

Session 1: What Did We Expect Would Happen?

Chair: David Kassing

Panelists: David Kassing, Walter Oi, Robert Murray, and Christopher Jehn

David Kassing introduced each panel member, and stated that when he was serving on the staff of the Gates Commission, he had not expected that the All-Volunteer Force (AVF) would last as long as it did. Nor had he anticipated the broad-based political and military support for the AVF that exists today. He noted that Nixon had long favored a volunteer force, while his opponent Hubert Humphrey wanted a draft lottery. Today, both presidential candidates' platforms support the AVF.

The Gates Commission was established, **Kassing** recalled, not to address the question of whether there should be an AVF, but how to effectively implement it. The Commission worked quickly --- there was some preliminary work immediately following Nixon's election, the directive establishing the Commission was signed on March 27th, 1969, and the Commission's report was delivered less than a year later on February 20, 1970.

The Commission's work reflects the input of all of the economists on the staff. They addressed such issues as the conscription tax, the manpower and budgetary implications of an AVF, the determinants of labor turnover costs, the estimated quality of recruits, and the economics of officer supply.

Walter Oi also noted that Nixon's public support for ending the draft dated back to the campaign of 1960. In 1963, Tom Curtis, who was the head of the Joint Economic Committee, stated that the draft was inequitable, inefficient, and unnecessary, and persuaded others to join with him in urging the formation of a commission. President Johnson resisted, however, and instead urged Defense Secretary McNamara to establish a Blue Ribbon Commission on Manpower. **Oi** came to work on this effort, and their report was issued in July of 1965, just as Vietnam exploded. Their report was shelved. They estimated a cost of \$4 billion for a force of 2-2 ½ million conscripts, with a confidence interval ranging from \$4 to \$17 billion. They concluded that a conscripted force was unaffordable, but the sentence stating this was removed, and the report was finally released in August, 1966.

There were other analytic efforts and commissions that also issued reports, but these primarily addressed the question of ways in which the draft could be made more equitable. This was impossible, **Oi** stated, because people are fundamentally different.

In 1968, Nixon announced the necessity for ending conscription. **Oi** did not know the rationale for choosing the Gates Commission members, but the staff was also assembled. They were influenced by a 1967 article written by Ayn Rand stating that the draft negates the right to life, and instead establishes the state's right to part of a life. The fundamental question was what rights the state truly possessed. If there was a threat to the nation, Rand and Milton Friedman believed that volunteerism would provide an adequate response. Fundamentally, conscription is a tax, an argument Friedman advanced in 1963

as he tried to estimate the size of that tax. Clearly the military was not paying a market wage. And, conscription was an especially vile and evil tax not just on youth but because it had a high cost of collection. People expended vast resources to avoid the draft, from getting married to leaving the country.

Oi stated that he did not share **Kassing's** perspective that the AVF might be temporary; instead, he thought that "once we got there we'd stay there." Also, **Oi** noted that those who claim people should be "paid their worth" are wrong, because this concept is essentially merit pay, which raises the question of who determines merit. People should instead be paid the market rate.

The Commission had trouble, **Oi** recalled, with the question of reserve forces. The report contained a chapter on this subject, written primarily by Lt. Col. Herman Boland. **Oi** and Boland proposed increasing the percentage of individual fillers. The British had an "every ready" system in which those leaving the service registered and were on call for 50 Pounds per year. Then the Suez crisis erupted and they tried to call up the Ever Readies, but couldn't because they were afraid it would discourage people from signing up. This issue continues to need more study, because the use of reserves puts a strain on employers, and it may constrain using large numbers of reserves during a war. Earlier, many reservists were government employees and it was easier for them to take time off from work; as more reservists have moved to the private sector, this is a growing challenge.

The Gates Commission also underestimated the potential contribution of women to the AVF, because they thought women were too expensive. The military has since realized that the issue of sex should be negated. Finally, the Commission "missed" on anticipating the structure of the organization, how it is set up and what its mission is. We haven't fully worked through the implications of the electronic age, **Oi** concluded, and it is time to do this.

David Kassing discussed his role on the Gates Commission and the work on draft and volunteerism. His contributions were not so much on the economics side, but instead to historical and political studies. He looked at the history of conscription and volunteerism overseas and in the US, and the effect of military service on attitudes and earnings.

There were nine potential objections to the AVF: it would

1. cost too much;
2. not be able to respond to crises;
3. undermine patriotism;
4. threaten civilian control of the military;
5. be disproportionately black;
6. be manned by mercenaries;
7. stimulate foreign adventures;
8. cause a decline in military prestige due to the low quality of volunteers; and
9. be small because the budget would not grow.

Kassing reviewed each of these arguments. The cost and responsiveness concerns have essentially fallen off the table, he contended. For the third issue, the Commission argued that in fact it was conscription that threatened patriotism, although there is a concern now that the decline in the number of veterans (because of the drawdown and an increase in retention) will lessen patriotic sentiments. The counter-argument to the contention that civilian control would be threatened was that other countries have a long history of volunteerism and that civilian control was in fact strongest in those countries. Recent contentions of a civil-military gap have created somewhat of a cottage industry in this area, but they raise important issues that should be looked at critically.

The Commission in fact underestimated the degree to which the force would be made up of blacks, but this is in part due to the fact that there is less discrimination in the military than in the private sector. To better balance this, discrimination should be removed in other professions. It is true, however, that the military remains more attractive to minorities. As to the 7th contention, that the force would be manned by mercenaries, this has not been borne out and the standards have continued to rise. Further, it's not clear that military members would be any more mercenary than people in other lines of work.

Having a volunteer force has in fact raised the cost (in terms of public opinion) of engaging in "foreign adventures," although this issue was raised again when Kosovo arose. Quality has not declined, so the predicted decrease in military prestige has also failed to materialize. Finally, the argument that the AVF would be smaller than a conscripted army has been at least partially borne out, but the Commission admitted up front that once the public recognized the true cost of the force it may shrink. In fact the size of the force has fluctuated over time, reflecting the perceived threat.

In closing, **Kassing** noted that the debate on these issues has been going on for almost three decades, and is likely to continue into the future.

Robert Murray began by recalling the precipitating conditions that, by 1973, made an overhaul of the military inevitable. Public support for the draft had evaporated, and general support for the military as a whole had fallen as well. Morale, discipline, and professionalism in the military were at low points across the board. The U.S. Army in Europe was considered weak and many thought this situation made nuclear war more likely. In retrospect, the Gates Commission's work on the AVF was one of the last century's great debates on national defense

Against this backdrop, **Murray** stated that defense officials realized that an overhaul was essential. They had seen the analysis, but concerns remained about a number of issues.

- Would the American people volunteer in sufficient numbers, and would the military be able to recruit effectively?
- Would the AVF attract high quality people, given the unfavorable attitude of the public toward the military?
- Would the volunteers be representative of the population?

- Would they have enough trained people in the reserve components and individual ready reserves?
- Would they be able to keep experienced people when they were already facing deficiencies?
- Would the AVF be affordable? This question remains, as evidenced by recent efforts to seek more money for procurement.

Despite these fears, the AVF did work out and the early analysts were right. The services were able to do the job recruiting and retaining quality personnel, and they made something of the reserve components. The Army in particular has done well with its use of the reserves, although there is still room for improvement. No subsequent administration has backed away from the AVF, and by any measure it is a success, especially relative to the U.S. Army during the Vietnam era and to the forces of other countries.

Notwithstanding the current success, **Murray** noted that the success of the AVF is never a settled issue. Fundamentally, it is a dynamic problem that requires management and leadership. Managing attrition and recruiting is a terrific problem: the more we let attrit, the more demanding it is to recruit. But this is a management issue, not a flaw of the AVF concept. A related problem is managing rotations and deployments, but that also is not a force structure problem but a management one. Managing incentives is also important, as is managing costs. **Murray** said he hadn't heard either of the current presidential candidates say they would pour a lot more money into defense, so the decisions about how defense resources will be allocated will be difficult and will make a difference.

Christopher Jehn opened by noting that the draft was a peculiar tax, because it was a tax on patriotism. Those who wanted to join, not only the draftees, were taxed by low pay. The Gates Commission members tried to rectify the situation, and were interested in two primary objectives: more fairness and a better force. Both of these were achieved.

However, they also expected a lot more efficiencies. We are still not using our people well (for example, the reserve components), and strides can be made in this area. They thought more of this would happen.

At the time, **Jehn** never thought that the term "All Volunteer Force" would last. It should be dropped, he argued, because it suggests that this is still an experiment. In fact, even 7 years after the AVF was initiated, in 1980, most senior military officers considered it to be an experiment, and one that wasn't working. This issue was at play during the Reagan campaign. But there is no way that one could draw this conclusion 7-8 years after 1980; it would be impossible to find any senior military leaders who wanted to return to a conscripted force. Fundamentally, **Jehn** concluded, the promise of a more professional military was realized.