IMPACT OF ECONOMIC FORCES ON MANNING AMERICA’S 21ST CENTURY ARMY

BY

COLONEL MARCUS A. COCHRAN
United States Army

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This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College, Carlisle Barracks, PA 17013-5050
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Marcus Cochran

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U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013
Over 30 years after President Nixon delivered on his campaign promise to eliminate conscription, the Nation faces challenges in a world far different than those it faced in the early 1970’s. Today, events that occur half way around the world are much more likely to affect U.S. economic health and national security. Globalization expands the challenge of protecting U.S. national interests tremendously and requires persistent diplomatic, economic, and military investment. For the first time, the U.S. Army finds itself obligated to large scale, long-term persistent conflict lasting multiple decades.

A healthy U.S. economy could fund increasing military obligations associated with globalization. However, decades of enjoying a standard of living beyond the Nation’s means will force elected officials to lead citizens though a period of comprehensive sacrifice to reclaim U.S. fiscal health. Conscription has traditionally lacked popularity in the U.S. but might prove to be one of the more popular options for regaining U.S. fiscal health. Economic forces facing the U.S. as it grapples with unprecedented national debt, spiraling health costs, and unfunded Social Security obligations may force the Nation to tolerate a period of conscription while it tightens its fiscal belt.
IMPACT OF ECONOMIC FORCES ON MANNING AMERICA’S 21ST CENTURY ARMY

This paper examines the impact of economic forces on manning the United States (U.S.) Army in the 21st century. Over 30 years after Secretary of the Army Callaway declared the All Volunteer Force (AVF) a success¹, a new world order marked by persistent asymmetric conflict, emerging symmetric threats, and approaching economic crises may prove his declaration of victory in eliminating conscription was premature. Should America’s “great national experiment” with the AVF end in failure², conscription may re-emerge as at least part of the solution for sustaining the U.S. Army in the 21st century.

Background

For most of the Nation’s history, the U.S. provided for its common defense using an all volunteer force. During periods of extended conflict such as the Civil War, WWI, WWII, the Korean War and the Vietnam War, the U.S. relied on conscription to bolster its military might.³ Ironically, despite its negative sentiments, conscription provided the U.S. the ability to rapidly enlarge the military, which enabled the Nation to exploit periods of peace when it retained only a small standing Army. This approach to national defense economically served the U.S. well because it avoided great costs associated with permanent large standing armies.

Today, the U.S. faces more than the occasional symmetric conflict lasting a decade or less. U.S. military capacity must now be applied against persistent asymmetric conflicts lasting multiple decades.⁴ If hotspots around the world persistently threaten global economic stability and security, which in turn threaten vital U.S. national interests,
the President and Congress may continue to find it necessary to persistently apply all instruments of national power to include the military against these threats. Persistent global demand for the U.S. military could signal an end to the days when America enjoyed periods of peace and the associated economic dividends of maintaining a smaller standing Army.

The requirement to grow and maintain a larger Army in response to expanding national security demands is not an issue by itself. However, when placed in the context of serious fiscal challenges that the U.S. faces in the next 20-30 years, there is reason for concern. Escalating health care costs, a spiraling national debt, and a Social Security system headed rapidly for insolvency will likely require that nationally elected leaders make tough decisions to ensure the U.S. government can afford paying for military supremacy while it simultaneously meets domestic obligations.

As the President and Congress seek to avoid what the Bush Administration describes as a “fiscal train wreck”, they must make tough and unpopular decisions that will decide the distribution of national sacrifices, and may require a renegotiation of existing social contracts between the U.S. government and its citizens. In this period of national fiscal accountability and reckoning, senior military leaders might be prudent to anticipate a decline in military funding.

Tightened spending in response to economic crisis could adversely affect funding for all branches of the U.S. military but the impact would likely be most severe on the U.S. Army which has the largest number of ground forces already suffering from the stress associated with six years of war. By assessing current and anticipated Army roles, the current health of the Army and its ability to fulfill these roles, and the fiscal capacity of the
Nation in the future to finance these roles, senior Army leaders might be surprised to find that conscription as a method of generating the Army, may eventually appear politically attractive to the President and Congress.

U.S. Army Challenges and Roles for the Next Two Decades

Asymmetric Challenges

On 6 October 2007, the U.S. Army completed six years of combat operations in Afghanistan and over four years of combat operations in Iraq. The Nation’s global war against Islamic extremism is now the third longest in U.S. history, exceeded in length only by the Vietnam and the Revolutionary Wars. The prolonged combat stress the Army is experiencing is not simply the back side of a challenging conflict that will soon draw to a victorious conclusion. If that were the case, the Army could look forward to redeploying large portions of its 260,000 Soldiers serving in 80 countries of which 150,000 are serving in Iraq and Afghanistan. Under such conditions, the Army may experience a resurgence of unit readiness, equipment recapitalization/modernization, and the opportunity to enhance the quality of life of Army families who have endured the stresses of multiple separations.

Reality for the Nation’s largest ground force, however, is far different. As Secretary of the Army Pete M. Geren states, the Army can expect a “future of continued deployments in an era of persistent conflict.” Even with over 550,000 U.S. Soldiers having served in combat since 2001 and as many as 220,000 having deployed multiple times, the U.S. Army at its current size can expect its Soldiers to experience the same operations tempo for the extended future. “U.S. Army leaders are preparing for up to 15 more years of war and have an emerging “persistent conflict” doctrine that is already
changing strategy and procurement plans.”11 Likewise, “completing the Iraq and Afghanistan missions will be the work of a generation.”12

Symmetric Challenges

The Army needs to retain symmetric supremacy. Today, the Army is part of the world’s sole military superpower, uncontested and unmatched conventionally.13 However, history shows that such a status by any civilization’s military is only temporary. Near-peer competitor nations and an unpredictable future provide reason for the Army not to resource demands of the present at the expense of modernization to meet future threats. For example, the Army cannot afford to let the Future Combat System (FCS) turn into a bill payer for today’s critical and immediate operational needs.14

Another example is the Army’s aging weapons systems. The Abrams tanks, Bradley Fighting Vehicles, and Blackhawk/Apache helicopters fielded in the 80s and 90s were developed in the 60s and 70s and the Army cannot afford to allow them to serve as the “workhorse” well into the 21st century.15 As Secretary Geren highlighted in his address to the AUSA Institute of Land Warfare, “We do not want to ever send our Soldiers into a fair fight.”16

The Army also needs to compensate for force reductions of the 1990s. With the fall of the Berlin Wall and victory in the Gulf War, the Nation rushed to embrace what many thought was a more peaceful and less threatening world. National leaders moved rapidly to reduce the size of the military and exploit the benefits of a peace dividend. Cutting the military almost in half at that point was a mistake.17 After the last six years of war, hindsight highlights the possibility that the President and Congress went too far and must now rebuild U.S. military might. The U.S. Army should prepare to win major regional
conflicts even if the conflicts occur before the Army completes operations in Iraq and Afghanistan.

Humanitarian and Other Non-Combat Roles

Overwhelming global asymmetric and symmetric challenges facing the U.S. Army do not reduce the requirement for Army non-combat missions. Earthquakes, floods, fires, droughts and storms often require disaster relief and humanitarian assistance missions at home and abroad. At the direction of the Nation's elected leaders, U.S. forces continue to deliver emergency food, shelter, medical care, security, and other assistance to victims in need.18

In addition to disaster relief and humanitarian assistance, senior military leaders should anticipate that the President and state governors will probably use Army assets in support of the war on drugs, riot control, and in other roles with U.S. law enforcement agencies. Much of the technologically advanced equipment the Army applies in combat such as night vision goggles, helicopters, and communications equipment may be used to reinforce local, state, and federal law enforcement capabilities. Even with the Army stressed at its current level from years of continuous combat, federal and state leaders are likely to employ U.S. Army capabilities in non-combat related missions.

Finally, security cooperation efforts around the world are needed to bolster global stability. Building national relationships and investing in preventive maintenance type military operations continues to be a wise investment. Reduced investment in security cooperative agreements with South American countries by the U.S. over the last decade provided an opportunity for leaders such as Hugo Chavez to promote regional instability and negatively affect U.S. vital interests. To counter, the U.S. must continue mutual
cooperative military efforts with partner nations to confront and defeat common security challenges “before they mature into direct threats.” A failure by the President and Congress to continue building military relationships today may result in regional hot spots that require the commitment of larger numbers of U.S. troops in the future.

Current Status of the U.S. Army

Senior military leaders are unanimous in their assessment of today’s Army as the best in the Nation’s history. Their primary concern, however, is to what extent the Army can maintain the quality and effectiveness of its existing force while it transforms for service in the 21st century and simultaneously conducts long-term and large-scale military operations around the world. As previously noted, the Army maintains roughly 260,000 Soldiers forward deployed in 80 countries worldwide (150K of which serve in combat). Soldiers are returning to Iraq for the third time and fourth time. Many have more combat time than World War II Infantrymen.

Over six years after America launched large scale military operations against the forces of Islamic extremism, at least six trends emerge among Soldiers that expose the long-term damage that may occur to the Army if it maintains the current operations tempo without growing in size to meet increased demand for its services. A review of these trends (suicide, PTSD, divorce, desertion, alcoholism/drug abuse, and readiness) will provide greater insight on the potential damage.

Suicide Trend

An article from the Associated Press highlights that the Army has reached its highest suicide rate in 26 years with one fourth committed by Soldiers serving in Iraq or Afghanistan. A total of 99 confirmed suicides in 2006 was an increase from the previous
year of 88. The 17.3 per 100,000 suicide rate in 2006 was almost double the 9.1 per 100,000 suicide rate in 2001. According to Dr. William Winkenwerder, the Assistant Secretary of Defense for Health Affairs, about 300-400 troops were evacuated from Iraq for mental health issues. To counter the problem, the military now employs nine combat stress teams and assigns a psychiatrist, psychologist and social worker to each deployed division. Army spokesman Col. Joseph Curtin stated, “there are more than 230 mental health practitioners working in Iraq and Afghanistan, compared with "about a handful" when the war began.”

Post Traumatic Stress Disorder (PTSD) Trend

In a study published by the New England Journal of Medicine in 2003, one in six Soldiers redeployed from combat duty in Iraq suffers from Post Traumatic Stress Disorder. Another Army study published by the same journal found that just 23% to 40% of those suffering from PTSD were seeking help because they are afraid it will make them look weak or adversely affect their military careers. Corroborating data in the 2004 Army Mental Health Advisory Team survey showed nearly one in five U.S. combat Soldiers suffered from acute post traumatic stress syndrome. The Army Surgeon General estimates that 30% of returning veterans from Operation Iraqi Freedom (OIF) show some form of mental distress within four months of returning home.

To address the issue and identify more Soldiers who may not want to reveal their trauma, commanders are conducting mandatory screenings of all Soldiers returning from combat. This initiative will help but is not a complete solution. A 1999 study in the Journal of Consulting and Clinical Psychology determined that PTSD rates in the first Gulf War increased significantly over a period of time. The rate of PTSD immediately after returning
from the war was 8% for women and 3% for men. After 18 to 24 months, the rate increased to 16% for women and 7% for men.\textsuperscript{31} If the trend in the first Gulf War is repeated, military leaders should expect the PTSD rates for OIF and Operation Enduring Freedom (OEF) to continue increasing.

Since 2001 according to the Department of Veterans Affairs Inspector General, veterans who receive compensation based on PTSD grew at 7 times the rate for those receiving disability in general. The numbers of veterans receiving compensation for PTSD grew from 120,000 cases in 1999 to 215,000 cases in 2004 and the costs doubled from $1.7 to $4.3 billion during that same period.\textsuperscript{32} As thousands of Soldiers continue rotating through tours in Iraq and Afghanistan, these trends will likely continue.

**Divorce Rate Trend**

The U.S. Army saw a substantial increase in divorce rates since deployments began to Afghanistan and Iraq. For enlisted personnel in 2004, divorces were 28% higher than in 2003, the year of the Iraq invasion, and 52% higher than the 2001 level before the U.S. began the Afghanistan operation. For officers, the trend was more severe. The officer divorce rate in 2004 was up 78% from 2003 and up 190% from the number of divorces in 2001.\textsuperscript{33} These statistics provided by the Defense Manpower Data Center identify a trend that has received attention by Army leaders who believe the increase is attributed to Soldiers’ exposure to combat stress, lengthy separations, and trouble with readjusting to family life upon return.\textsuperscript{34}
Table 1: Army Divorce Rates

<table>
<thead>
<tr>
<th></th>
<th>TOTAL MARRIAGES</th>
<th>TOTAL DIVORCES</th>
<th>PERCENTAGE</th>
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<tbody>
<tr>
<td><strong>2001</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENLISTED</td>
<td>199,703</td>
<td>4,513</td>
<td>2.3</td>
</tr>
<tr>
<td>OFFICER</td>
<td>55,650</td>
<td>1,145</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>2002</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENLISTED</td>
<td>193,638</td>
<td>5,989</td>
<td>3.1</td>
</tr>
<tr>
<td>OFFICER</td>
<td>54,542</td>
<td>1,960</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>2003</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENLISTED</td>
<td>198,230</td>
<td>5,587</td>
<td>2.8</td>
</tr>
<tr>
<td>OFFICER</td>
<td>58,078</td>
<td>1,886</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>2004</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENLISTED</td>
<td>202,134</td>
<td>7,152</td>
<td>3.5</td>
</tr>
<tr>
<td>OFFICER</td>
<td>55,550</td>
<td>3,925</td>
<td>6.0</td>
</tr>
</tbody>
</table>

To reduce the divorce rate among Soldiers, the Army introduced or enhanced programs offered by chaplains, mental-health counselors, and family support groups to strengthen Army families. Soldiers and their spouses flocked to these programs and the initial results appear encouraging. In 2006, the divorce rate of Army officers decreased by 61% and enlisted divorces decreased slightly from 7152 to 7075. With an infusion of funding for support programs, the Army is moving in the right direction. However, with over half of its Soldiers married and 700,000 Army dependents, the Army under current conditions will have to continue investing heavily to preserve the health of the Army family.

Desertion Rate Trend

During times of predominate peace such as the 1980s and 1990s, the desertion rate hovered between 2 and 3 out of every 1000 Soldiers. However, Army desertion rates have increased by 80% since 2003 when the U.S. invaded Iraq. For FY 2006, there were 3301 and in FY 2007 desertions numbered 4698, which equates to 9 out of every 1000
Soldiers. Although the desertion rates are lower than the levels experienced during previous wars, they are high for the AVF. More important, increased desertions serve as another indicator of fatigue on the U.S. Army.

Alcoholism/Drug Abuse Trend

Army Researchers conducted a study which indicates the number of Soldiers misusing alcohol increases from 13% to 21% upon return from Iraq or Afghanistan, which they attribute to the stress of the deployment. In addition, a Pentagon health study released in January 2007 stated that binge drinking increased by 30% between 2002 and 2005. Lynn Pahland, Director in the Health Affairs office at the Pentagon indicated that the Department of Defense (DoD) is extremely concerned with the rising rates of drinking and drug abuse in the military. He described the problem as “very serious” and “a huge concern.”

Readiness Trend

A downward trend in readiness levels reveals the strain placed on an undersized Army over the last six years. Admiral Mullen reflected this concern during one of his first public appearances in October 2007 as the Chairman of the Joint Chiefs of Staff when he stated that, “The ground forces are not broken, but they are breakable.” The Army Chief of Staff also addressed the issue. In a hearing in November 2007, General Casey indicated almost half of the Army’s 44 active duty brigades were rated as not ready by the Army’s assessment standards. In his words, “We’re consuming readiness as fast as we build it.”
Addressing the Trends

The Nation's leaders are coming to the aide of a highly fatigued Army. Senator Lieberman in his remarks to the Airland Subcommittee of the Senate Armed Services Committee on 25 April 2007, reflected similar concerns by stating, "This year, one of the most consequential issues confronting the Congress is increasing the size of U.S. ground combat forces." President Bush’s proposal of increasing Army end strength from 482,400 to 547,400 is widely considered by Congress to be a step in the right direction. However, many legislators believe it will not be enough.

In his last appearance before the Airland Subcommittee, General Schoomaker indicated the 547,000 increase was too small and that a less conservative number would be 565,000. Senator Lieberman believes the correct end strength to be at least 600,000. In recent years, the strength level of the active duty Army (including reservists and guardsmen serving on active duty) "consistently hovered between 600,000 and 625,000."

The good news is that increased Army end strength can lengthen the amount of Soldier dwell time between deployments. Increased dwell time and enhanced investment in Army health programs should likely reduce or even reverse the negative trends associated with persistent conflict. Yet the investment in more Soldiers and the enhancement of Army health programs comes with a high price tag. Adding 10,000 troops to the Army end strength adds roughly $1.2 to $1.5 billion per year to the Army’s budget without including the additional costs of recruiting and equipment. Costs continue to escalate when increasing funds for new Soldier recruitment and equipment, modernization and maintenance of existing equipment, and enhanced support services for Soldiers and their families. The Army must also factor additional funding to offset
emerging trends such as declining recruiting standards,\textsuperscript{48} waning support from parents, coaches, and teachers for military service,\textsuperscript{49} and the difficulty of retaining company grade officers.\textsuperscript{50} The bottom line is the President and Congress should anticipate an elevated funding level for the Army over the next couple of decades if they plan to sustain the current operations tempo.

**Can the AVF Meet Current and Future Army Challenges?**

Historically, conscription lacked popularity by a majority of the American public; today, about seven of ten Americans oppose the draft.\textsuperscript{51} Furthermore, the increased quality and motivation of Soldiers acquired through the AVF has caused Army leaders to prefer leading volunteers into combat versus their drafted counterparts.\textsuperscript{52} So why is there a debate among many educated and prominent American leaders about conscription when American citizens and Army leaders agree the AVF is what the Nation and the Army prefer?

Simply put, this debate is not about what Americans prefer, it is about what Americans may eventually have to accept. Given enough time and funding, the AVF can provide a high quality Army large enough to meet global and domestic commitments. Yet, Army senior leaders should take notice of potential situations in the coming decades where the AVF could lack either the time or funding to field an Army capable of successfully meeting global and domestic commitments.

**Lack of Time**

It is important to examine the potential for lack of time. Initial projections indicate it will take five years to grow the Army’s active duty force by 65K to a total of 547K Soldiers.\textsuperscript{53} With such a slow rate of growth, the Nation cannot depend on the AVF to
expand at the pace required if the Nation enters conflict with a near competitor state, especially in the near term. In a scenario where the U.S. engages in a major regional conflict while large numbers of American troops remain committed to stability operations in Iraq and Afghanistan, the U.S. may be forced to rapidly double the Army's size and would not have the luxury of five years to reach a new end strength. Under such conditions, the U.S. may be forced to reinstate conscription at least until the end of the conflict. This example demonstrates the U.S. may eventually need conscription to rapidly expand the Army in a situation exceeding the capability of the AVF.

The President and Congress, understanding the limits of the AVF and a potential for future conscription, have retained the Military Selective Service Act, which directs the U.S. government to maintain a database of male residents available for conscription. The specific provisions of this law (50 U.S.C. App. § 453(a) Section 3 (a)) are as follows:

- it shall be the duty of every male citizen of the United States, and every other male person residing in the United States, who, on the day or days fixed for the first or any subsequent registration, is between the ages of eighteen and twenty-six, to present himself for and submit to registration at such time or times and place or places, and in such manner, as shall be determined by proclamation of the President, and by rules and regulations prescribed hereunder. 

Lack of Funding

It is possible that fiscal challenges facing the U.S. may adversely affect the size and quality of the Army it can afford. Even though current U.S. Gross Domestic Product (GDP) purchasing power is over 4 times its size since WWII when the U.S. fielded an 8.2 million Soldier Army, the U.S. government may face significant challenges funding a standing Army only double its current size (an increase from roughly 1 to 2 million Soldiers including the Reserve and National Guard). To explain this phenomenon, one
could argue that the difference between the U.S. economic capacity of today and that of the early 1940s has more to do with fiscal responsibility and exploding national health costs than economic might.

During WWII, U.S. citizens rationed and sacrificed standards of living to support a strong military and essential government programs; every American shared the burden of war and the Nation lived within its means. For the last three decades, the U.S. lived beyond its means. The U.S. funded a strong military, expanded the scope of government programs, and artificially inflated standards of living. The result was a 67% increase in standard of living as measured by the Real Gross National Product per capita since 1980 at the cost of approximately $9 trillion in national debt. During this period, the U.S. government could have accumulated revenue in a national nest egg to fund health care and Social Security through forecasted revenue slumps where retirees exceed workers. However, the U.S. did just the opposite and incurred a large national debt in lieu of a large domestic Social Security and health fund.

Now the U.S. government must deal with a rapidly expanding national debt while it faces exploding costs in health care and the approaching threat of insolvency to its Social Security system. A review of U.S. domestic obligations will demonstrate the reality that U.S. economic might may not enable the Nation to fund a strong military unless the American government and its citizens regain the Nation’s fiscal health through a period of comprehensive sacrifice and decreased standards of living.
U.S. Domestic Obligations

Health Care

The U.S. federal government is the Nation’s largest purchaser of healthcare accounting for roughly $700 billion annually. Currently, revenues generated from premium payments and payroll taxes cover just 57% of current Medicare/Medicaid benefits distributed annually. Taxpayers make up the difference of 43% using general tax revenues. This practice reduces the amount of funding available for other government programs. In 22 years, up to 62% of Medicare/Medicaid costs will be financed by general tax revenues. The federal government will likely continue supplementing Medicare benefits using general tax revenues as a short-term solution. However, the Nation may not be able to afford to finance the projected growth in Medicare/Medicaid in this manner.\(^6\)

On its current track, Medicare/Medicaid funding will force the U.S. to spend increasingly larger portions of the national budget on mandatory spending, which will reduce the portion of the national budget available for discretionary spending. If not avoided, this trend may adversely affect funding for the Army because defense funding accounts for over half of total national discretionary spending.\(^6\) The President and Congress will likely need to reduce the Nation’s current level of commitment to Medicare/Medicaid in order to retain the discretionary spending needed to fund a strong military.

Social Security

Social Security like Medicare is a pay as you go program. The current labor force and employers pay Social Security taxes that fund benefits paid out to retirees, disabled
persons, and other beneficiaries. A pay as you go system works as long as the number of workers exceeds the number of beneficiaries. In 1950, there were 16 workers for every beneficiary and the cost was only 3% of taxable income. Last year there were 3.3 workers for every beneficiary and the taxable income was roughly 12%. By 2017, the Social Security Trust Fund is projected to pay out more benefits than it receives in taxes. Again, the general tax fund will make up the difference.

“Based on the 2006 Social Security Trustees’ Report, the unfunded obligation of Social Security totals $15.3 trillion over the indefinite future.” This projected shortfall in Social Security funding poses another concern for the Army because it may also reduce the amount of available national discretionary spending available for defense funding.

U.S. National Debt

Finally, there is the negative impact of U.S. national debt on military funding. In the President’s FY08 Federal Budget, he states, “we are now positioned to balance the budget by 2012.” What President Bush does not highlight is that by 2012, the Nation’s debt will have climbed to roughly $11.49 trillion. This fact is located in Table S-10 of the same budget. Although Presidents often discuss plans to balance the budget, none highlight the fact that the U.S. has not reduced its national debt since 1957.
The national debt did not exceed the $1 trillion mark until 1981 during the Reagan administration. In just three administrations, it has ballooned to over $9 trillion.

Each American citizen’s share of this debt is approximately $30,000. In 2008, interest on the national debt is projected to grow to $261 billion which equals 9% of the total budget (almost half of the $603 billion marked for defense spending this fiscal year). Growth in annual interest on the national debt has the same effect on the budget as growth in Medicare and Social Security; it reduces funding available for discretionary spending.

If the President and Congress fail to promptly address our Nation’s long-term fiscal challenges such as spending on health care, Social Security, and national debt, mandatory spending will grow to the point where it crowds out discretionary spending by the year 2040 (discretionary spending includes spending for homeland security, education, and national defense). To avoid a situation where the Nation lacks available discretionary spending to fund its military, the President and Congress will likely be compelled to increase taxes and reduce entitlements and government services.
As taxes rise and government services and entitlements are reduced to sustainable levels, U.S. military leaders would be prudent to anticipate reductions in the defense budget, which now accounts for 21% of the total national budget and 54% of total discretionary spending.68

Tough Decisions Ahead For U.S. Leaders

As dark fiscal clouds gather on the national horizon, U.S. elected leaders must determine the sacrifices Americans are most willing to make. The President and Congress may either determine that U.S. taxpayers may accept significant cutbacks in entitlements (Social Security, healthcare, disability and government pensions) and government services (national defense, education, homeland security) or conclude that Americans can live with higher taxes. There are realistically no other options other than a combination of two. In order for the U.S. to regain a long-term fiscal balance and achieve a position where it spends no more revenue than it generates, it must either endure a 40% reduction in forecasted spending, an equivalent 40% increase in taxes, or a combination of both (ie.20%/20%) for the next 75 years69. The table below contains the potential steps the President and Congress can take to implement these options. A close review of the table will add clarity to the level of sacrifice the Nation must make. Although many may debate the accuracy of the percentages, they should not debate the reality that these are steps the U.S. should take:
<table>
<thead>
<tr>
<th>STEPS TO BE TAKEN</th>
<th>CATEGORY</th>
<th>%</th>
<th>REMARKS</th>
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<tbody>
<tr>
<td>Requirement: 20% Reduction in Programs, Services and Entitlements (PS&amp;E) &amp; 20% Increase in Taxes</td>
<td>Reduce Government Programs / Services</td>
<td>1-40</td>
<td>In cases where a federal agency, state government, or local government is not able to reduce funding because of the critical nature of a service, other agencies, state, or local services must endure more severe budget cuts to ensure a comprehensive 20% reduction is met. For example, if DoD funding were cut by 20%, the Navy and Air Force might have to endure more severe budget cuts to maintain the Army’s budget at a level that can sustain current operations.</td>
</tr>
<tr>
<td>The reduction of funding for all federal government services to include federal funding of state and local services.</td>
<td>Reduce Government Entitlements</td>
<td>1-40</td>
<td>-5% annual cap on the growth of Medicare &amp; Medicaid - Delay Age of Eligibility for SSN</td>
</tr>
<tr>
<td>The reduction in the funding of federal entitlements to include social security, Medicare, Medicaid, and government pensions.</td>
<td>Increase in Taxes</td>
<td>1-40</td>
<td>- Apply SSN tax to full income and not just first $60k</td>
</tr>
<tr>
<td>An increase of 40% to individual/corporate income taxes, sales taxes, property taxes &amp; excise taxes.</td>
<td></td>
<td></td>
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Other Methods To Get At The Decrease In PS&E or Increase In Taxes

<table>
<thead>
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<th>Method</th>
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<th>Percentage</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
<td>Add $1 Federal tax on Gasoline</td>
<td>Increase in Taxes</td>
<td>40%</td>
<td>50% of revenue earmarked for paying down Federal Debt</td>
</tr>
<tr>
<td>Universal conscription for a 3-year period for immigrant population between the ages of 19 and 35</td>
<td>Increase in Taxes on Immigrant Population (Conscription as a form of tax)</td>
<td></td>
<td>Reduces costs of funding military and other national defense programs and helps assimilate immigrants into American culture</td>
</tr>
<tr>
<td>Universal conscription on young American citizens for a 3-year period beginning at age 15. During this period, young adults serve in either DoD, Homeland Security, or a national service program.</td>
<td>Increase in Taxes on Young American Adults (Conscription as a form of tax)</td>
<td></td>
<td>Reduces costs for government services while teaching our youth civic responsibility – there are no free rides</td>
</tr>
<tr>
<td>Sin Tax Against Corporations</td>
<td>Increase in Taxes on Tobacco, Alcohol, Fast Food, and other commodities that cause future health problems for the “reasonable man”</td>
<td></td>
<td>Enables Corporations to use a portion of their profits to help offset the increase to healthcare costs passed along to society and the U.S. Government</td>
</tr>
</tbody>
</table>
Table 3: Steps to Regain National Fiscal Health

In his last State of the Union Address, President Bush warned America that actions must be taken to deal with rapid spending increases on entitlement programs such as Social Security, Medicare, and Medicaid. In the President’s words “we all know the painful choices ahead if America stays on this path: massive tax increases, sudden and drastic cuts in benefits, or crippling deficits.” While he did not go into detail on solutions, he said he provided proposals to Congress and indicated it was now time for Congress to develop bipartisan solutions to save these programs for their children and grandchildren. The President was correct to warn America of the looming fiscal storm, however, the few lines he allotted in his speech failed to warn the American public about the severity of this pending crisis.

Although these steps discussed will likely improve America’s future fiscal health, they may prove to be unpopular because they reduce entitlements and services while they increase taxes. Enduring this sacrifice over time will close a projected $61 trillion gap between what the U.S. will generate and what it has promised its citizens under existing entitlements and services. Ironically, when compared against the alternate steps, reinstating conscription, which has historically been unpopular in this country, appears more favorable. Conscription, when placed in this context, might be perceived to inflict the least amount of political risk. Therefore, Army senior leaders would be wise to “never say never” and to revisit the historical arguments for and against its use.
Arguments For and Against Conscription

There are both advocates and opponents on the merits of conscription as a method for manning the military. In light of the potential for a President and Congress to leverage conscription as at least part of the solution for addressing America’s pending fiscal crisis, a further comparison between conscription and the AVF is justified:

Merits of Conscription

Conscription reduces the cost of the military on the American taxpayer. The military would not be forced to raise wages in order to attract more volunteers; less money spent on personnel would mean more available for funding of weapons and infrastructure. There is evidence that budgetary costs for the military have been higher under the AVF than they were while using conscription during the Vietnam era. The Congressional Budget Office (CBO) documented that military spending increased by approximately $10 billion annually as result of the move to the AVF.\(^{74}\)

Conscription is more socio-politically fair because it requires our Nation’s young adults to help pay the price of freedom. Even the first President of the U.S. believed that service in defense of the Nation is a fundamental responsibility of a citizen.\(^{75}\) With conscription, the affluent are compelled to serve side by side with the poor; citizens from geographically, racially, and economically diverse backgrounds assume the same risks in the defense of the Nation.\(^{76}\)

Conscription benefits the individuals serving. Service in the military instills greater patriotism and knowledge of foreign affairs. It improves an individual’s self-discipline, physical fitness, and professional skills. It also enables those serving to experience and appreciate members of different cultures, classes, and ethnicities.\(^{77}\)
Conscription reduces isolation of the Armed Forces. Drawing citizens from a cross section of American society may preclude the military from developing an independent culture. Conscription may prevent a gap from growing between civilian society and its military; it helps to keep the “goals and desires of the military and the general public more closely aligned.”

Merits of the All Volunteer Force (AVF) / Arguments Against Conscription

The AVF improves the overall quality of the military. Under the AVF, volunteers’ entrance scores and education levels have been higher than those of the Vietnam conscription era. Also turnover rates have been lower because Soldiers stay in longer with four to six-year enlistments than they did with two-year drafts. Finally, Soldiers who volunteer are more likely to re-enlist than those who were drafted.

The AVF is more popular with American citizens. Historically, the draft has been unpopular with the American public. During times of unpopular war, the draft has added fuel to anti-war sentiments and movements in society.

The AVF adds prestige to military service. “Supporters of the AVF argue that the prestige of military service is enhanced by relying solely on people who freely choose to serve” and military leaders prefer to lead Soldiers into combat who volunteer and have longevity.

Why Conscription May be Viable in the 21st Century

Conscription could be modified to avoid the pitfalls the U.S. suffered during Vietnam. In 1973, conscription was discontinued partially due to its level of unpopularity, partially because of an unpopular war and partially due to the system itself. Because of the low demand for conscripted Soldiers, the system lost its universality and was viewed as a
sham because it was deferring more men than it was drafting. For example in 1962, the U.S. drafted 76,000 men to support the needs of the military. However, 430,000 men were deferred for education and occupational reasons and 1.3 million were deferred for paternity. In addition, later that year, President Kennedy expanded the deferment criteria to include married men without children.\(^8\) Conscription was eventually perceived as a system where the affluent could avoid the dangers of military service while the poor were forced to comply.\(^4\)

If universal conscription for military, homeland security, and public service were reinstated with the condition that deferments would only occur under the most severe circumstances, the process would appear fair and might gain acceptance by the American public especially if the public could connect it to the Nation’s solution for regaining fiscal balance. Nationally elected leaders might find the American public far more willing to sacrifice when the sacrifice is viewed as equal and necessary.

Conscription might be viable because it can be integrated into a national immigration policy. America has the opportunity to expand conscription to include immigrants between the ages of 18 and 35 as a condition of their immigration. There are many benefits to having immigrants share the burden of conscription with the Nation’s youngest adult citizens. Expanding conscription for military service to America’s immigration process improves the assimilation of the country’s newest residents and enables them to earn the freedoms and opportunities from their new country. It also limits entrance to those individuals who meet qualification standards and are willing to sacrifice for the Nation. The benefit for the military is an increase to the pool of eligible recruits.
The available recruiting pool has decreased in recent years due to a rise in the number of individuals disqualified for lack of education, low test scores, and the lack of medical or moral fitness. Mr. Alan Kong, a former student at the U.S. Army War College proposes Congressional legislation that encourages legal permanent residents of the U.S. to join. The U.S. government could take this idea further and require military service as a prerequisite for entry and residency in America. An honorable discharge at the end of conscripted service could serve as a fast track to American citizenship.

Conscription might be viable because the world has changed in 30 years. Nationally elected officials should not let a decision made 30 years ago to end conscription discourage them from reinstating it if in fact, a legitimate demand for universal service emerged. Once the Nation reaches a point where conscription is no longer needed, the President and Congress could discontinue its use. This pattern has been repeated multiple times in the Nation’s history (Civil War, WWI, WWII, Korea, & Vietnam). In each case, conscription helped the U.S. generate an Army that countered adversity and reduced or eliminated threats to the Nation. On one occasion in 1947, President Truman discontinued conscription only to reinstate it one year later as a measure in support of the Cold War, which the U.S. eventually won. The President and Congress should reinstate and eliminate conscription as many times as is necessary.

Finally, conscription may be viable if it proves to be more popular than alternative options. In the near future, it is likely that other available steps that elected officials must take to secure the Nation’s fiscal health will prove even less popular. Taxpayers may actually support conscription over other options if they credit it with reducing their taxes.
When judged politically against even less popular steps required to regain national fiscal health, conscription may appear to be the least painful.

Conclusion

In the next 50 years, America will face a fiscal crisis challenging its ability to maintain military superiority while bringing stability to global hot spots that threaten vital national interests. U.S. history shows that Americans in the 20th century endured sacrifices that funded an Army of approximately 8.2 million Soldiers and defeated Germany and Japan in a two-theater war. U.S. history also shows that Americans were initially slow to engage the crisis, but rose to the task after a significant military and emotional event on December 7, 1941.

Americans in the 21st century face an equally daunting crisis. Because of globalization, U.S. security is affected by seemingly distant events around the world. To protect national security, the U.S. might be required to maintain an Army of one and a half to two million Soldiers (capable of addressing global hot spots, deterring military actions of near competitor states, and securing vital economic interests) while the Nation simultaneously battles unsustainable growth in domestic programs such as Social Security, Medicare and Medicaid. Once again, the U.S. is slow to address the crisis and has an unprecedented level of national debt to show for the delay. The question is whether it will take a significant emotional economic event in the 21st century to inspire the Nation again to act.

As the sole global military superpower, U.S. vulnerability to a military threat today is small. However, the Nation’s economic vulnerability is significant and has the attention of elected national leaders, who are sensitive enough to U.S. economic threats to rapidly
pass a $170 billion economic stimulus package in response to signs of recession. Some global economic threats can be addressed using military force to promote regional security and protect vital U.S. economic interests. Other economic threats may best be addressed by controlling national debt, and restricting domestic entitlements and services to levels the Nation can afford. Actions by nationally elected leaders in this area may avoid a significant economic downturn or crisis.

To counter the fiscal dilemma facing the U.S., the President and Congress could exercise strong leadership to navigate U.S. citizens through a period of collective sacrifice. The Nation is capable of reversing negative fiscal trends by taking some or all of the steps addressed in this paper. Two steps involve conscription, which can be viewed as a form of taxation on a small segment of the population. Conscription can serve as a way to reduce spending while maintaining government services such as national defense and homeland security. Although conscription is not an option military leaders want, it is one which they may be forced to accept if it becomes the best political choice.

There are many legitimate arguments that support and oppose the use of conscription as a method for sustaining a military. At the end of the day, these arguments will not likely be the deciding factor. Political viability is what drove President Nixon to eliminate conscription in 1973. Political viability in the face of threats to national sovereignty also drove former Presidents and Congresses to institute conscription until the conclusion of a national crisis.

As the U.S. confronts an economic challenge that could prove to be a greater threat to the Nation’s sovereignty than global terrorism, radical Islam, or an attack by another nation, economic vulnerability and a renewed political viability for conscription could drive
the President and Congress to return to conscription to maintain military forces.

Considering the Nation’s fiscal crisis and the future context in which conscription as part of the solution may be more favorably evaluated, it would be prudent for senior military leaders to at least prepare for its possible return. U.S. elected national leaders did not use conscription because they preferred it. Yet on numerous occasions in the Nation’s history, they used it because they believed they had no better choice.

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