

The impact of war on the states

Unlike during the 1991 Gulf War, states today face homeland security responsibilities as well as keeping up the home front

BY CHAD S. FOSTER



Twelve years ago, the U.S. led a military coalition to evict Iraqi military forces from Kuwait. After a lengthy build-up of forces in the Persian Gulf region, Operation Desert Storm began on January 17, 1991. This six-week bombing campaign and four-day ground war destroyed nearly all Iraqi forces in Kuwait and their overall capacity to wage war.

While supporting their troops in Iraq, the states in 1991 felt the impact of the Gulf War on the home front.

In the state of Washington, for example, military bases played a key role, with sailors based at Everett, airmen on Whidbey Island, troops at Fort Lewis,

and reserve units statewide.

At the same time, no city in the United States played host to bigger demonstrations against the war in 1990 and 1991 than those in Seattle. One march shut down Interstate 5.

In the aftermath of the war, veterans in Washington continue to suffer from ailments they say stem from their military service in the Gulf. Peace activists from the state have led the struggle to end sanctions against Iraq. And pilots from the Whidbey Island Naval Station still patrol the Gulf.

Recently, states have faced many similar challenges as they have geared up for another possible war in Iraq. Unlike 1991,

however, the states today also face the increasing threat of terrorism in the homeland as well as the worst budget shortfall in a half-century.

Cost of war

Analysts estimate that the 1991 Gulf War cost the American taxpayers about \$7 billion, a fraction of the total cost of the war because many allies paid considerable portions of the bill.

Although it is difficult to predict how much Americans would pay for a new war with Iraq, it's likely the United States will pay a higher share of the cost because other countries are reluctant to share the military and financial burden, and the high likelihood of a U.S. peacekeeping presence following the war.

The nonpartisan Congressional Budget Office and staff for the Democratic minority on the House Budget Committee concluded that a short, decisive war involving the deployment of 250,000 U.S. troops could cost between \$44 billion and \$60 billion. This is significantly less than the cost of the 1991 war, which came to nearly \$80 billion in 2002 dollars. A protracted war, by contrast, could cost upward of \$100 billion.

State economies

States are bracing for many direct and

National Guard and Reserve activation

1990-1991 Gulf War versus the 2003 Gulf War build-up and War on Terrorism

	Dec. 1, 1990	Mar. 12, 2003
Army National Guard and Army Reserve	115,000	130,142
Naval Reserve	30,000	8,744
Air National Guard and Air Force Reserve	20,000	27,737
Marine Corps Reserve	23,000	18,770
Coast Guard Reserve	0	3,199
Total	188,000	188,592

(Sources: *Interim Report of the Committee on Armed Services, House of Representatives, March 30, 1992* and *U.S. Department of Defense, Mar. 12, 2003*)

indirect costs from a new Gulf War with a decline in tourism topping many states' list of concerns.

Hawaii's tourism industry suffered greatly following the Gulf War in 1991 and after the Sept. 11, 2001 terrorist attacks. The number of visitors to Hawaii dropped 22 percent in the month following the beginning of the 1991 Gulf War, and the visitor count was down 3.1 percent for that year.

In October 2001, following the Sept. 11 attacks, the number of visitors fell 30 percent, and the entire year was down 9.1 percent, according to the state Department of Business, Economic Development and Tourism.

Hawaii has plans to execute aggressive strategies to deal with a new Gulf War or another terrorist attack. Among the state's plans are quick and aggressive communications with vacation wholesalers who bring visitors to the islands, and discounts to attract visitors.

Other states that rely heavily on tourism revenue have also begun contingency planning for a possible war or another terrorist attack. In February, Gov. Jeb Bush of Florida called together state tourism and economic leaders to meet with his staff to develop plans to attract tourists and maintain current levels of revenue. According to

Gov. Bush, even the possibility of war and the rising price of gasoline would have a huge impact on Florida's economy.

Nevada Gov. Kenny Guinn has also expressed concern that a war against Iraq will hurt Nevada's tourist-dependent economy. He expects many tourists to stay home during a war, and that will mean less tax revenue for Nevada.

Defense spending

Heavy defense spending to sustain the war effort abroad and at home could provide revenue for many states. President George Bush issued an Executive Order on Jan. 9, 1991 called the National Security Industrial Responsiveness, which provided federal government agencies with greater autonomy to purchase materials required for the war effort. Faced with a similar war overseas, the United States can expect a similar streamlining process to quickly pump federal dollars into state and local economies for needed war materials.

Oil prices

The oil market's response to the Gulf War in 1990 and 1991 resulted in a price surge to \$40 a barrel after Iraq's invasion

of Kuwait, but quickly fell by more than 50 percent, even before the United States started a ground war.

Although a new war against Iraq could result in more attacks on oil tankers in the Gulf or strikes by terrorists against Iraq's oil fields, many believe that "regime change" in Iraq could also open that country, and its vast reserves, to foreign investment. Exports from Iraq have been limited for more than a decade by United Nations' sanctions and these reserves will likely strengthen American and international oil companies.

Lessons from 1991 indicate that the war will have little effect, at least in the short term, on the price of oil.

National Guard and Reserve mobilization

The president recently activated more than 188,592 guard and reserve soldiers for duties related to homeland security and in support of overseas deployments. These numbers are slightly more than the 1990 number, 188,000, recorded a little more than one month before the start of Operation Desert Storm.

The final buildup is expected to involve between 200,000 and 250,000 reserve and national guard members, some of whom

Defining the National Guard and Reserves

The following describes the missions of and differences between the Army National Guard and Reserves. These descriptions are similar for the other branches of the military as well (Navy, Marines, Air Force and Coast Guard).

State Mission of The Army Guard. The Army National Guard exists in all 50 states, three territories and the District of Columbia. At the state level, the governors reserve the ability, under the U.S. Constitution, to call up members of the National Guard in time of domestic emergencies or need. They respond to fires, natural disasters and other emergency situations. During 2001, 34,855 guardsmen nationwide were called to duty.

Federal mission of the Army Guard. During national emergencies the president reserves the right to mobilize the National Guard, putting them in federal duty status. While federalized, the units answer to the Commander in Chief of the theater in which they are operating and, ultimately, to the president. In fiscal year 2001, Army Guard soldiers pulled duty in more than 80 countries in a wide variety of

operations including peacekeeping, stabilization, security and nation building.

Army Reserve. The U.S. Army Reserve is the active Army's federal reserve force. It is engaged worldwide as a full partner of the active component. The Army Reserve consists of highly trained and ready-to-go combat support and combat service support forces that can move on short notice to give the active Army the resources it needs to deploy overseas. The reserve sustains combat troops during wartime, contingencies or other operations. The Army Reserve is the Army's main source for transportation, medical, civil affairs, logistics and other key assets. Additionally, it is the Army's only source of trained individual soldiers to augment headquarters staff and fill vacancies in units.

The U.S. Army Reserve totals more than 1 million soldiers, upon whom the president can call when needed. The Army Reserve has more than 2,000 units in the United States, Guam, Virgin Islands, Puerto Rico and Germany. (Source: U.S. Army and National Guard Bureau)

will be sent to the Gulf and some of whom will be activated to guard military bases in the United States. The Pentagon may end up activating even more reserve and national guard members than it did in 1991, largely because the Sept. 11 terrorist attacks have created security requirements in the United States that did not exist 12 years ago.

What impact do these activations have on the states? The call-up of national guard and reserve soldiers has three primary implications for the states.

First, states rely on the National Guard for a host of activities, ranging from natural disaster response to guarding the state's critical infrastructure. Guard units are used to battle fires and help communities deal with natural disasters and other emergency situations. The federal activation of these forces creates a void in their respective states that must be filled through other means.

Second, many national guard and reserve soldiers maintain full or part-time employment with critical public services, serving as firefighters, police, emergency medical technicians and teachers. Others serve as government and industrial leaders. A massive guard or reserve call-up could quickly deplete a state's capacity to provide these required services.

The Kansas Highway Patrol, for example, ended 2002 with a shortage of 49

troopers. As of February, seven Kansas troopers were on active military service, and another 22 could be called to active duty any day. This would deplete the Kansas force by another 6 percent from its current level of about 450 troopers. To make matters worse, the state budget deficits will likely lead to hiring freezes among all state departments as state law enforcement agencies are taking on more responsibilities in homeland security.

In Missouri, 20 troopers from the Missouri State Highway Patrol had been activated, with about 60 more who might be called up. With total strength at 1,060 uniformed officers, these 80 activations would result in an 8 percent drop on top of existing manpower shortages.

And with most states in a budget crunch, the problem could get worse. States have canceled police recruiting classes or eliminated recruiting cycles altogether. Those that continue to recruit and train face the same military deployment problems with the new recruits, many of whom are guardsmen or reservists.

Finally, with so many public sector personnel serving as guardsmen or reservists, state governments must ensure they and their families, like their active unit counterparts, are satisfactorily compensated for their duties, receive necessary benefits, vacation time and reemployment.

Although federal law regulates many of these requirements such as pay and benefits, state laws supplement these regulations for state personnel who serve as guardsmen or reservists. Such laws cover leave and vacation with and without pay, supplemental pay, and health and life insurance for the soldiers and their families.

Deployment of active, guard, and reserve forces takes a heavy toll on families of those soldiers, sailors and airmen. Military bases and active units provide many services, such as financial and stress management counseling for family members of deployed personnel. National Guard and Reserve units, however, are not as well equipped to deal with family stress and generally do not provide these needed services. State and local government officials can help fill this void by participating in local family support groups, communicating with military family members and making financial and counseling services available to those family members.

Homeland security

State guardsmen and reservists have been playing a role in homeland security since the Sept. 11 attacks. In fact, the air patrols over American cities and servicemen called up to assist in the New York recovery effort were guardsmen and reservists. They provided security at the nation's airports, national landmarks and critical infrastructures.

A prolonged war in the Gulf could have serious consequences for each state's guard units, and consequently the nation's homeland security. Critical state and local law enforcement, firefighters, and medical technicians – those who make-up the states' first responder units – would continue to be understaffed.

With current budget shortfalls, states face a difficult decision: fund more positions in these critical public services, or manage homeland security responsibilities within current manpower constraints.

Supporting the forces overseas, protecting their citizens from terrorist backlash, and struggling to keep the economy ~~track, the states face challenging times.~~

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U.S. Citizen Corps

One strategy to assist state and local law enforcement and first responders in case of a prolonged war in Iraq is to build upon President Bush's Citizen Corps initiative. Through the use of financial and other incentives, citizens would likely volunteer their time and effort to assist professional public service providers and allow them to focus on homeland security.

The president created and launched Citizen Corps in January 2002. The objective of this national program is to promote and channel the efforts of volunteers in assisting police, neighborhood watch efforts, public health projects, and anti-terrorist initiatives. The Citizen Corps initiatives are comprised of smaller scope programs that include:

- Community Emergency Response Team Program (CERT) - Federal Emergency Management Agency;
- Medical Reserve Corps (MRC) - U.S. Dept. of Health and Human Services;
- Neighborhood Watch Program (NWP) - National Sheriff's Association; and
- Volunteers in Police Service (VIPS) - International Association of Chiefs of Police.

Citizen Corps is a component of the newly created U.S. Freedom Corps, which also encompasses the Peace Corps, Americorps and Senior Corps programs.

For more about the Citizen Corps initiative, visit: <http://www.citizencorps.gov/>.