

establish a certain statistical relationship between earnings and the propensity to volunteer.

However, I think it is very important to emphasize the limitations of these estimates, which were the best we could derive.

First, the relationship rests upon the inference that the differences in regional enlistment rates are in fact entirely due to differences in economic factors, such as income and unemployment, rather than to other influences such as regional differences in ethnic or racial background among these regions. We do not know, in other words, whether the young man from the Great Plains region would enlist at the same rate as the southern youth if his earnings and job opportunities were the same.

Secondly, the rates shown apply to one point in time. They refer to conditions as they existed geographically in the year 1963. In a dynamic society, with changing opportunities and values, we do not know whether these relationships would equally apply in future years.

Finally, it is particularly doubtful whether any assumed change in relative military pay, based on a cross-sectional relationship, would produce a short-term increase in enlistments as great as that indicated by this supply relationship. We do know that attitudes towards occupational careers, including military service, are often formed early in adolescence, and that—as noted above—pay has not played a major role in shaping these attitudes.

For these reasons, it appeared essential that the resulting estimates be expressed in terms of a probability range, based upon the standard error of the regression coefficient derived from this analysis.

Although we cannot, therefore, place any great reliance upon any single cost estimate for an all-volunteer force, there are other relevant facts which—in my judgment—do clearly militate against this alternative as a viable method of maintaining our military force, at levels similar to those experienced in the recent past.

First, the proportion of volunteers who were motivated to enter service because of the draft was found in our surveys to be highest among men with the higher levels of educational achievement. Among enlistees with some college education, 58 percent stated that they would not have volunteered in the absence of a draft, as compared to 23 percent of high school dropouts. The greatest loss of volunteers, in the absence of a draft, would therefore occur among men who are best qualified for training in our many technical specialties.

Second, our Reserve enlistment programs would be particularly hard hit since 70 percent of those who were in these programs in 1964 stated that they had enlisted simply in preference to being drafted. In the event of any requirement for rapid augmentation of trained manpower, our Reserves would not be in very great shape to deliver.

Finally, military pay policy—or any similar combination of financial incentives—is a relatively inflexible recruitment method. Even if the Department of Defense were granted wide authority to adjust pay scales to changing market conditions and recruitment needs, it would be very difficult, if not impossible, to move pay rates up and down in response to these market factors. In effect, there would be a built-in tendency for a continued long-term escalation in relative military pay levels and related costs under such a policy.

The limitations of military pay policy as a recruitment method are perhaps best illustrated by recent experience in Australia. Australia