



The All-Volunteer Force:  
A Symposium in Honor of Walter Oi

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September 23, 2014 • CNA Corporation • Arlington, VA



**WALTER Y. OI**  
**1929-2013**

Walter Oi, the Elmer B. Milliman Professor Emeritus of Economics, was a prominent scholar whose work had significant influence on public policy. His academic honors include being named a distinguished fellow of the Society of Labor Economists, a distinguished fellow of the American Economic Association, and a member of the American Academy of Arts and Sciences. He was a recipient of the Secretary of Defense Medal for Outstanding Public Service.

Dr. Oi held academic positions at Iowa State University, Northwestern University, and the University of Washington, but most of his professional life was spent at the University of Rochester. He joined the business school in 1967 and moved to the Department of Economics in 1975, where he remained until his retirement in 2008. He was appointed the Elmer B. Milliman Professor of Economics in 1978 and was department chair from 1976 to 1982.

In his frequently cited article on two-part tariffs, Dr. Oi displayed not only his cleverness as an economist but also his wit when he entitled the article “A Disneyland Dilemma: Two-Part Tariffs for a Mickey Mouse Monopoly.” The combination of serious insights coupled with wit was characteristic of Dr. Oi.

Dr. Oi is best known for his academic work on the true costs of the military draft. His work in the 1960s sparked a lively debate on the economics of conscription and was instrumental in convincing President Nixon to establish the President’s Commission on an All-Volunteer Armed Force, for which Oi was the senior staff economist. His studies were instrumental in convincing the Commission, the President, and ultimately, the Congress to eliminate the draft and establish an all-volunteer armed force.

Dr. Oi became completely blind during his graduate studies at the University of Chicago, but his remarkable memory allowed him to produce an impressive academic research portfolio alongside his teaching duties. Despite his blindness, he frequently used sight metaphors. He was known for his stories and his ability to find arcane and unusual facts. And there are many stories about him and his series of guide dogs: Genie, Karl, Gail, Blondie, and Rosellen.

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## Tuesday, September 23, 2014 • CNA Multipurpose Room

- 0830 – 0845 Welcome and Opening Remarks  
Dr. Linda Cavalluzzo  
The Honorable Robert Murray, CEO, CNA Corporation  
Ms. Marjorie Oi
- 0845 – 0915 Opening Keynote Address – The Honorable Robert Hale
- 0915 – 0945 Presentation: An Economist’s Insights on the  
All-Volunteer Force (AVF) and the True Cost of the Draft  
Dr. John Warner and Mr. Paul Hogan
- 0945 – 1000 BREAK
- 1000 – 1130 PANEL I: Implementing the AVF  
Chair: Dr. Curtis Gilroy  
Panelists: The Honorable Christopher Jehn,  
Mr. David Kassing, The Honorable Bernie Rostker,  
Dr. William Sims
- 1130 – 1200 Luncheon Keynote Address – The Honorable Christine Fox
- 1200 – 1300 LUNCH
- 1300 – 1430 PANEL II: Current Issues and Future Challenges  
of the AVF  
Chair: The Honorable David Chu  
Panelists: Dr. Russell Beland, Dr. Jim Hosek,  
Dr. Samuel Kleinman, Dr. Aline Quester,  
Dr. Carla Tighe Murray, The Honorable Frederick Vollrath
- 1430 - 1435 Closing remarks – Dr. Linda Cavalluzzo
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## NOTE FROM MELVIN R. LAIRD

### Statement from Melvin R. Laird for the September 23, 2014, Symposium in Honor of Professor Walter Oi

When President Nixon endorsed the All Volunteer Force, the Laird-Packard Defense team had the responsibility for implementing it. The success of our volunteer military for over 40 years has been one of my legacies as Secretary of Defense and Advisor to the President. But so much happened between the time that candidate Richard Nixon called for the abolition of the Draft in 1968 and its implementation in 1973.

Both in late 1968 and early 1969 President Nixon asked me for recommendations for the study commission on the All Volunteer Military Force. I sent him my recommendation for chairman and membership. I recommended my friend, former Secretary of Defense Tom Gates, as chairman and all but two of the final members of the Gates Commission.

I called Tom Gates telling him of my recommendations as a matter of courtesy. He objected to my nominating him and insisted he did not want to serve in this capacity. I said to him, Tom if the President calls you with such a request would you turn him down? Tom replied, after a reasonable pause, "Mel I have never turned down a request of a President of the United States". I realized then and there that we had a chairman for All Volunteer Force Commission.

There was of course debate on the topic of the establishment of the Gates Commission and the issuance of its report about a year later recommending the country move to an All-Volunteer Total Force. I recommended to the President that we should not implement it immediately; rather we should gradually reduce draft calls to zero by the end of fiscal year 1973. That is exactly what happened.

The Gates Commission's unanimous vote for a volunteer force would not have been possible without staff to not only conduct the analyses but also to show that it was viable and cost-effective. It also had to translate the analyses into a form people and public policy makers could understand. There are very good analysts on the Commission's staff, but the economist most associated with cogently arguing for a volunteer military and then carrying the banner for it for the past 40 years was Professor Walter Oi. Walter had the ability to speak in plain English and even to tell a good story to get his point across. He had such an ability to convince skeptics. People listened to Walter because he was able to capture the essence of an argument. That was so much a part of Walter's character. Not only was he a first rate economist (he should have been a Nobel Prize winner), but he influenced public policy. He played a most influential role in what has turned out to be one of the most significant public policy initiatives of the 20th century. For that we Bless you, Walter and Marjorie too. And as a former Secretary of Defense, you have my utmost gratitude, and the gratitude of our Nation.



Melvin R. Laird

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MILTON FRIEDMAN

WALTER Y. OI

MARGARET MEAD

An intellectual variation on Romeo and Juliet: Radical right and radical left woo and win each other. (Sun-Times Photos)

## *Strange Alliance Over A Volunteer Army*

*Chicago Sun Times*, 1966 newspaper clipping on ending the draft.

Left to right: Milton Friedman, Walter, Margaret Mead.



Presentation of Secretary of Defense Medal for Outstanding Public Service, 1999.

Left to right: Aline Quester, Walter, Harry Gilman, Marjorie Oi.

## **Walter Oi and the Gates Commission**

I remember Walter Oi well, and recall thinking how remarkable his accomplishments were. Walter and the rest of the staff were key to the success of the Gates Commission. President Nixon's charge to the Commission was to determine how to end the draft, not whether to do so. Nonetheless, when the Commission's work began, about two-thirds of the Commission's fifteen members were either skeptical or opposed to ending conscription and implementing a force of volunteers. Two principal questions were at the root of their skepticism and opposition. First, would a force of volunteers be too costly—did the draft make a Cold War military affordable? And second, would an all-volunteer force be representative of the country's population—would volunteers be disproportionately black, or, regardless of race, would there be volunteers of sufficient quality to sustain an increasingly technological military? These were questions that could be addressed with analysis, with numbers or other hard facts. And that's why the studies completed by Walter Oi and his fellow staff members were so important to eventually achieving unanimity among the Commission members.

It was fascinating to watch the process. Advocates of volunteerism among the Commission members, like Milton Friedman, Allen Wallis, and myself, were increasingly armed with relevant data and analyses from the staff. We could more easily answer and persuade the skeptics and opponents. Among the strongest opponents was the Commission chair, Thomas Gates. As a former Secretary of Defense, his understanding and judgment were highly valued by the other Commission members. As the Commission's work proceeded, we could measure our progress by watching Gates's reaction. He was gradually converted by the evidence developed by the staff; evidence for example, demonstrating that the high rate of turnover among first-term draftees imposed unnecessarily large and mostly wasted training costs on the military. That work of the staff was invaluable and helped achieve one of the most remarkable and dramatic shifts in public policy our country has ever experienced.

Alan Greenspan

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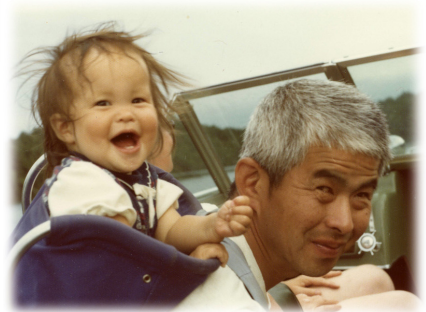
## MEMORIES OF WALTER OI



At the University of Chicago, in front of Rockefeller Chapel, after Walter received his Ph.D. With him are his parents Toshiko (mother) and Matsunosuke (father) Oi, 1961.



Walter in his Gates Commission office (copies of the report are on his right), 1970.



At Charleston Lake with daughter Eleanor, 1976.

## Walter Oi and the End of Conscription

For me, Walter Oi's significance predates the election of President Nixon and Nixon's appointment of the Gates Commission in 1969. In 1967, at the height of the public discontent with the draft, several congressmen asked me to study the issue and propose solutions to the draft's inequities. As a part of my research, I asked for information from the Defense Department. Requests such as mine typically evoke one of two responses. DOD either stalls and tries to ignore the request, or it inundates the requester with information. In my case the latter response was chosen. I remember visiting the Pentagon where I met with Gus Lee, a senior career civilian who was the Deputy Assistant Secretary of Defense for Military Procurement in the manpower office of the Secretary of Defense. Lee presented me with a large box of papers and reports he had collected on the subject of the draft and its effect on the military services' recruiting and retention. I imagine he did not expect me to read all he had given me.

But I did. Among the papers was the 1966 DOD report on the draft for which Walter Oi had served as the research director. As I read the report, I came to understand that the draft wasn't necessary at all, that the best way to eliminate the draft's inequities was to eliminate the draft itself. Walter Oi's research showed that eliminating the draft was feasible and affordable. This conclusion was the central argument in a small book I co-wrote with Douglas L. Bailey for the congressmen who had originally asked me to study the draft's inequities. (Congressmen Robert Stafford, Frank Horton, Richard Schweiker, Garner Shriver, and Charles Whalen, Jr., were listed as authors of the book. Seventeen other congressmen endorsed the book. They included Donald Rumsfeld, Robert Taft, Jr., and Thomas Curtis, who was later a member of the Gates Commission.) The reasoning in the book, *How to End the Draft*, was persuasive to others, including Martin Anderson, who played a key role in convincing presidential candidate Richard Nixon that he should advocate ending the draft.

Walter Oi eventually served as an important member of the Gates Commission staff. But his earlier work proved equally or more important, as it was central to the events that led to Richard Nixon's conversion to voluntarism, the creation of the Gates Commission, and, finally, the end of conscription in the United States.

Stephen E. Herbits

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## MEMORIES OF WALTER OI



Walter holding his citation from the American Economic Association's Distinguished Fellow Award, 1995.



Walter wearing his Secretary of Defense Medal for Outstanding Public Service, 1999.



Cornell Princeton labor conference honoring Walter, 1995.

Left to right: Robert Smith, Orley Ashenfelter, Walter (holding a glass apple presented to him for his teaching), Ronald Ehrenberg.



Gates Commission, 20 February 1970.

## MEMORIES OF WALTER OI



Walter and daughter  
Jessica playing, 1974.



Jessica, Eleanor (sitting), and  
Walter, fishing at Charleston  
Lake.



## MEMORIES OF WALTER OI



AEA Meetings after receiving the Distinguished Fellow Award, 1995. Back row, left to right: Marjorie Oi, John Hause (classmate), Arnold C. Harberger (professor), Lee Hause, Walter. Seated: Claire Fridland (classmate).



At Tidbinbilla Nature Reserve, Australia, 1988.

Walter Oi



Walter and Karl, mid 1980s, dressed for University of Rochester (UR) graduation. Walter told Robert Sproull (then UR president) that he would march in Bob's final graduation if Karl could have a robe. The robe (which Walter's family still has) was cut down from a trustee's hood and presented to Walter. Each of his guide dogs wore the robe to subsequent graduations.