

serve at a rate three times greater than the rate of taxation placed on all citizens, and this is a regressive redistribution of income.

Let me turn to the third question. What is the budgetary cost of meeting the manpower needs on a voluntary basis? If we move to a voluntary force, which will experience greater retention and consequently a lower personnel turnover than the present mixed force of conscripts and volunteers, we shall need fewer men to staff our forces.

DOD states that about 500,000 men per year are needed to sustain a force of 2.7 million men. With a lower personnel turnover of the voluntary force, I estimate that we will need only about 335,000 men per year in a steady state.

Under present circumstances, if by abolishing the draft we lose the draftees and the reluctant volunteers, there will be deficits between the supply of voluntary enlistments and the required accessions to maintain the force strength.

However, I estimate that we can attract enough men by increasing recruitment incentives, offering better housing, and most importantly, better pay. With the draft, we will need 27 percent of the male population to sustain a force of 2.7 million. Without a draft, and with lower personnel turnover, we will need only 19 percent of the population.

The necessary pay increase which I estimate is about 68 percent, which should give the private an entry level pay of about \$325 a month. The budgetary cost of this is about \$4 billion.

My cost estimates can be criticized on a number of grounds, most of which are included in the full text; but I believe if anything these estimates err toward the high side. I have not taken account of potential savings in turnover. The one cost which I have omitted is the higher retirement benefits accruing to men reaching their 20th year.

However, from the data I have examined, I see no reason why we cannot meet our manpower needs on a voluntary basis.

Fourth, and finally, what steps do we now take? I am first proposing a 2-year extension of the draft, in the light of the Vietnam situation and the high replacement demand that will be confronting us within the next 2 years.

My second recommendation is that first-term pay be advanced sharply. It is inexcusable, I believe, to tax those who serve at a rate three times greater than that imposed on other citizens.

Third, I propose that under any system of induction we must be selective, given the growing manpower pools. Even with a draft, only 27 percent must serve in the active duty forces. Consequently, for every one who serves, there will be at least two qualified men who do not serve.

I am proposing, therefore, a lottery at age 21, rather than at age 19 as the Marshall committee stipulates, because according to my way of estimating, the Marshall Commission proposal to discharge the draft liability at age 19 would result in the loss of 112,000 voluntary enlistments.

The loss of each enlistment—who serves $3\frac{1}{2}$ to 4 years on the average—means that two men must be drafted. Consequently, moving the lottery to age 19 would create a greater need for the draft. More men would have to enter the service, run through the inefficient 2-year tour, and then be shoveled back into the civilian economy.