1, 1966) and Section 5 of Public Law 90-207 (effective October 1, 1967) increases of 3.2 percent and 4.5 percent were authorized for officers in these categories.

No increases have been authorized for such officers since that date.

Under S. 2714, General Bradley and General Spaatz will be entitled to an increase in their pay equal to the percentage increases in retired pay authorized for persons on the military retired rolls since October 1, 1967. Those increases are as follows:

Apr. 1, 1968	3.9
Feb. 1, 1969	4.0
Nov. 1, 1969	5.3
Aug. 1, 1970	5.6
June 1, 1971	4.5
July 1, 1972	4.8
July 1, 1973	6.1

Hereafter these officers will be entitled to an automatic increase in their pay at the same time and of the same percent as persons on the military retired rolls.

Compensation being received by General Bradley, Spaatz:

Bradley: <sup>1</sup>	
Basic pay	\$1,160.84
Personal money allowance	449.35
Subsistence	51.63
Quarters allowance	184.41
Total	1,846.23
Spaatz: <sup>2</sup>	
Basic pay	1,376.52
Personal money allowance	197.71
Subsistence	51.63
Quarters allowance	184.41
Total	1,810.27

<sup>1</sup> General Bradley is receiving the basic pay, and the quarters and subsistence allowance authorized for an officer in pay grade O-8, under the law in effect on May 31, 1958, increased by 3.2% in 1966 and 4.5% in 1967, plus an annual personal money allowance, which originally was \$5,000 but was also increased by 3.2% in 1966 and 4.5% in 1967.

<sup>2</sup> General Spaatz is receiving the basic pay, and the quarters and subsistence allowance authorized for an officer in the grade of general under the law in effect on May 31, 1958, increased by 3.2% in 1966 and 4.5% in 1967, plus the annual personal money allowance authorized for an officer in the grade of general on May 31, 1958 (\$2,200) increased by 3.2% in 1966 and 4.5% in 1967.

Mr. NEDZI. We have as our first witness, Mr. Robert Wattles, Acting Deputy Director for Management and Services of the Central Intelligence Agency.

Mr. Wattles, you have a statement you would like to make?

Mr. WATTLES. I do, sir.

Mr. NEDZI. Please proceed.

**STATEMENT OF ROBERT WATTLES, ACTING DEPUTY DIRECTOR FOR MANAGEMENT AND SERVICES, CENTRAL INTELLIGENCE AGENCY**

Mr. WATTLES. Mr. Chairman, I appreciate this opportunity to appear before your subcommittee to discuss S. 2714, which amends the Central Intelligence Agency Retirement Act of 1964 for certain employees.

In 1963, this committee approved a separate retirement system for those of our people who are engaged in overseas operations and certain

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types of unique or hazardous duty. About one-third of our staff employees are covered by the CIA Retirement Act and the remaining two-thirds are covered by the Civil Service Retirement System.

Since the CIA Retirement Act was based upon the Civil Service Retirement Act in most major respects, this committee over the years has favorably reported legislation which conforms our act to applicable changes in the civil service system, including the provision which provides for cost-of-living adjustments of annuities.

Public Law 93-136, just enacted, amended the cost-of-living provision of the civil service retirement system to guarantee retirees or survivors an annuity no less than what would have been paid had the individual been eligible to receive the last cost-of-living increase. Previously, one had to be on the retirement rolls before the effective date of a cost-of-living increase in order to be eligible for the increase.

Under the old civil service provision and the current CIA provision, large numbers of employees retired immediately prior to the effective date of a cost-of-living increase in order to be eligible for the increase. These peaked retirements created an administrative burden and upset work requirements.

The change in the civil service law should spread out retirements over a more normal period since an employee can remain on duty without suffering a reduction in the amount of annuity he will be receiving. The change also corrects an anomaly whereby an employee or a survivor who goes on to the retirement rolls after a cost-of-living increase receives a smaller annuity than an employee retiring sooner, even though the former annuity is calculated with more service a higher base salary. Agency employees who are under the civil service system will benefit from Public Law 93-136. We feel that the same benefits should be extended to employees under the CIA Retirement Act.

Public Law 93-136 was made retroactive to include the last cost-of-living increase effective July 1, 1973, and covers all those who retire on or after July 2. Since July 1, 1973, 24 employees have retired under the CIA Retirement Act and the survivors of seven employees who died in service have been added to the retirement rolls. None may receive any benefits from the July 1, 1973, cost-of-living increase without a change in the law.

May I also add that there will be another cost-of-living increase on January 1, 1974. Those employees under the Agency system who planned to retire in early 1974 must now retire no later than December 31, 1973, to receive the benefit of the January 1, 1974, increase.

Peaked retirements prompted by cost-of-living increases under the CIA Retirement Act do not impose upon the Agency the same heavy administrative burden experienced by the Civil Service Commission under the Civil Service retirement system. However, projected work requirements are affected and personnel adjustments must be made with little notice. S. 2714 should ameliorate all of these problems.

The costs of this legislation will be borne out of the Central Intelligence Agency Retirement and Disability Fund. The impact on the Fund will be relatively minor. The Civil Service Commission in its report to the Post Office and Civil Service Committees noted that employees may delay their retirement for a few months and pay more money into the retirement fund. On the other hand, to the extent

that they receive some benefit from the last cost-of-living increase, more money is paid out of the fund. Taking into account the last cost-of-living increase of July 1, 1973, 6.1 percent, and the expected increase on January 1, 1974, figured now to be 5.5 percent, it is estimated that the increase in the CIA Retirement Act's unfunded liability would be about \$135,000.

It is hoped that the committee will give favorable consideration to S. 2714 as soon as possible in view of the impending cost-of-living increase due on January 1, 1974. If this bill is enacted, not only will retirees and employees under the CIA Retirement Act receive the same benefits now afforded to CIA retirees and employees under the Civil Service System, but retirement planning will no longer be subject to the extraneous consideration of eligibility for a cost-of-living adjustment, as now exists under current law.

Thank you, Mr. Chairman. I will be glad to answer any questions.

Mr. NEDZI. Thank you, Mr. Wattles. The Chair has one question.

Could you tell us why this provision was placed in the law in the first place?

Mr. WATTLES. The provision now in the Civil Service law, sir?

Mr. NEDZI. The provision now in the CIA retirement law and formerly in the Civil Service law? I understand that provision was changed.

Mr. WATTLES. It was not originally in either of the two laws.

Mr. NEDZI. It was changed in Public Law 93-136?

Mr. WATTLES. It was originally not in either of the two laws and it was placed in the Civil Service law because the Commission found it was the experience of all agencies in Government covered under the Civil Service system that, in anticipation of a cost-of-living increase in annuity, there were great lumps of employees leaving abruptly.

For example, if there was one announced for the 1st of March, February would see large numbers of employees leaving at once, leaving in anticipation of enjoying the increase in the cost of annuity which that cost-of-living formula then provided. The Civil Service Commission and the administration sought to relieve that peak and valley pattern of retirements by the revision which permitted a retiree to reach back, as it were, and enjoy no less than the benefit he would have received had he retired prior to the cost-of-living adjustment.

What we are asking today is merely that the CIA Act be brought into essential conformance with that Civil Service provision.

Mr. NEDZI. Mr. Bray, any questions?

Mr. BRAY. This is merely making the change that is already made in the general Civil Service retirement law?

Mr. WATTLES. That is right, sir.

Mr. BRAY. Thank you.

Mr. NEDZI. Mr. Price?

Mr. MELVIN PRICE. Mr. Wattles, this custom of the cost-of-living increase attached to the pension has been a custom now for the past half a dozen years or more. Up until this time, has any effort been made to bring the legislation up like this to get action on it?

Mr. WATTLES. The change made in the Civil Service law I believe was effective only last spring.

Mr. MELVIN PRICE. Just last spring. I remember that.

Mr. WATTLES. Up until that time, the Civil Service law and our own Retirement Act were similar in that the retirements all were prospective with regard to the next cost-of-living increase. But as I

was saying, this general pattern. It was the that out by granting worse than it would previous COL.

Mr. MELVIN PRICE. a considerable disadvantage.

Mr. WATTLES. Yes.

Mr. MELVIN PRICE. have been?

Mr. WATTLES. Yes.

Mr. MELVIN PRICE.

Mr. NEDZI. Any

Mr. WATTLES. I

October 24, 1973,

Mr. MELVIN PRICE. people who had to after this date?

Mr. WATTLES. Yes.

Mr. SLATINSKY.

Could you state with any advantage retirees? In other amendment and or not there is any advantage over civil service?

Mr. WATTLES. Yes.

Mr. NEDZI. That

Mr. WATTLES. Yes.

Mr. NEDZI. Our Assistant Director, Civil Manpower and Resources

Mr. Spence, I understand bill, which relates

Mr. SPENCE. Yes.

Mr. NEDZI. Yes.

Mr. SPENCE. Yes.

Mr. NEDZI. Yes.

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Mr. SPENCE. I appreciate the opportunity on behalf of the Department of S. 2714.

The purpose of the increase in the cost of Bradley, U.S. A retired, based on pensionation was increases in that of the same percent retired rolls.

was saying, this generated these peaks and valleys in the retirement pattern. It was the Civil Service Commission's desire to try to smooth that out by granting, under this formula, an annuity which was no worse than it would have been had the individual retired prior to the previous COL.

Mr. MELVIN PRICE. Yes, but the CIA retiree certainly has been at a considerable disadvantage with respect to the Civil Service retiree.

Mr. WATTLES. We would be.

Mr. MELVIN PRICE. They have been; since the past spring they have been?

Mr. WATTLES. That is right.

Mr. MELVIN PRICE. Thank you.

Mr. NEDZI. Any more questions?

Mr. WATTLES. I am reminded the civil service change is effective October 24, 1973, which reaches back to the July COL increase.

Mr. MELVIN PRICE. It turned out to be quite an injustice for people who had to retire. Some of yours were in the first 3 or 4 months after this date?

Mr. WATTLES. That is right.

Mr. SLATINSHEK. One question, if I may, Mr. Chairman

Could you state for the record whether this provides your retirees with any advantage of any kind over that provided civil service retirees? In other words, you indicated earlier that this is a conforming amendment and, for the record, I would like to ascertain whether or not there is anything in here that would give your people an advantage over civil service retirees?

Mr. WATTLES. Not in and of itself, sir.

Mr. NEDZI. Thank you very much, Mr. Wattles.

Mr. WATTLES. Thank you, Mr. Chairman.

Mr. NEDZI. Our next witness is Mr. Leroy J. Spence, who is Assistant Director, Compensation Administration, Office of Defense for Manpower and Reserve Affairs.

Mr. Spence, I understand, will address himself to section 2 of the bill, which relates to Generals Bradley and Spaatz.

Mr. SPENCE. Yes, sir.

Mr. NEDZI. You have a statement you wish to make?

Mr. SPENCE. Yes, sir, I do.

Mr. NEDZI. You may proceed.

**STATEMENT OF LEROY J. SPENCE, ASSISTANT DIRECTOR, COMPENSATION ADMINISTRATION, OFFICE OF ASSISTANT SECRETARY OF DEFENSE**

Mr. SPENCE. Mr. Chairman and members of the committee, I appreciate the opportunity of appearing before the committee on behalf of the Department of Defense to testify in support of section 2 of S. 2714.

The purpose of this section is twofold. First, it will authorize an increase in the compensation now being received by Gen. Omar Bradley, U.S. Army, and Gen. Carl Spaatz, U.S. Air Force, retired, based on the increase in the cost of living since their compensation was last adjusted; second, it will provide for automatic increases in that compensation in the future at the same time and by the same percentage as is authorized for military personnel on the retired rolls.

This section will authorize, effective from the date of enactment of the legislation, an increase of approximately 39 percent in the compensation being received by these distinguished officers. This would be the first increase they have received since October 1, 1967. In the period from October 1, 1967 through July 1, 1973, persons who were on the military retired rolls have received cumulative increases in retired pay of over 39 percent. This legislation will authorize an immediate increase in the compensation of these officers equal to the increases received by persons on the retired rolls during that period, and will authorize future increases in their compensation under the same conditions as are applicable to retired military personnel.

General Bradley and General Spaatz are the two living members of a select group of officers for whom Congress enacted special laws regarding their retirement-type compensation and their status in recognition of their great contribution to the Allied victory in World War II. Those laws authorized these officers to continue to receive, whether still on the active list or in retirement, the pay and allowances authorized for officers of their grade in the active service. Until 1958, whenever the pay and allowances for officers on the active list were increased, the compensation payable to this select group of officers was similarly increased. However, the 1958 Military Pay Act, which embodied a major structural revision of the military compensation system, specifically provided that thereafter the officers in question would continue to receive the same pay and allowances to which they were entitled before that Act was enacted.

Since that time, these officers have received two increases in their compensation: a 3.2 percent increase effective from July 1, 1966, and a 4.5 percent increase effective October 1, 1967.

With the rapid increase the cost of living since 1967, there has been a major reduction in the purchasing power of the compensation being received by these officers.

It is the view of the Department of Defense that in simple justice to these distinguished officers, they should receive at least the same adjustment in their compensation as is authorized for persons on the military retired rolls.

Section 2 of S. 2714 authorizes an initial percentage adjustment for these officers equal to the percentage increases in retired pay for persons on the retired rolls since 1967. In addition, the bill will authorize future increases in that compensation whenever military retired pay is increased. These increases will, in our judgment, provide for these officers in a fair and equitable manner.

General Bradley's compensation will initially increase from \$1,846.23 monthly to \$2,577.58.

General Spaatz's compensation will initially increase from \$1,810.27 monthly to \$2,527.39.

Any additional costs resulting from this legislation will be absorbed in the retired pay appropriation.

In conclusion, Mr. Chairman, the Department strongly favors this increase in compensation for General Bradley and General Spaatz.

If you have any questions, sir, I will be happy to try to answer them.

Mr. NEPZI. Thank you, Mr. Spence.

When was this special law concerning Generals Bradley and Spaatz passed?

Mr. SPENCE. The original law under which Generals Bradley and Spaatz was initially appointed was in 1948. General Bradley was later

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benefited by a special law which gave him the same rights, privileges and benefits as had been accorded the five-star officers, General Eisenhower, MacArthur, and six other officers who served during World War II.

Mr. NEDZI. Was General Spaatz accorded the same privilege?

Mr. SPENCE. No, sir; he was not.

Mr. NEDZI. And that law provided that they were to continue to receive their active duty pay?

Mr. SPENCE. That is right, sir. They were entitled to continue to receive, whether on active duty or in retirement, the same pay and allowances that they were then receiving. This practice was terminated in 1958, in the 1958 Military Pay Act.

Mr. NEDZI. With respect to Generals Bradley and Spaatz?

Mr. SPENCE. Yes, sir, and all others who were similarly situated.

Mr. SLATINSIIEK. For purposes of clarifying the record, the practice was not terminated in that they continue to receive the pay and allowances, but they were frozen at that level?

Mr. SPENCE. That is right. That is much better stated.

Mr. SLATINSIIEK. So pay and allowances were continued, but they were not subject then to increases when there was a change in the active duty pay structure?

Mr. SPENCE. That is right.

Mr. NEDZI. So that since 1958, if I understand this situation, the only increases which both the generals received were increases in retirement pay?

Mr. SPENCE. The increases that they received, Mr. Chairman, were specific increases, specifically authorized by law in 1966 and 1967, 3.2 and 4.5 percent.

Mr. NEDZI. For them alone or for all retirees?

Mr. SPENCE. This was applicable only to this category of officers, the category in which Generals Spaatz and Bradley were in. The people on the retired rolls were covered by the automatic adjustments in retired pay based upon increases in the cost of living.

For example, since 1967 there have been seven increases in retired pay and during that period of time neither General Bradley nor General Spaatz received any increase in their pay.

Mr. NEDZI. But prior to that time, those two percentage increases were equal to, were less than or were more than the pay which retired officers received?

Mr. SPENCE. Between 1958 and 1967, these officers received two increases that I mentioned, 3.2 and 4.5, which were considerably less than the increases applicable to persons then on the retired rolls.

Mr. NEDZI. Now, if you take the present pay which both generals are receiving, is it equal to or less than or more than what a retired general would receive today?

Mr. SPENCE. It is less than a retired general would receive today.

Actually the retired pay that they are receiving is approximately equivalent to the retired pay currently being received by a brigadier general, somewhere in that neighborhood. It is about \$1,800 a month.

Mr. NEDZI. How old are Generals Bradley and Spaatz?

Mr. SPENCE. Sir, I do not know specifically, but I believe they are in their eighties.

Mr. MELVIN PRICE. Bradley is 84, I would say, in that area.

[Note: General Bradley was born Feb. 12, 1893. General Spaatz was born June 28, 1891.]

Mr. NEDZI. With this percentage increase, would this bring these generals up to what retired generals are receiving today or would it place them in a higher-paid category or lower-paid category?

Mr. SPENCE. For an officer in pay grade O-10 who has been retired for several years, his retired pay currently is about \$2,800 a month, as compared to the \$2,500 a month that these gentlemen would be authorized under this legislation. So it would continue to be less than for those people who were currently being retired, those now on the retired rolls who are in the grade of general.

Mr. NEDZI. Do we have any flag officers at this level who have retired prior to 1958?

Mr. SPENCE. Yes, sir. We have officers in pay grade O-10, which is the closest comparable rank that we have to what General Bradley has. We do have those people on the retired rolls.

Mr. NEDZI. How does their retirement pay compare to Generals Bradley and Spaatz?

Mr. SPENCE. In the case of those individuals, I believe their retired pay is somewhat less. I can give you an approximation in a moment.

An individual receiving retired pay, who retired prior to 1958, who had served as chief of staff, his retired pay prior to last July would have been \$2,103 a month, and increase that by 6 percent which would be somewhere around \$2,200 to \$2,300 a month. That will be further increased January 1 by 5.5 percent. That increase, of course, would also apply in the case of Generals Bradley and Spaatz, assuming this legislation is enacted.

Mr. NEDZI. Mr. Bray, do you have any questions?

Mr. BRAY. I do not quite understand this.

I remember very well the Pay Act of 1958 which stopped the recomputation. Now they retired previous to that time, did they not?

Mr. SPENCE. Yes, sir.

Mr. BRAY. Here it says they received a 3.2 percent increase effective July 1, 1966, 4.5 percent increase effective October 1, 1967. What was that? Was that not just the regular military pay increase at that percentage? That was 1966 and 1967. That was the pay increase, is that right?

Mr. SPENCE. Those were special increases specifically authorized for individuals who were in the category Generals Bradley and Spaatz were in. It was not the same increases in pay applicable to persons on active duty or in retirement, no, sir.

Mr. BRAY. How come it was not applicable to them, because they were eligible for recomputation as had been the custom up until 1958?

Mr. SLATINSHEK. May I interrupt there?

Mr. BRAY. Yes. I cannot quite understand this.

Mr. SLATINSHEK. In the 1958 act, these people were singled out. They were, in a sense, in a limbo status; they were not on active duty but not in retirement in a very technical sense. So there was special provision made in the 1958 act with reference to these people. Subsequently, when we did institute increases for retired pay, unless we specifically mentioned these people, it did not apply to them.

In subsequent laws we did mention them and did provide these percentage increases that they have received.

Mr. BRAY. That?

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Mr. BRAY. These two special bills applied and we never did it after that?

Mr. SLATINSHEK. The cost-of-living formula does not apply to these people because they are so-called Special Act officers, not really a part of the retired group.

Mr. BRAY. I thought they remained as active duty officers and received all the increases active duty officers did.

Mr. SLATINSHEK. In a very technical sense you are correct, because they received basic pay and allowances. However, they were specifically exempt from these subsequent changes in the act, because of the policy adopted by the Congress in the 1958 Pay Act.

Mr. BRAY. The reason I am raising this question here is because of all this hassle we had over recomputation. You say this is not getting us involved in this.

Mr. SLATINSHEK. This is not inconsistent with the position of the committee on that question.

Mr. NEDZI. If I understand this correctly, what we in effect did was establish a third category of pay.

Mr. SLATINSHEK. Precisely.

Mr. NEDZI. There were active, retired, and then we had these generals here.

Mr. SPENCE. That is right.

Mr. NEDZI. As a result, any provisions that applied to the other two pay categories did not apply to these men. So that everything done has to be especially for these individuals?

Mr. BRAY. These are the only two officers this could apply to. This is not starting a precedent?

Mr. SPENCE. No, sir.

Mr. MELVIN PRICE. It applied to all five-star generals at the time it was enacted.

Mr. BRAY. Not a five-star general. It would not apply to a five-star general who retired today.

Mr. MELVIN PRICE. We singled them out by name.

Mr. BRAY. I say this is not starting a precedent. I remember a few times we started something and it seemed like a good idea at the time.

Mr. NEDZI. Any further questions, Mr. Bray?

Mr. Slatinshek?

Mr. Melvin Price?

Mr. Fisher?

Mr. Spence, I have one further request, and that is a statement for the record as to the reasons for this special treatment of these officers.

Mr. SPENCE. Do you wish me to give you an oral statement at this time?

Mr. NEDZI. You may give an oral statement or you may submit it for the record, if you prefer.

Mr. SPENCE. I would prefer to submit it for the record, Mr. Chairman.

Mr. NEDZI. Fine.

Mr. MELVIN PRICE. Actually, it is acknowledgment of the Congress of their role in the war.

Mr. NEDZI. I understand that, Mr. Price. But I thought it would be useful to have it in the record so that when this matter is presented to the House, we will have this before us. We do have a tremendous

number of new Members, as you know, who are not at all familiar with this whole situation.

Mr. MELVIN PRICE. Who do not read history.

Mr. NEDZI. I think it would contribute if we had that in the record so that it is available to us.

Mr. SPENCE. I would be happy to do so.

[The following information was received for the record:]

Following the allied victory in World War II Congress recognized in a special way through legislative enactment the contribution to that victory made by thirteen men who because of their unique and outstanding qualities rose to highest positions of command and leadership in the armed forces.

In the words of the Committee on Armed Services in its report on the bill which later became Public Law 79-333:

The success of the armed forces of this Nation is largely due to the outstanding organizational abilities, vision, and strategical concepts of the officers involved in this bill. From them stemmed the dynamic force which insured the proper training, equipping, and deployment of the strongest Army and Navy the world has ever known. They contributed greatly to the formulation and execution of the strategy that caused the annihilation of our enemies.

Your committee believes it is entirely appropriate that these officers be permitted to continue to hold the grades in which they have served.

Eight of those individuals had attained during World War II the 5 star rank which has traditionally been reserved for those wartime commanders who demonstrated to an outstanding degree the ability to command the combat forces in wartime. Those individuals were:

*Army*

George C. Marshall  
Douglas MacArthur  
Dwight D. Eisenhower

*Air Force*

Henry H. Arnold

*Navy*

William D. Leahy  
Ernest J. King  
Chester W. Nimitz  
William Halsey

In addition, five other officers, who during World War II had attained the grade of general or admiral and had served in positions of high command and responsibility and in those positions had made outstanding contributions to the success of the armed forces, were similarly recognized by special legislation. They were:

*Army*

Omar N. Bradley

*Air Force*

Carl Spaatz

*Navy*

R. A. Spruance

*Marine Corps*

Alexander A. Vandegrift

*Coast Guard*

Russell R. Waesche

The legislative recognition afforded these officers consisted in making permanent the grade in which they had served during World War II and in authorizing them to continue to receive, whether in the active service or in retirement, the pay and allowances authorized for their grade. As a further mark of recognition General Bradley was in 1950, by special Act of Congress, appointed to the permanent grade of General of the Army, with the same rights and benefits as were authorized for the eight original appointees in that grade.

General Bradley and General Spaatz are the only surviving members of that select group of officers.

These distinguished officers have received but 2 increases in their compensation since 1958; 3.2% in 1966 and 4.5% in 1967. From October 1, 1967 to July 1, 1973, persons on the military retired rolls have received cumulative increases in their retired pay totalling in excess of 39%. Neither General Bradley nor General Spaatz have received any increases in their compensation during that period.

S. 2714 will authorize an immediate increase in their compensation of approximately 39%, and will authorize future increases in their compensation at the same time and in the same percentage as persons on the military retired rolls.

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## GENERAL OF THE ARMY OMAR NELSON BRADLEY, USA

General of the Army Omar Nelson Bradley completed two successive terms as Chairman of the Joint Chiefs of Staff on August 15, 1953. That office was created in August 1949 and General Bradley was its first chairman. It is the highest military office presently attainable by any officer of the Armed Services. General Bradley brought to that office a unique background of military and civilian experience.

Successively in World War II, he commanded first a division, then a corps, an army, and finally a group of armies.

This last command, the 12th United States Army Group in Europe, numbered more than 1,300,000 combat troops and was the largest body of American soldiers ever to serve under one field commander. The 12th Army Group, at its peak, consisted of four armies—General Courtney Hodges' First, General George Patton's Third, Lieutenant General William Simpson's Ninth and Lieutenant General Leonard Gerow's Fifteenth.

Except for his original divisional assignment—a pre-combat training job given him as a result of his experience as Commandant of the Infantry School—General Bradley won his wartime advancement on the battlefield. A Corps commander in North Africa and later in Sicily, he took an Army across the Normandy beaches and ended the war in Germany in command of an Army Group.

Three weeks after V-E Day, General Bradley was drafted to become head of the Veterans Administration during the critical postwar demobilization of our Armed Forces.

In February 1948, General Bradley became Chief of Staff of the Army. A year and a half later he was appointed Chairman, Joint Chiefs of Staff, and was reappointed in August 1951.

Born in Clark, Missouri, February 12, 1893, General Bradley was named Omar for an editor friend of the family and Nelson for the local doctor. His parents, John Smith Bradley and Sarah Elizabeth (nee Hubbard) Bradley, remained in the Clark-Higbee area until the father's death in 1908 when he and his mother moved to Moberly, Missouri. General Bradley married Mary Quayle of Moberly, Missouri, December 28, 1916. They have one daughter, Elizabeth Bradley Dorsey, who lives in Washington, D.C. (Married Esther Dora Buhler, September 12, 1966).

General Bradley was appointed to the U.S. Military Academy from the Second District of Missouri in 1911. He graduated 44th in the Class of 1915.

Of his class, General Bradley was the first to become a brigadier general. His promotion came in February 1941 when he was a lieutenant colonel, and at the recommendation of General Marshall became Commandant of the Infantry School. In this post, he set up the Infantry Officer Candidate program that eventually commissioned more than 45,000 combat leaders before the end of World War II.

General Bradley's commissioning as a second lieutenant of infantry on graduation from West Point June 12, 1915, was followed on July 1, 1916, by promotion to first lieutenant. He rose to the temporary rank of major in World War I while serving with the 14th Infantry Regiment, but reverted to captain in 1920 in the general postwar reduction of the Army.

After World War I, General Bradley was assigned to ROTC duty at South Dakota State College, and then was ordered to a four-year tour in 1920 as instructor in mathematics at the U.S. Military Academy. In 1925, he graduated from the Advanced Course at The Infantry School, Fort Benning, Georgia, and was ordered to duty in Hawaii. In 1927 and 1928 he was in charge of National Guard and Reserve Affairs for the Hawaiian Islands.

General Bradley graduated from the Command and General Staff School in 1929, and then was assigned as instructor in tactics and weapons at the Infantry School. Assignment to the Army War College, from which he graduated in 1934, followed his four-year tour at Fort Benning. After graduation from the War College he was assigned to the U.S. Military Academy as an instructor in tactics and later became plans and training officer of the Academy. He served there until June 1938 when he reported to Washington for General Staff duty. In 1939, he became Assistant Secretary of the General Staff and served in this capacity until February 1941 when, as a brigadier general, he was sent to Fort Benning.

General Bradley was given his own division—the 82nd Infantry—within two months after Pearl Harbor. His promotion to Major General came on February 15, 1942. Four months later, in June 1942, he was transferred from the 82nd—which was soon to be designated the 82nd Airborne Division—to command the 28th Infantry Division at Camp Livingston, Louisiana.

Early in 1943, General Bradley was selected by General Eisenhower as his personal representative in the field in North Africa. Then on April 15, 1943, he was given command of the II Corps. It was the II Corps that smashed through

units of the Afrika Korps in Northern Tunisia to reduce Hill 609, take Bizerte and with the British 1st and 8th Armies end the war in Africa.

The day after the collapse of the enemy in Tunisia, General Bradley was en route to Algiers to help plan the invasion of Sicily, and on July 10, 1943, invaded Sicily with his II Corps.

In the summer of 1943, General Bradley was selected to command the First U.S. Army in the Normandy Invasion. His release from command of II Corps then in Sicily was arranged during the last week in August and effected on September 7th. After conferences in Washington, Bradley arrived in the United Kingdom in October. On the 20th of that month he opened the headquarters of the First U.S. Army in Bristol. On October 16, General Bradley was given additional duties as Commanding General, 1st U.S. Army Group which later was to become the 12th Army Group.

On June 6, 1944, General Bradley landed in France with his First Army to break the Atlantic Wall. On July 26, the First Army smashed through the German lines at St. Lo and opened the way through Avranches for the speedy liberation of France. On August 1, he divided the American divisions into two Armies, the First Army and Third Army, and committed General Patton's Third Army through the breached enemy wall. He relinquished the First Army to General Hodges and assumed command of the U.S. 12th Army Group, which eventually comprised the combat forces of the First, Third, Ninth and Fifteenth American Armies.

In the spring of 1945, after his American armies had smashed the German winter attacks and broken down the Siegfried Line to push on to the Rhine, General Bradley was given his fourth star.

On August 15, 1945, General Bradley became Administrator of Veterans Affairs. He relinquished this post on December 1, 1947, in order to familiarize himself with Army problems before taking on new duties as Chief of Staff.

On February 7, 1948, General Bradley became Chief of Staff, United States Army, succeeding General of the Army Dwight D. Eisenhower.

General Bradley was sworn in as the first Chairman of the Joint Chiefs of Staff in the Department of Defense August 16, 1949, and on August 16, 1951, was re-appointed for a two-year term.

He was nominated by President Truman for promotion to General of the Army September 18, 1950; was confirmed by the Senate September 20, and was appointed to that rank effective September 22, 1950, making him the fourth five-star Army general officer.

At the first meeting of the 12 Atlantic Pact nations in Washington on October 5, 1949, General Bradley was appointed the first Chairman of the Military Committee of the North Atlantic Treaty Organization consisting of the military chiefs of staff of the 12 American and European countries then united in the North Atlantic Treaty for mutual defense. The number has since grown to 15. At the termination of his office as Chairman in 1950, he continued until August 1953 as United States Representative to the Military Committee (NATO) and United States Representative to the Standing Group of the Military Committee consisting of representatives of the United States, United Kingdom and France. In these assignments he exercised great responsibility in the coordination of the military efforts of the free world.

General Bradley's decorations include the Distinguished Service Medal with three Oak Leaf Clusters, Distinguished Service Medal of the U.S. Navy, the Silver Star, the Legion of Merit with one Oak Leaf Cluster, Bronze Star Medal, Mexican Border Service Medal, World War I Victory Medal, American Defense Service Medal, American Campaign Medal, European-African-Middle Eastern Campaign Medal with one Bronze Arrowhead and 7 Battle Stars, World War II Victory Medal, Army of Occupation Medal with Clasp for Germany, and Combat Infantryman Badge.

He also has the following foreign decorations: Grand Cross-Order of the Crown with Palm, and Croix de Guerre (Belgium); Knight Commander of the Bath (British Empire); Order of the White Lion Star for Victory, 1st Class; and Military War Cross of 1939 (Czechoslovakia); Grand Cross of the Legion of Honor, and Croix de Guerre with Palm (France); Grand Cross of the Royal Greek Order of George I; Grand Cross of Couronne de Chene, and Croix de Guerre (Luxembourg); Grand Cross of the Order of Ouissan Alaoutic Cherifien, Degree of Grand Officer (Morocco); Knight of the Grand Cross, Order of Orange-Nassau (Netherlands); Commander's Cross with Star, and appointed a Chevalier of the Order of Polonia Restituta (Poland); Order of Kutuzov, 1st Degree; and Order of Suvarov, 1st Degree (Russia); Order of Military Merit, Degree of Grand Officer (Brazil);

Order of General of the Military Academy, Bac Military Science University of Laws, May University, Dc June 1947; No Southern College University, Doctor June 1948; U University, Dc June 1949; Har of Laws, June January 1950; June 1950; Pen: 1951; Cambridg University of P of Military Scie Long Island Ur

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As a major, C 1920, to Februa November, 1921 at Ellington Fiel 24, 1924. He wa Virginia, in June at Washington, J

Order of General San Martin, Degree of Grand Officer (Argentina); Grand Cross of the Military Order of Itlay.

General Bradley has been awarded the following degrees: U.S. Military Academy, Bachelor of Science, June 1915; St. John's University, Doctor of Military Science, November 1946; Drury College, Doctor of Laws, March 1946; University of Missouri, Doctor of Laws, June 1946; University of Illinois, Doctor of Laws, May 1947; Harvard University, Doctor of Law, June 1947; New York University, Doctor of Laws, June 1947; Dartmouth College, Doctor of Laws, June 1947; Northwestern University, Doctor of Laws, June 1947; Birmingham-Southern College, Doctor of Humane Letters, November 1947; Princeton University, Doctor of Laws, June 1948; University of Wisconsin, Doctor of Law, June 1948; University of California, Doctor of Laws, June 1948; Columbia University, Doctor of Laws, June 1949; Lafayette College, Doctor of Science, June 1949; Hamilton College, Doctor of Law, June 1949; Trinity College, Doctor of Laws, June 1949; Renasalaer Polytechnic Institute, Doctor of Engineering, January 1950; Agricultural and Mechanical College of Texas, Doctor of Laws, June 1950; Pennsylvania Military College, Doctor of International Law, February 1951; Cambridge University (England), Doctor of International Law, June 1951; University of Pittsburgh, Doctor of Law, June 1951; Norwich University, Doctor of Military Science, June 1952; University of Akron, Doctor of Laws, June 1956; Long Island University, Doctor of Humane Letters, May 1967.

#### PROMOTIONS

General Bradley was promoted to first lieutenant (permanent) July 1, 1916; to captain (permanent) May 15, 1917; to major (temporary) June 17, 1918. He reverted to the rank of captain January 22, 1920, and was promoted to major July 1, 1920. He again reverted to the rank of captain November 4, 1922, and was promoted to major (permanent) June 25, 1924; to lieutenant colonel (permanent) June 26, 1936; to brigadier general (temporary) February 20, 1941; to major general (temporary) February 15, 1942; to lieutenant general (temporary) June 2, 1943; to brigadier general (permanent) September 1, 1943; to major general (permanent) September 8, 1944; to general (temporary) March 12, 1945; to general (permanent) January 31, 1949, with date of rank from March 12, 1945; to General of the Army September 22, 1950.

#### GEN. CARL SPAATZ, USAF, RETIRED

Carl Spaatz was born June 28, 1891, in Boyertown, Pennsylvania. In 1910, he was appointed to the United States Military Academy from which he was graduated June 12, 1914, and commissioned a second lieutenant of Infantry. He served with the Twenty-Fifth United States Infantry at Schofield Barracks, Hawaii, from October 4, 1914, to October 13, 1915, when he was detailed as a student in the Aviation School at San Diego, California, until May 15, 1916.

In June, 1916, General Spaatz was assigned at Columbus, New Mexico, and served with the First Aero Squadron under General John J. Pershing in the Punitive Expedition into Mexico. He was promoted to first lieutenant July 1, 1916, in May, 1917 joined the Third Aero Squadron in San Antonio, Texas, and in the same month was promoted to captain.

General Spaatz went to France with the American Expeditionary Forces in command of the Thirty-First Aero Squadron and, after November 15, 1917, served in the American Aviation School at Issoudun continuously, except for one month at the British Front, until August 30, 1918. In this period, he received a temporary promotion to major. He joined the Second Pursuit Group in September, 1918, as pursuit pilot in the Thirteenth Squadron, and was promoted to flight leader. He was officially credited with shooting down three German Fokker planes, and received the Distinguished Service Cross. In 1919 he served in California and Texas and became Assistant Department Air Service Officer for the Western Department in July, 1919. He reverted to his permanent rank of captain on February 27, 1920, but was promoted to major on July 1, 1920.

As a major, General Spaatz commanded Kelly Field, Texas, from October 5, 1920, to February, 1921, served as Air Officer of the Eighth Corps Area until November, 1921, and was commanding officer of the First Pursuit Group, first at Ellington Field, Texas, and later at Selfridge Field, Michigan, until September 24, 1924. He was graduated from the Air Corps Tactical School, Langley Field, Virginia, in June, 1925, and then served in the Office of the Chief of Air Corps at Washington, D.C.

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General Spaatz commanded the Army plan "Question Mark" in its refueling endurance flight over Los Angeles and vicinity January 1-7, 1929, keeping the plane aloft a record total of 150 hours, 50 minutes and 15 seconds, and was awarded the Distinguished Flying Cross.

From May 1, 1929, to October 29, 1931, General Spaatz commanded the Seventh Bombardment Group at Rockwell Field, California, and the First Bombardment Wing at March Field, California, until June 10, 1933. He then served in the Office of the Chief of Air Corps and became chief of the Training and Operations Division. In August, 1935, he enrolled in the Command and General Staff School at Fort Leavenworth, Kansas, and while there was promoted to lieutenant colonel. He was graduated in June, 1936, and then served at Langley Field, until January, 1939, when he returned to the Office of the Chief of Air Corps at Washington as assistant executive officer.

General Spaatz in November, 1939, received a temporary promotion to colonel, and during the Battle of Britain in 1940, spent several weeks in England as a special military observer. In August, 1940, he was assigned in the Office of the Chief of Air Corps, and two months later was appointed assistant to the Chief of Air Corps, with the temporary rank of brigadier general. He became chief of the Plans Division of the Air Corps in November, 1940, and the following July was named Chief of the Air Staff at AAF headquarters.

A few weeks after Pearl Harbor, in January, 1942, General Spaatz was assigned as Chief of the AAF Combat Command at Washington and promoted to the temporary rank of major general. In May, 1942, became commander of the Eighth Air Force, transferring to the European theater of operations in that capacity in July, 1942, to prepare for the American bombing of Germany. His accomplishments with the Eighth in its formative days as a strategic bombing unit earned him an award of the Legion of Merit. On July 7, he was appointed commanding general of the U.S. Army Air Forces in the European theater in addition to his duties as commander of the Eighth. His promotion to the permanent rank of colonel was made on September 17, 1942.

On December 1, 1942, General Spaatz became commanding general of the Twelfth Air Force in North Africa. In February, 1943, he assumed command of the Northwest African Air Force, which he organized. He received a temporary promotion to lieutenant general March 12, 1943.

After Rommel's Afrika Korps had been driven out of North Africa and the invasion of Italy was launched, General Spaatz became deputy commander of the Mediterranean Allied Air Forces, including the 12th Air Force in Africa and the 15th Air Force and the Royal Air Force in Italy. He returned to England in January, 1944, to command the U.S. Strategic Air Forces in Europe, which he headed throughout the pre-invasion period and the ensuing campaign which culminated with the utter defeat of Germany. His service in Africa won an award of the Distinguished Service Medal, and the accomplishments of his Strategic Air Forces in 1944 earned for him the Robert J. Collier Trophy for that year, awarded annually to the American making the outstanding contribution to aviation.

General Spaatz received a temporary promotion to general on March 11, 1945, and was assigned to Air Force headquarters in Washington in June, 1945. The following month he assumed command of the U.S. Strategic Air Forces in the Pacific, with headquarters on Guam. There he supervised the final strategic bombing of Japan by the B-29, including the two atomic bomb missions. He was present at all three signings of unconditional surrender by the enemy, at Rheims at Berlin, and at Tokyo.

In October, 1945, General Spaatz returned to AAF headquarters, and the same month President Truman nominated him for promotion to the permanent rank of major general in the Regular Army. In February, 1946, he was nominated to become commander of the Army Air Forces. In September, 1947, he was appointed by President Truman as the first Chief of Staff of the new United States Air Force.

General Spaatz retired with the rank of General on June 30, 1948.

General Spaatz has been awarded the Distinguished Service Cross, Distinguished Service Medal with two Oak Leaf Clusters, Legion of Merit, Distinguished Flying Cross, and Bronze Star Medal. He also has the Mexican Interior Campaign ribbon, the World War I ribbon with three bronze battle stars, the pre-Pearl Harbor ribbon with one star, the European theater ribbon with six stars, the Pacific theater ribbon, the American theater ribbon, and the World War II Victory ribbon. His foreign honors include a Grand Officer of the French Legion of Honor, the French Croix de Guerre with Palm, a Grand Commander of the British Empire, Russia's Second Order of Suvorov and Poland's Polonia Restituta, Commander's Cross with Star.

Mr. SLATINSKI situation very v category of offic has been very re of Congress to n headaches that 1 And, frankly, th a few years obv problem.

Mr. SPENCE.

Mr. HOGAN. Chairman; that

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Mr. SPENCE.

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Mr. NEDZI.

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Mr. MELVIN bill and instruc full committee.

Mr. NEDZI.

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10 o'clock.

[Whereupon, at 10 a.m., We



Mr. SLATINSHEK. I would like to say that you summarized the situation very well, indicating that we in effect created a third pay category of officers. As a consequence, the Department since that time has been very reluctant to support any effort suggested by Members of Congress to make a special situation for new officers because of the headaches that this situation has caused the Congress since that time. And, frankly, these people are attriting out of this category and in a few years obviously there will be none and we will not have that problem.

Mr. SPENCE. That is right.

Mr. HOGAN. One point I would like to make for the record, Mr. Chairman; that is the cost factor in this.

Would you, Mr. Spence, make a statement concerning the cost factor here.

Mr. SPENCE. Yes, sir.

For a full year the cost of this legislation with respect to each of these officers would be about \$8,700 and those additional costs can be absorbed within the normal retired pay appropriation.

Mr. NEDZI. If there are no further questions, we want to thank you, Mr. Spence, for your testimony.

Mr. MELVIN PRICE. I move the approval of both sections of the bill and instruct the chairman to report the entire bill S. 2714 to the full committee.

Mr. NEDZI. A quorum being present, the committee has heard the motion of Mr. Price and without objection, the motion is agreed to and the subcommittee will report the bill to the full committee.

[Voting in favor: Mr. Nedzi, Mr. Bray, Mr. Price, Mr. Fisher. Voting against; none.]

The committee will stand adjourned until next Wednesday at 10 o'clock.

[Whereupon, at 10:40 a.m., the committee adjourned, to reconvene at 10 a.m., Wednesday, December 12, 1973.]

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