

\$138 Billion Increase Sought

Military Pension Fight Set

By Lawrence Stern
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The old soldiers are not fading away. They are girding for a renewed campaign to increase their military retirement benefits by as much as \$138 billion—the approximate cost of the Vietnam war—over the next three decades.

The objective is Capitol Hill where in the closing days of December they suffered a major reverse at the hands of a House Armed Services subcommittee headed by New York Democrat Samuel S. Stratton.

The House panel, in remarkably unvarnished language, said the American military now enjoys one of the plush retirement programs in or out of government. It also disclosed that with no changes at all, the cost of military retire-

ments will balloon to \$21 billion a year over the next three decades from a present level of \$4.3 billion.

By the year 2000—because of the growth of the retiree population—the cumulative bill to American taxpayers would be \$339 billion without any upward adjustment in retirement pay for servicemen, according to a comprehensive subcommittee study based on Defense Department figures.

Under the present system the base retirement pay for a man with 20 years' tenure is 50 per cent of his last, and usually highest, active duty pay. A 30-year veteran receives about 75 per cent. This does not include disability allowances.

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Also, the average retirement age for officers is 46 and for enlisted men, 41— young enough to launch many of them into second careers. The average military retiree lives 1½ times as long in retirement as he does on active duty, according to Pentagon estimates.

This is what prompted the Stratton subcommittee to describe the U.S. military retirement program as "the most liberal general system in existence."

But the old soldier lobbies, which maintain several national headquarters in Washington and claim to speak for a current national population of 900,000 military retirees, are coming back to fight another engagement.

"There is no question that the vast majority of Congress will vote to support us if they get the opportunity," asserts Col. James W. Chapman, a retired Air Force officer who is senior lobbyist for the Retired Officers Association, the Retired Enlisted Association and National Association of Armed Forces Retirees.

Some congressional authorities on the retirement issue concur in this diagnosis. Despite the adverse findings of the Stratton report, they say, many members would be reluctant to tangle with their re-

three constituencies out in the open. Last August when it came to a vote in the Senate the line-up was 82-4 for a \$17 billion long-range pay increase for retired servicemen.

Sen. Vance Hartke (D-Ind.), sponsor of that measure, has announced his intention of

reintroducing it this year and it could become the rallying point for the renewed drive this year.

The Retired Officers Association claims a membership of 157,000, the largest of the retiree organizations. Another group, the Reserve Officers Association, claims 60,000 active members throughout the country.

There is also the Fleet Reserve Association, for old sailors; the Air Force Sergeants Association, with 15,000 to 18,000 members; the National Association of Uniformed Servicemen; military Wives Association, Inc.; United Military Wives, and a congeries of yet other organizations whose members are vocal and enthusiastic advocates of higher pension benefits.

The catchword of the prospective battle of the military retirement budget is the word "recomputation." It means increasing the pay of retired servicemen whenever Con-

gress gives a salary increase to the active duty forces.

The principle of recomputation had been embedded in the military retirement system since Civil War times primarily to get older officers off the active duty rolls. Military salaries were niggardly and recomputation was accepted as a means of keeping retirees abreast of living costs.

But Congress in the military pay acts of 1958 and 1963 increased retirement pay, abandoned recomputation and permanently tied the retirement system to the consumer price index.

The old soldiers fared well under the new system. Since 1958 retirement pay rose 58

per cent while the consumer price index rose 42 per cent. Under the cost of living formula Congress passed in 1963 retirees get a 4 per cent increase when the price index rises 3 per cent.

In the last session of Congress there were 95 bills introduced for recomputation schemes (the White House sponsored one of them) with long-term costs ranging from \$17 billion to \$138 billion. This is but one indication of the clout behind the military retiree pay issue on Capitol Hill.

Some four dozen senators and congressmen endorsed various recomputation plans either in person or on paper

during public hearings of the Stratton subcommittee last October. That is another example of the persuasiveness of the retiree lobby.

Last September President Nixon tape-recorded a pledge to the national convention of the Retired Officers Association in Anaheim, Calif. "In 1968 we pledge to work for recomputation legislation," the President said. "We have submitted and actively sought passage of recomputation legislation in Congress. We will continue our efforts on your behalf in support of that objective."

The 82-to-4 Senate vote for Hartke's "compromise" recomputation bill is cited by its advocates as an example of what Congress would do for former servicemen were the issue brought to an open vote in both houses. One of the four opponents was Senate Armed Services Committee chairman John Stennis (D-Miss.) On the House side, Armed Services

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chairman F. Edward Hebert (D-La.) also opposes recomputation.

Although Hartke's plan would have raised benefits by \$343 million in its first year and \$19 billion over the long run, the service organizations are plumping for far more. The Pentagon calculated the price at \$12 billion for their demand that all pre-1954 retirees (the year recomputation was dropped) have their retirement pay refigured on the basis of current active duty pay scales.

Recomputation and military retirement policy generally will be among the major political concerns for the less-conscious Nixon administration as well as Congress.

Despite Mr. Nixon's personal pledge to the Retired Officers Association, the Pentagon has little enthusiasm for any form of recomputation at a time when personnel costs already swallow up 25 percent of its budget.

And word is out on Capitol Hill that the Defense Department is drafting legislation under which servicemen would, for the first time, contribute to their retirement programs—a feature of many civilian retirement systems. The draft proposals also call for reduced benefits during the early retirement years when an ex-serviceman is still able to pursue a second career.

The effect of these proposals, if they are formally submitted to Congress under the imprimatur of the administration, might well add to the heat and smoke of the recomputation debate this year.

Some time ago I had begun to wonder about the hidden costs of all the militarism since WWII and believe, without knowing what the facts are, I made a few references to it. However, I really was not at all close to the actual costs that can't even be described in the old Hollywood terms. I think this in itself introduces a whole new vested-interest factor. I'll hold this for Howard to read. HW 1/7/73

I don't remember if I had an extra copy of this for you or not, so I send. Please return, but no hurry at all. HW 2/10/72