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STRATEGIC VOICES SERIES

**AVOIDING TRIVIA:**

**A STRATEGY FOR SUSTAINMENT**

**AND FISCAL SECURITY**

By Dr. Jerry Hendrix



**F E B R U A R Y**  
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## About the Author

**Jerry Hendrix** is a Senior Fellow and the Director of the Defense Strategies and Assessments Program at the Center for a New American Security.

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The views expressed in this report are mine alone. I am solely responsible for any error or fact, analysis or omission.

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# AVOIDING TRIVIA:

## A Strategy for Sustainment and Fiscal Security

By Dr. Jerry Hendrix

### TABLE OF CONTENTS

Preface	2
I. A Review of the Players	4
II. United States: A Irreplaceable or Irredeemable Power?	13
III. The Strategy – Sustaining American Dominance	18
IV. Conclusion	31

## I. PREFACE

By Dr. Jerry Hendrix

The United States currently faces a multitude of challenges across the globe and at home from which it seemingly cannot escape. Attempts to “reset” U.S. diplomacy, economy, or military force are undermined by emerging crises that trigger responses that, in turn, increase national exhaustion. Demands are high and resources are under strain, including funding, manpower, and equipment. If the goal were a strategy to undermine the power and influence of the United States and bring its era of global leadership to an end, a Bismarckian grand strategist could not have designed a series of events as debilitating as those of the past fourteen years. For the United States to reverse current trends and sustain its position in the world, it will need to move from reactive policies to a posture of proactivity. It will also have to examine the extent of its interests and reconnect with the basic, cultural fundamentals of grand strategy.

Grand Strategy has never resided purely within the military realm; it is rather an expression of national goals in totality. To express strategy purely in military terms would neglect the logistics line that stretches from the front to the factories that produce armaments and to the economy that supports the overall effort. The military function cannot be separated from the economic: Clausewitz and Mahan cannot be considered without Keynes and Friedman. Deficit spending and growing debt, along with a weakening economy and crumbling national infrastructure, present a growing threat to the United States that may far exceed traditional security threats, especially when we consider that the national security complex is dependent upon these components of national life: the economy and national infrastructure form the foundation for U.S. actions in the world.

It is from this basis that I argue that the nation has strayed from its historic and cultural approach to the world. From its revolutionary origins, the United States has traditionally followed a maritime focused, technologically innovative, economically

entrepreneurial, free trade approach to the world built upon a strong currency foundation. The United States has strayed from this path by becoming entangled in the land-based vicissitudes of other regions, over-regulation of free intellectual and economic markets, and a weakened fiscal condition due to profligate deficit spending, and its position in the world has been commensurately degraded. A realist grand strategy for the United States must seek to shore up its fiscal condition at home, to strengthen its economy by investing in research and development to place the nation once again at the cutting edge of technological development, and to return its defense focus to the maritime environment that has so well served it since its founding. This is not a call for a retreat into isolationism. Treaty relationships and security partnerships will require the United States to remain engaged in the world, but this engagement must be done with purpose while avoiding expensive and entangling events. In other words, U.S. policy should heed Secretary of State George Marshall's injunction to George Kennan as the latter established the State Department's Office of Policy Planning: "Avoid Trivia."

It is appropriate to begin with a nod to Kennan, the last great grand strategist, and a review of the current and historic strategic landscape. Next, a review of the foundations of U.S. strategy is followed by an outline of the significant issues a new grand strategy must address. The paper concludes by arguing that the present preponderance of the United States' military power, the size of its military force, its technological superiority, and its forward deployed positions, give the nation a secure position in the world for the foreseeable future. No power, not even China, will be in a position to challenge the United States militarily before 2025. In the coming decade it is only the United States itself, with its profligate approach to fiscal matters, that poses a serious threat to U.S. national security. If the United States is to maintain its edge,

technologically, economically, and militarily, it must get its fiscal house in order. Efforts to do so will have consequences for military spending.

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*In the coming decade it is only the United States itself, with its profligate approach to fiscal matters, that poses a serious threat to U.S. national security.*

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**CHAPTER I:**  
*A Review of the Players*

George Kennan's July 1947 article in *Foreign Affairs*, "The Sources of Soviet Conduct" (known as the "X" article after the pseudonym under which it was published) is largely credited with laying out the foundation of the Cold War's Containment Strategy. It famously begins with an exploration of the cultural, historical, and ideological factors that underlay Soviet group psychology. It was Kennan's thesis that the Soviet Union would never negotiate with the West on equal terms. He postulated that historic fear of outside invaders left Soviet leaders unable to conceive of a peaceful outcome with any outside entities. Russians, Kennan understood, held a long view, an attitude that the United States must adopt as well.<sup>1</sup> Such was the power of Kennan's analysis that a true consensus formed around his recommended strategy. Although the response was militarized within Paul Nitze's seminal NSC-68 memorandum to an extent that made Kennan uncomfortable, in the end the containment strategy was successful.<sup>2</sup>

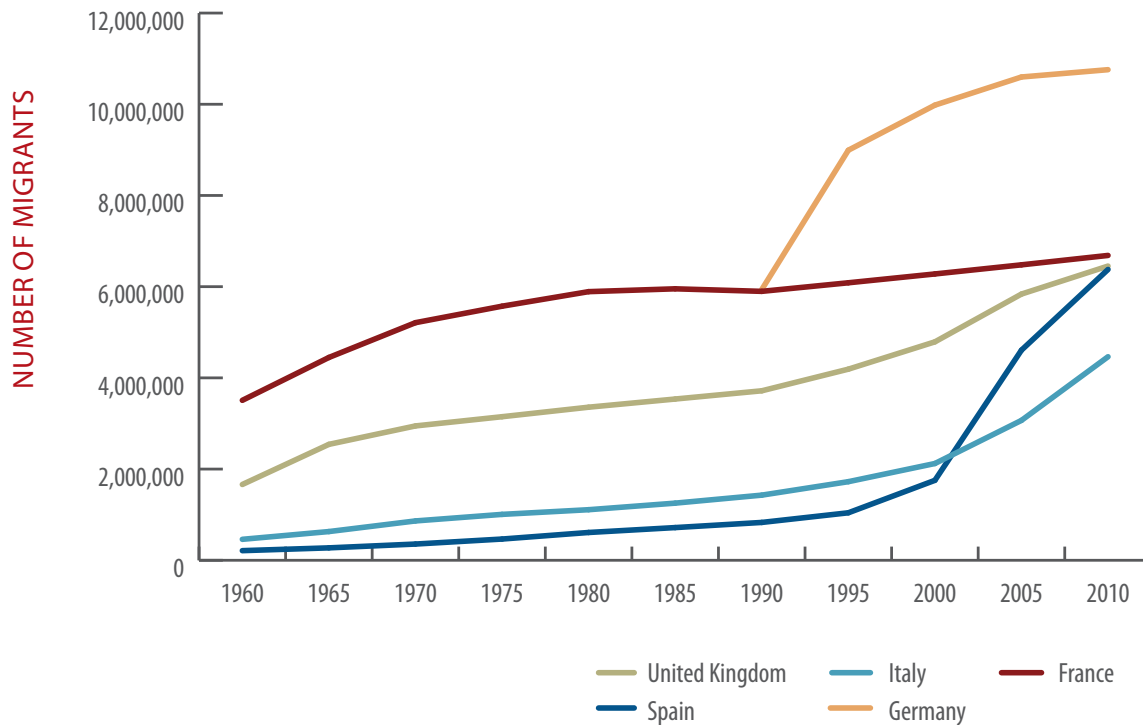
Today, nearly a quarter century since the fall of the Soviet Union, commentators abound who warn of the end of the moment of "unipolarity."<sup>3</sup> Around the world, nations seek to challenge America's military pre-eminence and to test its underlying resolve. Numerous articles discuss China's rise, Russia's resurgence, Europe's integration, and American decline.<sup>4</sup> "Something must be done," they say, "to reverse these trends." A strategy must be formulated. It is wise to begin where Kennan initiated his penetrating examination of the strategic landscape, with a look at the historic and cultural factors that underlie the competitors' strategic visions. The size of their economies, military strength, and historic regional roles point to just four actors that require our scrutiny: Europe, Russia, China, and the United States itself. Due to the size of their economies or of their populations or to the ineffectiveness of their militaries, other nations and regions fail to reach the threshold for consideration in this modern Great Power competition.



Former U.S. Ambassador to Russia George Kennan is shown testifying before the Senate Disarmament Subcommittee.

(Bettmann/Corbis /AP Images)

FIGURE 1: IMMIGRATION IN SELECT EUROPEAN COUNTRIES



\*Data for Germany unavailable for years prior to 1990.  
SOURCE: The World Bank, "International migrant stock, total," databank.worldbank.org.

**Europe**

The western nations of Europe – the authors and practitioners of Balance of Power theory in the 18<sup>th</sup> and 19<sup>th</sup> centuries – cannot and do not seriously challenge the United States in its current position as the sole superpower in a unipolar world. A number of critical challenges retard Europe’s effectiveness as a decisive power. While the birthplace of the Enlightenment and of western civilization has basic infrastructure, literacy, healthcare, and high standards of living, it is burdened by its history, its lack of fiscal discipline, and its fractured sense of identity. Memory casts a heavy pall over the European continent as it approaches the centennial of World War I. The first great war of the 20<sup>th</sup> century not only shattered the Great Power system that had ruled the continent for centuries, but it also altered the very culture of the continent: it destroyed the view of security and war as an expression of the heroic and replaced it with one

of overriding tragedy.<sup>5</sup> Poetry began to mourn the loss and no longer exalted the brave.<sup>6</sup> That another war followed closely on the heels of the first, arising in part from mistakes in the settlement of the first conflagration, only served to convince Europe that martial aspirations brought only tragedy.

Europe is also challenged by two intellectual aspects of the Enlightenment it spawned. First, its commitment to individual “equality” evolved from equality of opportunity to equality of outcomes.<sup>7</sup> Bound up as it was in the decline of aristocracy and growth of democracy, this particular interpretation led to a decline in private property rights and the creation of a myriad of welfare programs intended to provide a social safety net to avoid the strife of earlier times. These programs assumed a growing working population wherein contributors would always significantly outnumber those receiving benefits.<sup>8</sup> When industrialization,



urbanization, cultural maturation, and the decline of religion in daily life led to a reduction in the size of the family, and hence of the working population, policy makers attempted to reverse the shortfall by expanding immigration to bring in additional workers (see Figure 1).<sup>9</sup> In an interesting concurrent philosophical movement, “fraternity” evolved from a commitment to the needs of the common community to accommodate an exaltation of cultural diversity.<sup>10</sup>

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*Despite efforts to form a collective whole within the European Union and bind themselves together economically with the Euro as a common currency, the states of Europe still consider themselves sovereign entities. They remain committed to their individual national identities – their art, languages, cultures, and character – and appear unable to come together as “Europe”.*

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This particular challenge has exacerbated Europe’s overarching handicap: its fractured sense of self. Despite efforts to form a collective whole within the European Union and bind themselves together economically with the Euro as a common currency, the states of Europe still consider themselves sovereign entities. They remain committed to their individual national identities – their art,

languages, cultures, and character – and appear unable to come together as “Europe.”<sup>11</sup> Without an amalgamation of effort and resources, it is difficult to envision how Europe could emerge as a serious global competitor in the near future.

Of course, there is one single nation on the edge of Europe that is serious about re-emerging as a major power: Russia.

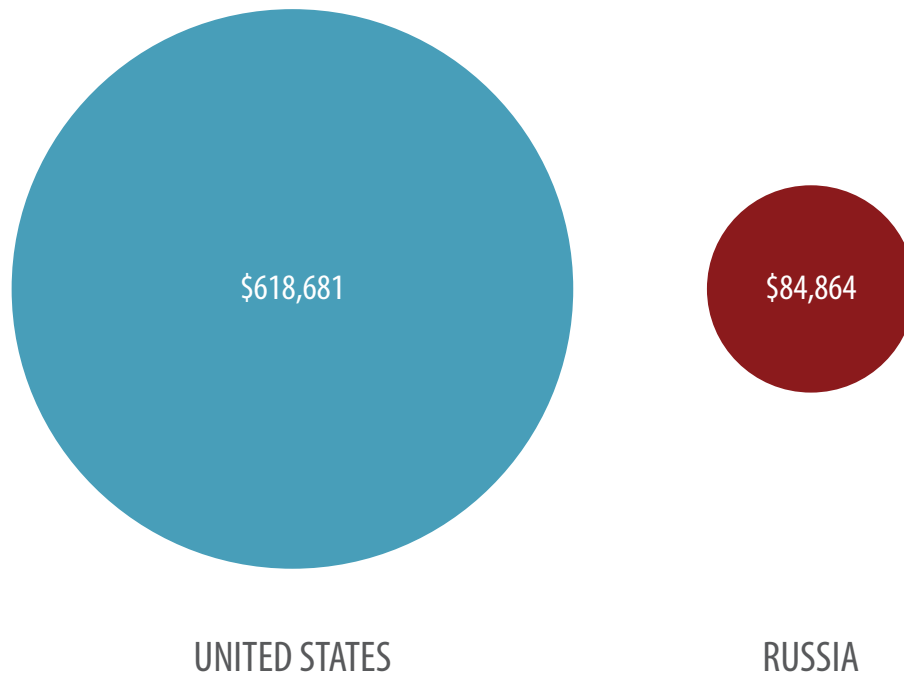
### **Russia**

Even as Vladimir Putin moves aggressively to reestablish the former Soviet empire, Russia seems unable to disconnect itself from the weaknesses of its past to reestablish itself as a Great Power on the world’s stage. Today’s Russia shares many characteristics with the Soviet Union that Kennan observed in the 1940s. In the clipped language of the telegraph, he observed in 1946 that:

At the bottom of the Kremlin’s neurotic view of world affairs is traditional and instinctive Russian sense of insecurity. Originally, this was insecurity of a peaceful agricultural people trying to live on vast exposed plain in neighborhood of fierce nomadic peoples. To this was added, as Russia came into contact with economically advanced west, fear of more competent more powerful, more highly organized societies in that area.<sup>12</sup>

This is understandable given Russian history and the numerous instances of foreign invasion, from the Mongols to Hitler. These events have triggered Russia’s desire for more “buffer lands” to give it additional security. Kennan went on to observe that, while the Russian people had an instinctive fear of outsiders, which only increased as the population of agricultural serfs observed nations all around their perimeter rapidly modernize, their fear was nothing in comparison with that of Russia’s rulers, who knew how fragile their hold on power actually was. This domestic tension between the sense of cultural inferiority and

FIGURE 2: COMPARATIVE 2013 MILITARY EXPENDITURES (IN CONSTANT 2011 US MILLION DOLLARS)



SOURCE: Stockholm Military International Peace Research Institute (SIPRI), "SIPRI Military Expenditures Database (2015)," [http://www.sipri.org/research/armaments/milex/milex\\_database](http://www.sipri.org/research/armaments/milex/milex_database).

leadership paranoia led to a Russian preference for strong leadership. From the time of Peter the Great to that of Joseph Stalin and on to Vladimir Putin, Russians have demonstrated a proclivity to subsume their individual liberties to the will of the strong leader who will simultaneously protect them from the outside world and earn the world's respect for Russia's intrinsic, and yet unrecognized, greatness.<sup>13</sup> Putin's current strong support by the Russian public suggests that he is on to something with his goal of recovering Russia's lost empire, as first demonstrated with his foray into Georgia in 2008 and more recently in his success in annexing the Crimea from the Ukraine.<sup>14</sup> However, consider Russia's real standing in the world.

While the United States and Russia each spends about 4 percent of its GDP on defense, the difference in the overall size of their economies (\$16.2

trillion for the United States vs. \$2.5 trillion for Russia) results in a differential of over \$500 billion in defense spending in favor of the United States (see Figure 2). Russia's military has 766,000 men under active orders; this is surpassed by the United States, with 1.4 million active personnel.<sup>15</sup> The United States employs the most advanced weaponry in the world, while Russia is largely dependent upon weapons and supplies left over from the Soviet era.<sup>16</sup> Russia is making investments in newer platforms, but even here it must depend upon technology and production techniques stolen from the West to make significant advances. Russia possesses a vast nuclear inventory inherited from the Soviet Union which has fallen into disrepair. However, recent reports do suggest that Putin has begun to make some investments in modernizing his nuclear arsenal.<sup>17</sup>

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*...the difference in the overall size of their economies results in a differential of over \$500 billion in defense spending in favor of the United States.*

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In the end, however, it is Russia's demographics that serve as the real anchor on its advancement. It currently has a low birthrate and life expectancy. Despite Putin's exhortations to Russia's citizens to produce more babies, the average age is declining; alcoholism, an indicator of national malaise as well as a contributor to shortened life spans, is rising.<sup>18</sup> Economically, Russia's large proven energy reserves, whose export makes up 37 percent of Russia's gross domestic product, have led to the development of a "petro-economy," wherein Russia largely exists off the exploitation of its resources, with very little wealth being created through technological innovation or manufacturing.<sup>19</sup> The result has been a stifled private sector, oligarchic state-run monopolies, and misguided fiscal policies that have left Russia vulnerable to instability in global energy prices. At the same time, its recent actions in Georgia, the Crimea, and Ukraine have triggered international sanctions, limiting Russian access to foreign currencies and rapidly devaluing the ruble.<sup>20</sup> Ultimately Putin's Russia faces the same challenges as his strongman predecessors: how to control a small population scattered across a vast territory, vulnerable to the threat of outside invaders, with scarce resources.<sup>21</sup> With all of its historic, economic, and demographic challenges, as well as the results of the current sanctions regimes and, no doubt, lingering distrust of Russia in Europe following its aggressive actions, Russia will not reemerge as a significant world power for a number of decades.

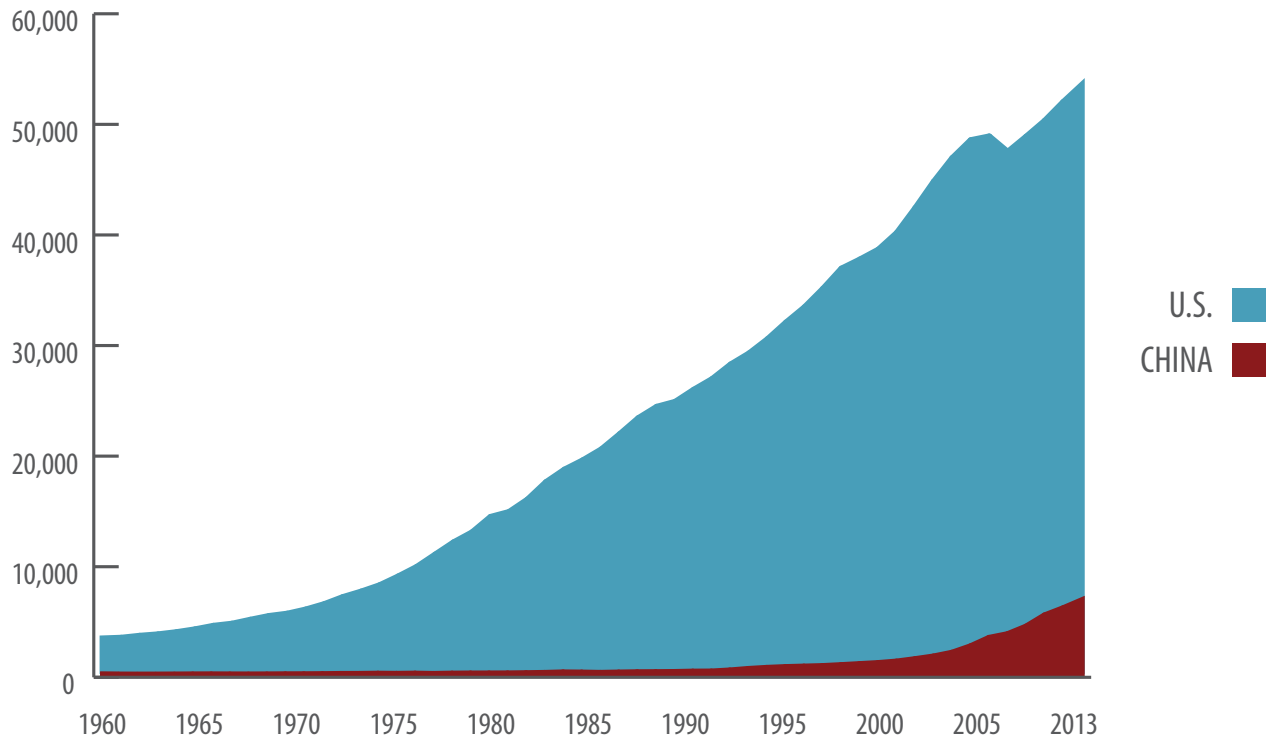
## China

China's characterization as a potential threat appears to be more substantiated. Although its annual GDP growth is no longer measured in double digits, its economy is nonetheless growing as its centrally controlled manufacturing sector expands.<sup>22</sup> The Chinese economy has overtaken that of the United States in purchasing power in the past year and is projected to pass it in market exchange rate by 2027.<sup>23</sup> China also continues to invest in its military. China reports having raised its defense budget by 12.2 percent in the past year. It has two million personnel under arms, and it has begun to integrate aircraft carriers and advanced stealth aircraft into its active inventories.<sup>24</sup> External reporting, including the annual U.S. Department of Defense report on China's military, suggests that the actual budget of the People's Liberation Army actual budget could be significantly higher; however, "it is difficult to estimate real PLA military expenses due to China's poor accounting transparency and incomplete transition from a command economy."<sup>25</sup>

On present trajectories, it seems that China will eventually eclipse the United States in nearly every measurement of power (economic, legal, military, and, ultimately, cultural).<sup>26</sup> This would allow China to achieve its strategic and cultural design of restoring its role as the "Middle Kingdom." While initially focused on regaining its position at the center of a political and economic power structure in Asia, China has an overarching cultural-psychological condition that weighs heavily in its foreign policy. If the Russians are a people marked by a historic fear of invaders from the plains and steppes, the Chinese are guided by a historic sense of their role as the central guiding force in eastern Asia and an underlying resentment of their "century of humiliation" by the West.<sup>27</sup>

Beneath the surface, however, China's achievement of these aims will be challenged by its underlying economic foundation. First, although its GDP

FIGURE 3: GDP PER CAPITA IN CHINA AND THE UNITED STATES



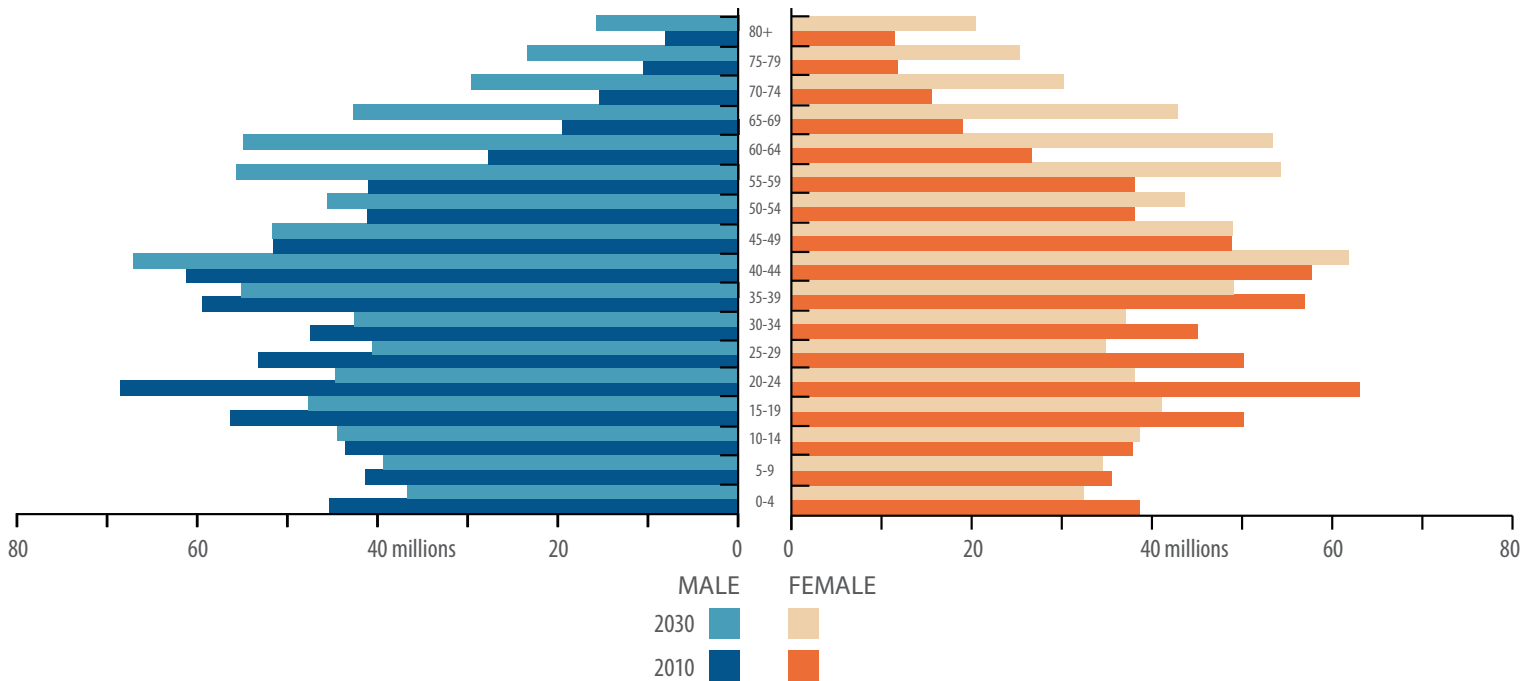
SOURCE: The World Bank, "GDP per capita (current US\$)," databank.worldbank.org.

growth rate continues to exceed that of the United States, it began 2015 with a sluggish economy and its growth is expected to taper off like previous maturing economies, perhaps settling into the 3.5 percent range by 2030 according to some experts.<sup>28</sup> A second factor is China's tremendously large population. Despite the growth of its overall national purchasing power, China's average annual income remains only around \$6,800, just one tenth of the average American (see Figure 3).<sup>29</sup> Factoring in inflation and increased labor costs results in a forecast for 2050 of an income of \$40,000 in current dollars for the average Chinese citizen.<sup>30</sup> This will not provide a sufficient tax base to meet its growing national requirements. By 2025, China will begin reaping what it sowed with its one-child policy: each Chinese worker will be burdened with the care of two parents and four grandparents (see Figure 4). A growing number of the elderly will be

"left behind" in rural areas as the youth continue to migrate to the city.<sup>31</sup> A great deal of this burden will be managed by the state, which will require a massive tax to provide safety-net income and medical expenses for a rapidly aging population. While China does currently have a tremendous savings reservoir to draw upon, it will be challenged to pay both the costs of participating as a Great Power and its internal social-welfare commitments.<sup>32</sup>

However, it is not impossible to forecast a China positioning itself for global financial leadership. China's design is to create its own alternative version of the American economy with an internal consumer class buying Chinese products and thus generating local wealth and tax revenues. However, rather than depending upon free trade, the Chinese Communist Party leaders envision that a centrally controlled economy will allocate resources more

FIGURE 4: CHINESE DEMOGRAPHICS BY AGE AND GENDER



SOURCE: The World Bank, "World DataBank: Health Nutrition and Population Statistics," [databank.worldbank.org](http://databank.worldbank.org).

efficiently than its counterpart in the United States. Similarly, China desires to replace the American global free trade system, the Western rule of law, and the American dollar so as to denominate China's future debt in its own currency.<sup>33</sup> It is important to recognize that China's intentions do not adhere to Western norms. While the West seeks a free and open market, believing that such competition generates the most efficient means of distributing resources and generating wealth, China follows a centralized-mercantilist approach to resources. It is, therefore, currently buying up and controlling raw resources throughout Asia and Africa. China does not want to depend upon the market; it wants to be the market and use it as a weapon in its relations with other countries.<sup>34</sup> An example of this can be seen in China's systematic takeover of the rare earth mining industry, which enabled it to withhold these resources as an act of

coercion against Japan in 2010.<sup>35</sup> China's activities in energy markets, wherein it has attempted to lock in long-term oil contracts at set prices outside of regular market competition, suggest a design to extend its centralized-mercantilist, zero-sum approach to the energy sector.<sup>36</sup>

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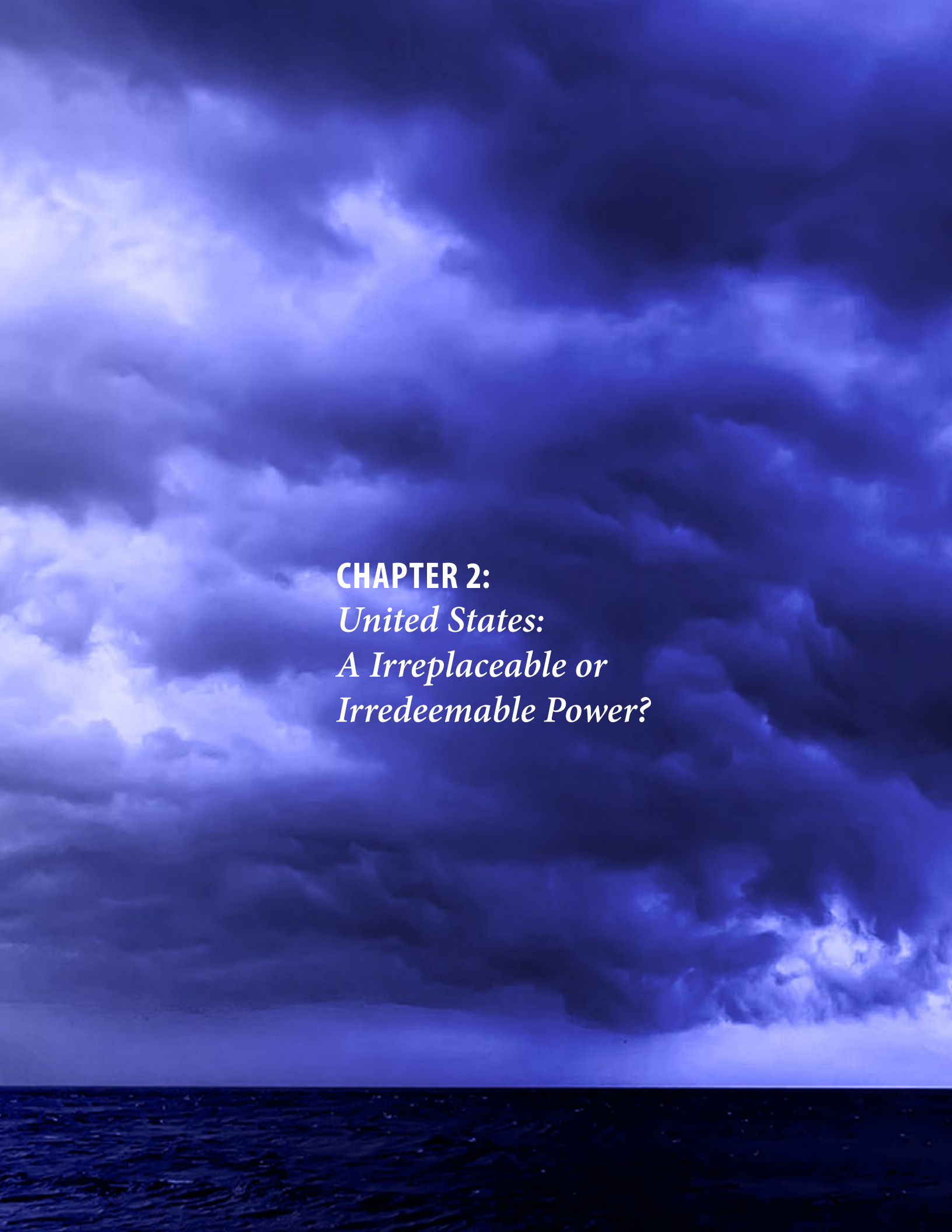
In another arena, China's interpretation of the United Nations Convention on the Law of the Sea is indicative of its attitude towards Western law. It seeks to leverage the law to extend its historical claims over sea and land resources, but rejects it in areas such as the South China Sea that would impinge upon China's "critical interests."<sup>37</sup> China has also triggered concerns amongst outside observers by its manipulation of the value of the Yuan on a day-to-day basis to support its internal and external policies.<sup>38</sup> Simultaneously China has begun to "talk down" the dollar as the preferred instrument of global trade and to suggest that another exchange currency should be found. Given its centrally planned, mercantilist approach to economics, China is not and cannot be considered a "responsible actor" within the current global economic system. It cannot regain its historic central position in Asia, the "Middle Kingdom" within the current system. Thus, it must be understood that China is actively working to time its rise to coincide with the United States' decline so as to create both a soft landing and an alternative for the current global system.

However, it cannot accomplish these goals on its own. It is not strong enough economically or militarily to take over the system, and its culture and diplomacy are not similar enough to entice others outside of Asia to voluntarily join their destinies with China. For China to accomplish a peaceful transfer of power, it would need a willing partner in the United States. This is not outside the realm of possibility at the moment, given that America has its own historic and cultural issues to deal with.

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**CHAPTER 2:**  
*United States:  
A Irreplaceable or  
Irredeemable Power?*

The largest single threat to the U.S. position in the world arises within the United States itself. Seeking to focus on the competition of ideas, it has lost sight of the state of its own economy and the very real sources of friction – on land and predominantly at sea – that characterize the global arena. Its natural tendency to confuse “American exceptionalism” with its real economic and military interests has resulted in a confused and disjointed national strategy. If it is to maintain its position of global leadership, the United States needs to refocus on its economic health and on its maritime roots.

### **The Roots of U.S. Economic Philosophy**

The nation’s strategic policies have always tended towards ideas and aspirations, “American Exceptionalism,” rather than set economic or military interests. Today the United States can be said to exist in a world of its own creation. Aspirational from its inception as a “Shining City on a Hill” that drew colonists in flight from religious persecution across the sea, it continues to perceive itself as pursuing high philosophical ideals. Founded on John Locke’s political theory and Adam Smith’s economic model, the nation has pursued idealistic dreams throughout its history, often to the discomfort of realist nations.<sup>39</sup> This idealist cultural and historical construct has grown, layer by layer, undergirded by a continent whose vast natural resources enabled an unsurpassed agricultural and industrial expansion, initially propelled, in part, by slave labor. Innovators such as Eli Whitney and Silas McCormick allowed American farmers to harvest cotton and grain in excess of the nation’s needs, enabling the United States to export goods across the ocean and become the breadbasket of the world. Capitalists such as Andrew Carnegie, John Rockefeller, and Henry Ford led the industrial revolution in North America, competing to find more efficient ways to produce energy and goods to supply a consumer class whose growing wealth encouraged the growth of imports as well.

By the 1920s the United States possessed the largest economy in the world; over the past 70 years it has sustained an average annual growth rate of 3.1 percent. The dominant position of the United States at the end of World War II enabled it to export its economic philosophy to the world, finding codification in the Bretton Woods Agreement and made manifest in the International Monetary Fund, the World Bank, the G-7, and numerous free trade agreements.<sup>40</sup>

### **U.S. Political Philosophy**

When early philosophical leaders, most of them with strong religious educations, considered all that had been “bequeathed” to them, it seemed to them that the land had been set aside by the Creator for some undefined yet noble experiment. The 17<sup>th</sup> century desire for religious freedom evolved to emphasize individual liberty and the sanctity of personal property. Thomas Jefferson’s adaptation of Locke’s Second Treatise in the American Declaration of Independence represented the first iteration of the concept of national self-determination.<sup>41</sup> Holding that the will of the people represented the highest form of sovereignty, the Founders established a republican democracy as the expression of their collective interests. Through the 19<sup>th</sup> century, Jefferson’s “Empire of Liberty” spread American ideals across the North American continent and beyond, albeit forcibly displacing native indigenous populations in the process.<sup>42</sup> The shared sacrifices of two world wars transformed the nation’s internal ideal into the central pillar of its foreign policy. The European powers, dependent upon the United States for assistance, grudgingly bowed to American demands to allow self-determination in their colonies.<sup>43</sup>

### **U.S. Military-Maritime Strategy**

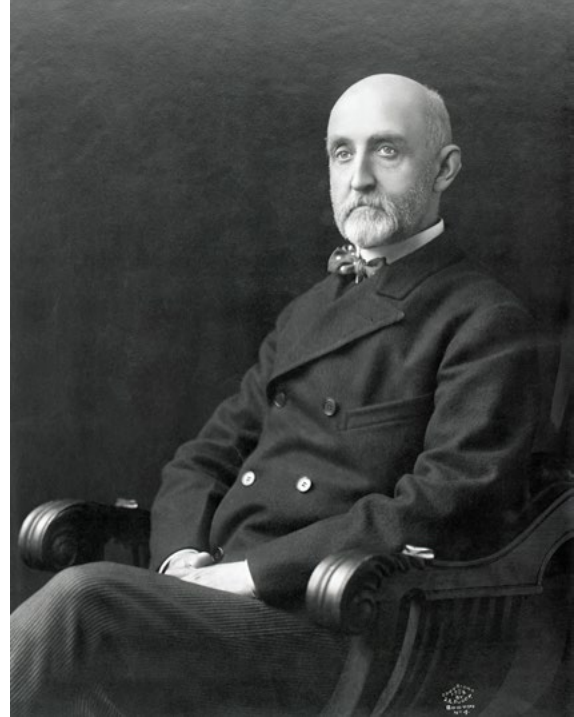
Economics and political philosophy are ineffective unless supported by a secure peace. At its inception the United States rejected the idea of a standing army, fearing it as an instrument of tyranny by the central government.<sup>44</sup> A Navy, in contrast,



was viewed as a requirement, due to the central importance of trans-oceanic trade in the nation's daily life. Trade was the lifeblood of the nation – from the merchants of Boston who shipped their manufactured goods to plantation owners in the south who shipped tobacco and cotton – and the very real threat of high-seas piracy established a maritime strategy as the centerpiece of U.S. foreign policy at the nation's founding.<sup>45</sup> Over time, the challenges of westward expansion altered the popular perception of the army, but care was taken to subordinate the military to firm government control. The acquisition of Cuba and the Philippines during the country's war with Spain represented brief imperial aberrations outside of the national character, but growing commercial interests expanded the scope of the U.S. strategic vision beyond the continent's shorelines.<sup>46</sup> Alfred T. Mahan's masterpiece, *The Influence of Sea Power Upon History*, distilled the central importance of control of the seas and maritime trade in a great nation's economic life.<sup>47</sup> Theodore Roosevelt operationalized Mahan's vision during his presidency, investing heavily in a modern Navy even as he made initial investments in aviation.<sup>48</sup> While these moves enabled the United States to emerge in the 20<sup>th</sup> century as a great military power, it was the world wars that led to a new global security order.

### The American Century

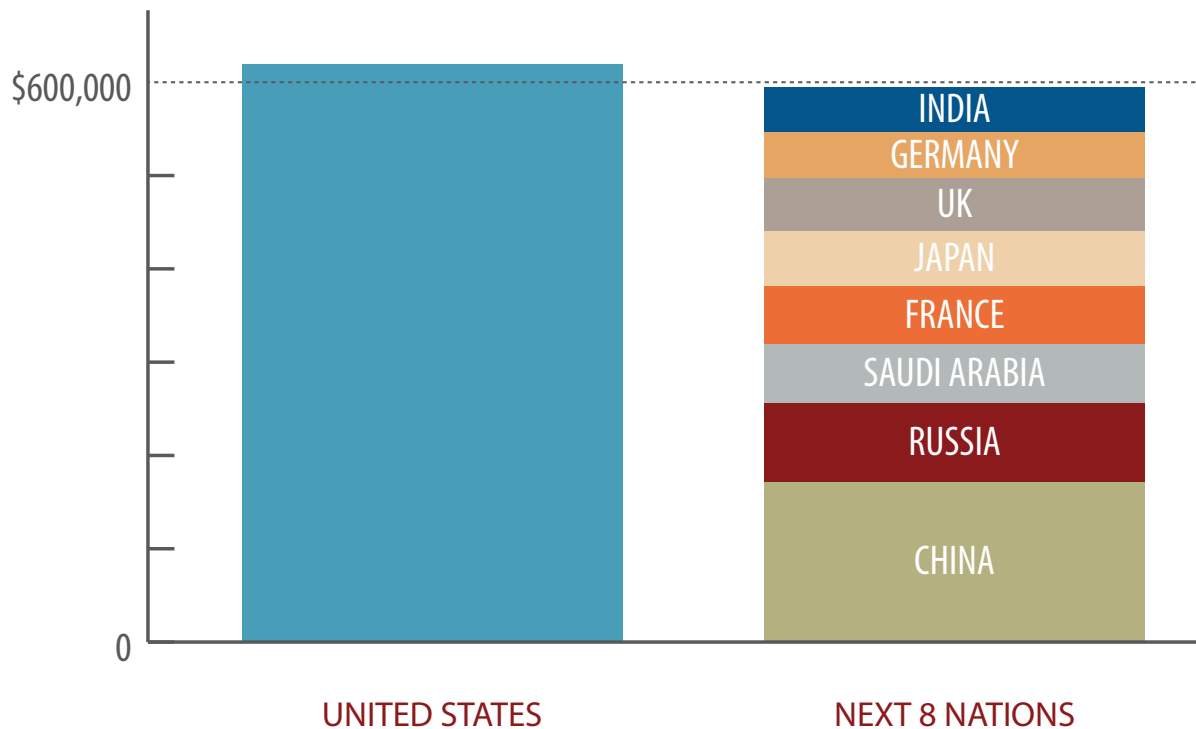
The failure to create a mutual security arrangement after World War I was in part to blame for the outbreak of World War II. The subsequent Capitalist-Communist competition hastened the creation of Kennan's containment strategy and the North Atlantic Treaty Organization (NATO), as well as a series of other treaties and security arrangements around the world, to stem the expansion of communism.<sup>49</sup> To support these security guarantees, the United States invested heavily in its armed forces, first in nuclear weapons, and later in regular and irregular forces.<sup>50</sup> After forty-five years, the end of the Cold War came with the



Admiral Alfred Thayer Mahan (1840-1914). Photograph, 1890. (AP Images)



Theodore Roosevelt, 26th President of the United States (1858-1919). Photograph, 1915. (Library of Congress)

**FIGURE 5: 2013 TOP DEFENSE SPENDERS (IN CONSTANT 2011 US MILLION DOLLARS)**


SOURCE: Stockholm Military International Peace Research Institute (SIPRI), "SIPRI Military Expenditures Database (2015)," sipri.org.

collapse of the centrally planned Soviet economy in the face of strong economic and military competition, and the United States found itself the only superpower in the world. Today it spends more on its defense budget than the next eight military powers combined, and six of those nations are U.S. allies or partners (see Figure 5).<sup>51</sup> The United States has built a robust global security, economic and diplomatic system, largely in its own image and as an expression of its dearest aspirational values. However, by its own economic and strategic excesses, it has also placed that system at risk.

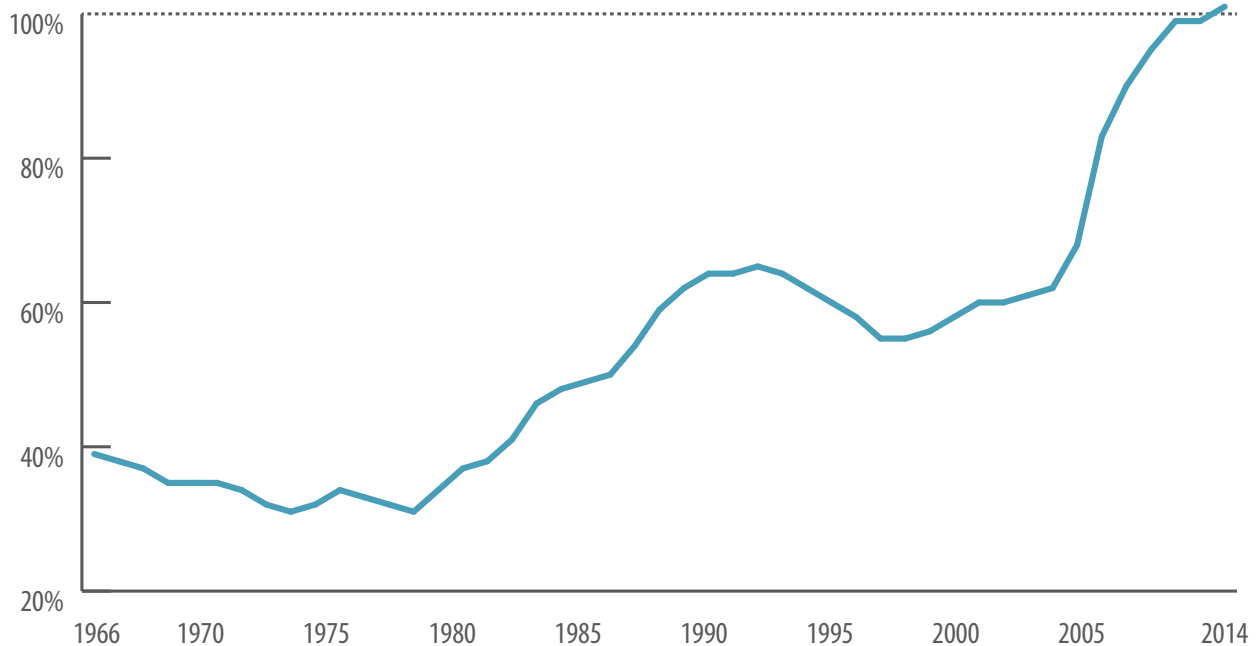
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The strength of the capitalist-based world economy propelled the American dollar to a position as the international reserve currency. Detached from the value of gold, it provided the United States with the benefit of seigniorage (the ability to domestically print money and realize its value).<sup>52</sup> Not restricted by anyone other than themselves, Americans piled up personal and governmental debt, perhaps first with a purpose during the Cold War, but later as a habit due to over-indulgence. The baby-boomer generation born between 1944 and 1964 piled on more personal debt in less time than any other generation in history, ever.<sup>53</sup> Over time the industrial export economy evolved into a service-providing consumer-based economy.<sup>54</sup> Americans no longer produced, they consumed, often on credit. Personal and national debt skyrocketed until this past year when the nation's debt exceeded its GDP, a ratio that had occurred previously in history only at the height of World War II (see Figure 6).<sup>55</sup> Even Admiral Mike Mullen, the then-Chairman of the U.S. Joint Chiefs of Staff, felt compelled to state

FIGURE 6: U.S. DEBT-TO-GDP RATIO ACROSS TIME



SOURCE: Economic Research Division, "Federal Debt: Total Public Debt as Percent of Gross Domestic Product," Federal Reserve Bank of St. Louis, December 24, 2014.


that the nation's debt was "the single, biggest threat to our national security."<sup>56</sup> This rings even more true when we consider that unfunded mandates in the out years impose a liability of nearly \$800,000 per taxpayer.<sup>57</sup> The costs associated with runaway American idealism created an economic "Castle in the Air" which, without a strong fiscal foundation, seems to be crumbling under the weight of overwhelming commitments.<sup>58</sup>

Still, there are those who will point out America's advantages, despite its debt. The United States still has the world's largest economy, for a time, and it still has the world's largest military, for a time. In addition, the global economic system remains tilted in America's favor: the laws remain Western and are premised on free trade and self-determination, for now. Lastly, the global exchange and reserve currency remains the dollar, which has been strengthening following the Federal Reserve's 2014 decision to cease quantitative easing. The United States still has time on the clock; the question is how to use it?

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*Personal and national debt skyrocketed until this past year when the nation's debt exceeded its GDP, a ratio that had occurred previously in history only at the height of World War II.*

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**CHAPTER 3:**  
*The Strategy –  
Sustaining American  
Dominance*

Kennan's containment strategy began with an examination of the cultural roots and motivations of the competitor-threat: Russia. However, despite attempts to conjure up a replacement for the Soviet Union, analysis reveals no country other than China that is even within a decade of being able to challenge the United States economically, diplomatically, or militarily.<sup>59</sup> China is closest and appears to have a desire to reestablish itself as a great power, if not the Great Power, but it will not be able to do so unless the United States squanders its natural economic, political, and military advantages, which it presently seems intent on doing.

To counter this trend, the United States should pursue a strategy that seeks to preserve its current advantages – a vibrant and competitive economy, a robust and open political process, and a large and innovative military – while obeying Secretary of State George Marshall's injunction to George Kennan to “avoid trivia” by not squandering its blood and treasure on issues that are not critical to U.S. national interests.<sup>60</sup> Given the numerous issues that currently confront the nation – the terrorist Islamic State of Iraq and Syria (ISIS), Russian adventurism in Ukraine, the recent outbreak of Ebola in Africa, and the nation's long-term interests in sustaining the current global system, undergirded as it is by individual human rights, national self-determination, free trade, and stable security – this will not be an easy task.

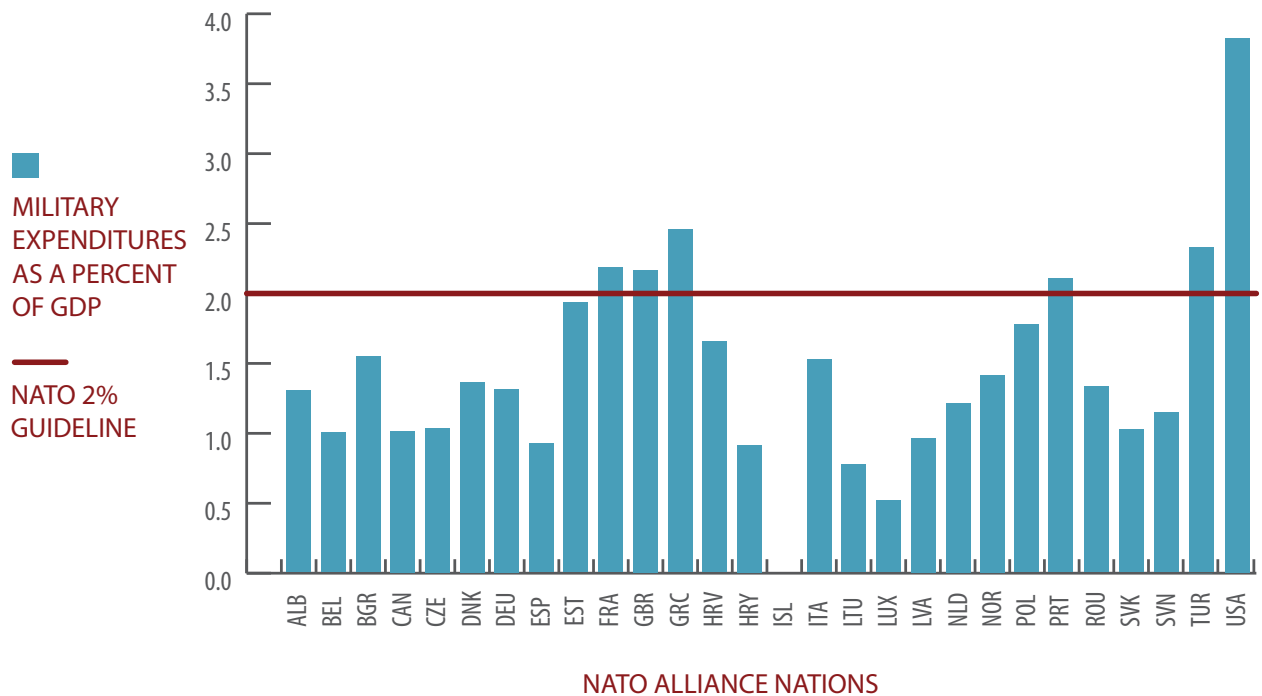
### Identifying “Trivia”

These current challenges need to be considered in a larger context that differentiates issues critical to U.S. interests from those that are “trivia.” Such small challenges arguably include ISIS. It does threaten to destabilize global energy markets, but the demand for Middle East oil has been mitigated to some extent by the opening of numerous oil-shale deposits through fracking methods. Today the world has excess capacity and the price of oil has dropped well below the \$100 per barrel mark that had become the norm. The challenge that

ISIS represents within the Islamic world is most appropriately met not by the United States, but by the leaders of the Islamic nations. For a generation, leaders of Shia and Sunni dominated nations have supported and exported terrorism while complaining about American presence and adventurism in their region. While the United States should be ready to help defend the borders of treaty allies and other formal partners, it should also allow local religious rivalries and cultural issues to sort themselves out. Traditional centers of Islamic power – Turkey, Iraq, Iran, Saudi Arabia, and Egypt – should step up and step in to solve their mutual problems with radical Islamists. Further introduction of American ground forces can only serve to trigger additional terrorist threats and further destabilize the region. Meanwhile energy companies, none of which are purely national in the current globalized age, should continue to innovate in order to make pockets of “tight” energy trapped in rock formations more accessible and affordable. Alternative sources of energy should also compete for market share, but in the end it should be the ever-efficient mechanism of the free market that allots resources to meet demands.

Another issue that borders on “trivia” is Russia's adventures in the Ukraine, about which the first and most honest observation must be that the United States does not have a security relationship with Ukraine in the absence of a nuclear exchange.<sup>61</sup> The U.S. commitment is to NATO and its security, and Ukraine is neither a member nor partner of the North Atlantic Treaty Organization. The nations of Europe have not enunciated a policy with regard to Ukraine, perhaps because they have spent two generations promoting the importance of peace while chronically underfunding their own defense forces, while depending upon the United States as the ultimate guarantor of their security (see Figure 7).<sup>62</sup> Russia's actions in Chechnya and its incursions into Georgia, Crimea, and Ukraine are a strong indicator of instability in their region.

FIGURE 7: 2013 NATO MILITARY EXPENDITURES AS A PERCENT OF GDP



SOURCE: The World Bank, "Military expenditure (% of GDP)," data.worldbank.org.

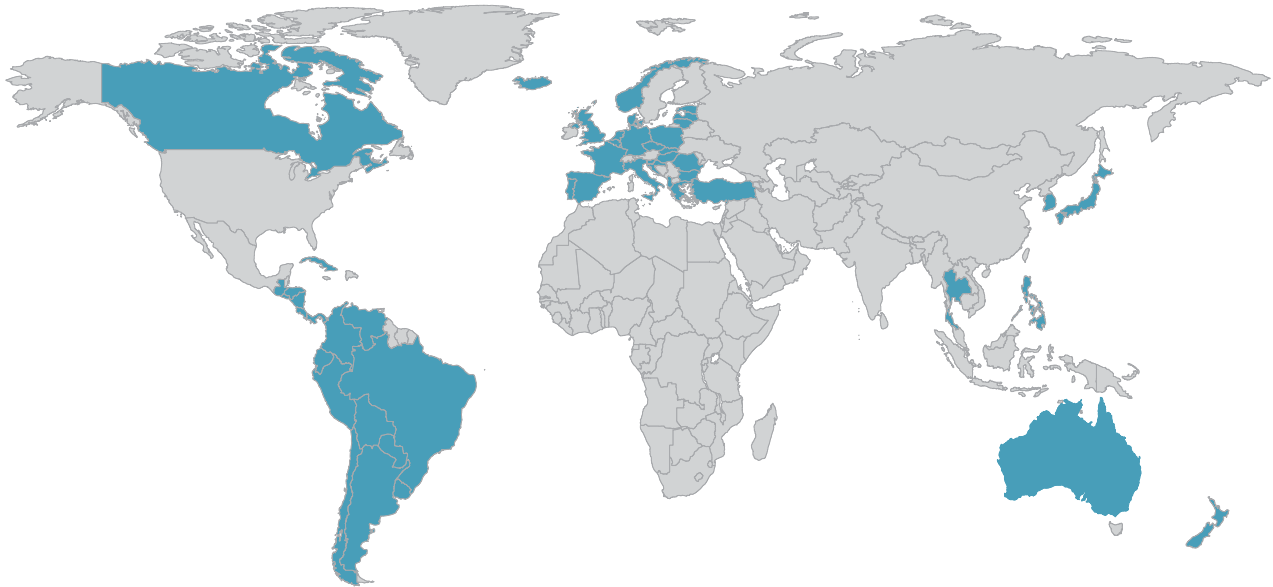
The United States should make clear that it will support NATO in its response to any attacks upon a NATO member, and that it will consider joining any NATO action in support of nations threatened by other nations, but that it is the nations of Europe that should take a leading role in developing that response and that should invest in their own defensive forces.

In the meantime, the use of financial sanctions and the recent cancellation of a new southern pipeline to bring more Russian energy into Europe have begun to have sharp effects upon the Russian economy. These actions are very much in line with George Kennan's original intent with containment. Kennan hoped to see economic and diplomatic tools used as the primary instruments for restricting the expansion of Soviet-sponsored communism. The advent of NSC-68 and the rapid militarization of containment dismayed its original author. The impact of sanctions and other fiscal and foreign policy efforts should give hope to those who view the world from

non-military vantage points.

The medical community represents such a vantage point. Ebola is a medical threat that has worldwide implications, and containment of the disease is in the interest of all mankind. However, the primary responders should most appropriately be international institutions such as the United Nations and non-governmental organizations such as Doctors without Borders, which have both the mandate and the training to deal directly with the unique challenges of confronting pandemics at both international and microbial levels. The U.S. military, which is highly effective but also highly expensive, should not be the face of a long-term effort against such a threat, especially given the charges of U.S. imperialism that echo from the UN General Assembly. The United Nations and non-governmental organizations should take action to improve their relationships with those who can support them the most.

FIGURE 8: U.S. COLLECTIVE DEFENSE AGREEMENTS



SOURCE: U.S. Department of State, "U.S. Collective Defense Arrangements," [state.gov](http://state.gov).

These three scenarios all arguably fall into the "trivia" category rather than urgent U.S. national interests. A regional response to ISIS, however, may require the continued assistance of U.S. air power and special forces, while Ukraine could additionally become a serious threat to U.S. interests, but only if Europe continues to appease Russia. Other nations have grown dependent upon U.S. activism, to their own detriment. This raises the question of how the United States should stimulate them to defend themselves better. If they will not rearm with a re-energized Russian bear at their doorstep, when will they?

The bottom line is that there are problems that the United States is not required to solve, and it should be prepared not to solve them. For a country that has taken an overarching pride in stating that it has global interests, the United States may find that its largest challenge is to acquire the ability to look at a problem and say, "We don't have an interest there."

### A New Mindset

This is not an argument for isolationism. The United States has real interests and treaty relationships to defend in the world, including NATO, the ANZUS alliance, composed of Australia, New Zealand, and the United States, Japan, South Korea, the Philippines, the Rio Treaty, and a special relationship with Israel, to name a few (see Figure 8). It should remain effectively and efficiently forward deployed – with high visibility, but with a small footprint – and invested in those areas where it has national interests at stake.

However, large structural and philosophical questions at home require attention in the near term. The nation's road and bridge system require massive repairs and its energy distribution system should be addressed quickly.<sup>63</sup> New oil and natural gas pipelines should be built and old ones modernized to allow for more efficient distribution of traditional and cheap sources of energy. In addition, the electrical distribution system should be updated with the most modern materials, integrated across regions to provide efficiency

and redundancy, and buried to offset the threat posed by electro-magnetic pulse weapons that could strike the nation and cast it into a dark age.<sup>64</sup> While aspects of competition in cultural undercurrents of other nations should be examined, this strategy focuses outwardly on sustaining the American position in the world and internally on regaining its fiscal and cultural balance whilst considering, and investing in, a new strategic future.

The United States must maintain its current leading position within the international system, politically, diplomatically, economically and, perhaps most importantly, militarily. Politically the country must continue to support and legitimize liberal international institutions such as the International Monetary Fund (IMF) and the World Bank that it helped establish following the end of World War II, while also promoting democracy and self-determination. The sovereignty and natural rights of the individual should remain at the center of U.S. political expression, even if they are not given pride of place in its diplomacy. This area should revert to a more traditional approach of upholding American interests, rather than promoting American values.

The U.S. interests to be upheld should trend towards the economic, namely free trade and free markets unhampered by over-regulation and central planning or control. Access to resources and markets has been at the center of the U.S. maritime approach to the world since its founding. More recent additions have been viewed positively, such as keeping tariffs low so as to allow investments overseas in promising markets and to promote the investment of foreign money within the United States. Adept appointments to key positions within the IMF and the World Bank will also go a long way towards strengthening the U.S. economic position, but no policy will be as important as the goals of lowering our deficit, rolling back our burgeoning national debt, and maintaining the dollar as the benchmark currency of international trade. If

this last vital component were to be placed at risk or lost, then the United States would find itself in the untenable position of having to pay much of its substantial debt and unfunded liabilities, currently \$18.1 and \$116 trillion respectively, in a currency that the nation cannot simply print as needed.<sup>65</sup> This outcome would truly signal the end of American leadership in the world.

Maintaining the U.S. position at the center of the global economic system has to be the principal aim of this strategy. However, it is important to take a nuanced view. Given that the nation cannot simply spend itself out of a position of fiscal weakness, it is important to recognize that we do not have to maintain military dominance everywhere; rather, we need only to be able to keep others from obtaining local dominance while we address our economic challenges. This can best be done by shifting the nation's military strategy to emphasize the naval and air services, which can exercise the greatest influence in the highly elastic global commons where the nation's external economic interests lie and where the day-to-day competitions between nations are played out. The military strategy should seek to preserve and promote free trade by leveraging peaceful naval and air presence missions to assure unfettered U.S. access to the high seas and airways, by promoting adherence to established laws and international norms, and by discouraging and blocking attempts by rising powers to establish local dominance and new rule sets of governance. By maintaining numbers sufficient to remain present and participatory, the United States will uphold and sustain the global international system it has spent decades of blood and treasure building.

Presently the United States occupies a position of strong strategic advantage. It has abundant resources, a large economy, the benefit of having written most of the laws of global governance, and the world's most advanced and largest military. Unfortunately its overwhelming debt, the sheer



size of its regulatory bureaucracy, and the complexity of its tax code impede forward progress, threatening the nation with irrecoverable decline. To reverse this trend the nation needs to make conscious choices to leverage its advantages in order to maintain its favorable strategic position.<sup>66</sup>

### The Cuts

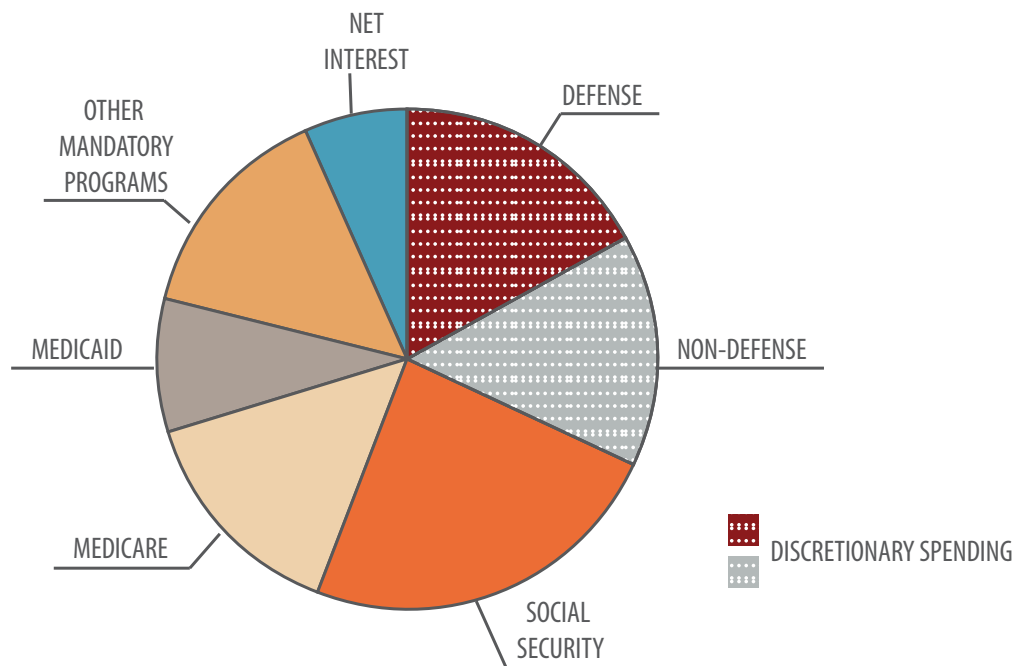
Currently the U.S. runs a \$438 billion annual deficit.<sup>67</sup> This number will shrink slightly in the years ahead, but will then balloon significantly due to inherent budgetary factors, including costs associated with the Affordable Care Act, Medicaid, Medicare, and Social Security outlays to an aging baby-boomer generation. The 2014 Federal Budget projected spending of \$3.28 trillion with only 34 percent or \$1.12 trillion falling in the discretionary area (see Figure 9). Defense spending, at \$596 billion, represents more than half of discretionary spending. A full 65.8 percent of the budget

(\$2.16 trillion) falls into mandatory, or entitlement, programs. Spending on Medicaid, Medicare, and Social Security, at a combined total of \$1.65 trillion, represents over 50 percent of the entire budget.<sup>68</sup> These areas of the budget present the only likely means of reducing the deficit, and must be placed on the table, along with increased revenues, in order to address the most serious national security threat facing the United States today: its own insolvency.

### Entitlement Reform

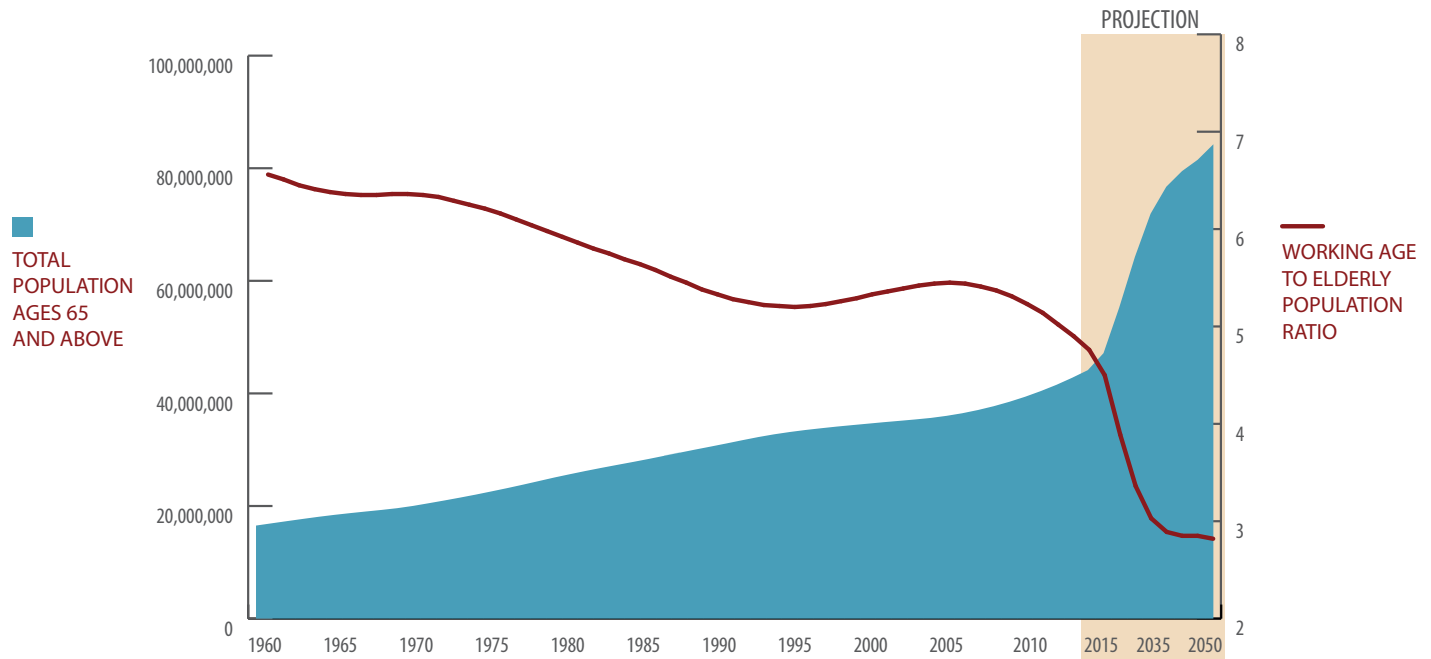
Significant reforms in Medicaid, Medicare, and Social Security will be required along with new approaches for increasing revenues to make up the nearly trillion dollar deficits that stretch out into the future and to bring budgets into balance. Medicaid is particularly concerning, with soaring estimates in out-years costs coupled with systemic inefficiencies. One means of addressing this

FIGURE 9: US 2014 BUDGET BREAKDOWN



SOURCE: Government Publishing Office, "Fiscal Year 2016 Budget of the United States Government," Office of Management and Budget, February 2015, 96.

FIGURE 10 : POPULATION ESTIMATES AND PROJECTIONS



SOURCE: The World Bank, "Health Nutrition and Population Statistics: Population estimates and projections," data.worldbank.org.

challenge that has been advanced time and time again is to issue block grants to the states and territories based upon local populations. These grants would cover mandatory services (regular check-ups and unplanned hospital stays) while allowing each individual state to allot its own resources for additional benefits based upon its own values and budgets, but with no recourse to the federal government for more resources to cover these benefits. Block grant initiatives would allow the federal government to better control current health care spending and would provide a more predictive model for future spending while forcing the states to bear the primary responsibility for what is largely a local issue due to unique population, environmental, and demographic characteristics.<sup>69</sup>

Social Security reform will also force a serious conversation regarding personal vs. social responsibility going forward. As part of the social compact since its passage in 1935, Social Security was built on the premise that more workers would be paying into the system than would be taking out. It was presumed that nearly 50 percent of the

working male population would not live to begin receiving their benefits, which is why widow and orphan riders were built into the original legislation.<sup>70</sup> This has changed: today over 70 percent of the population lives to draw upon the Social Security system and their prolonged life expectancy translates into greater demands upon the system than it was designed to bear (see Figure 10). When we consider that Americans are having fewer children than their parents and grandparents did, the problem comes into stark focus. The social compact requires that we fulfill our commitments to those who are already in the system and that we be prepared to pay Social Security benefits to current retirees, but adjustments must come for those that follow. This is not a "like to" option, it is a "have to" decision. The first adjustment must be incremental increases in the Social Security eligibility age to 70, then indexing it in line with rising life expectancies. Given the nature of work in America today, which is much less physical and more service focused, people can and should work longer. Secondly, the annual cost of living

adjustment (COLA) has exceeded the annual rate of inflation for over a decade.<sup>71</sup> In the future – and this can be done with the current generation of retirees – COLA should be “chained” to the actual rate of inflation as determined by an independent outside agency, such as the Federal Reserve, in order not to advance benefits in excess of those required, while protecting retiree benefits from the corrosive effects of inflation.<sup>72</sup> These actions would allow the country to cut costs, shrink the deficit, and strengthen the economy.

### Tax Reform

The social compact defined by John Locke requires that each individual who desires or demands value from the state, be it in the form of good roads or strong national security, should contribute to the state in the form of taxes, or the more politic term, revenues.<sup>73</sup> While it is an understood desire that individuals would like to keep all of what they earn, this runs afoul of the requirement to pay for services rendered, like national security, clean air, and care for disabled veterans. According to a recent report, America only pays 27 percent of its total GDP in taxes.<sup>74</sup> While that could seem large, it is actually a smaller percentage than Americans have on average paid in the post-world War II era and is lower than 29 of the world’s 33 leading economies.<sup>75</sup> There has not been a substantial overhaul of the tax code since the mid-1980s, yet loopholes are created in every legislative session in response to special interests, siphoning resources away from the revenue stream. While it is true that the United States has one of the highest corporate tax rates in the world, it is also true that many large companies can truthfully claim to have paid no federal taxes due to their effective use of loopholes. Under the current circumstances of runaway deficits and debt, it is difficult to argue against an increase in revenues. The nation cannot continue to place the burdens of its current excesses on future generations of Americans. Revenue enhancements ranging from lowering the corporate tax rate while closing loopholes to expanding the rolls of

taxpayers should be on the table. If leaders objectively approach these three areas – Medicaid, Social Security, and taxes – they will then be on honest ground to approach discretionary spending cuts, which most certainly will focus on defense.

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*...America only pays 27 percent of its total GDP in taxes. While that could seem large, it is actually a smaller percentage than Americans have on average paid in the post-world War II era and is lower than 29 of the world’s 33 leading economies.*

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### Defense Cuts

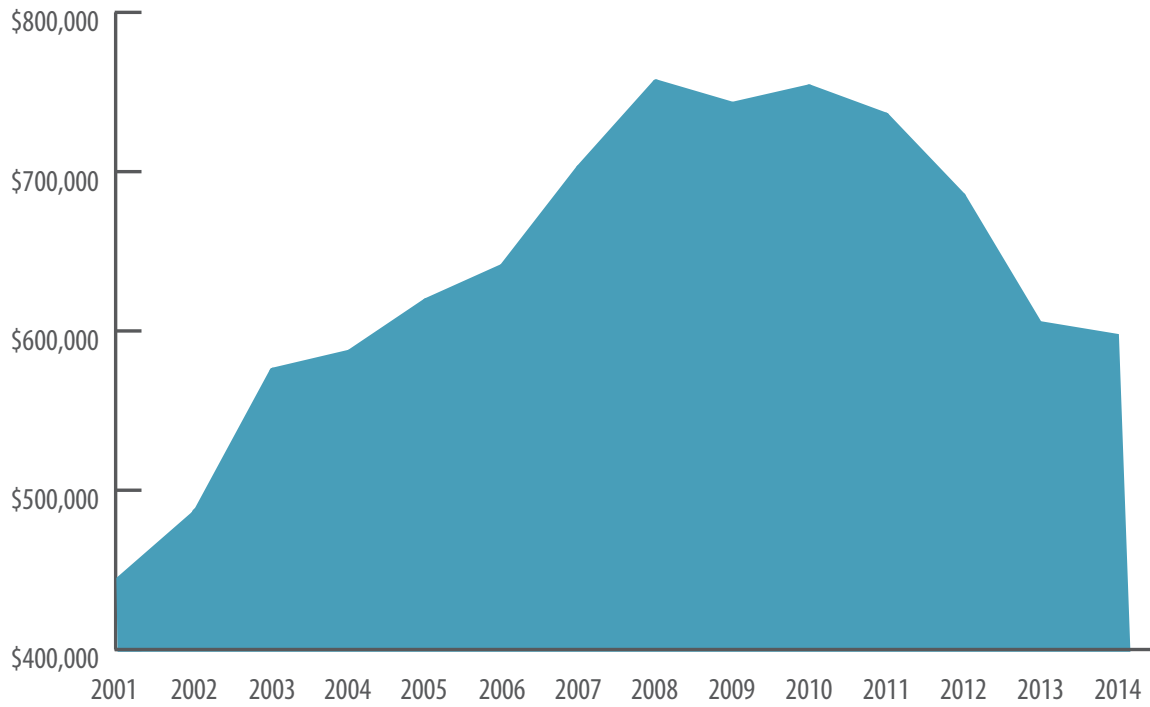
At the height of the war against terrorism, the United States annually spent more than \$700 billion in FY15 constant dollars on defense. In recent years, this has been reduced by nearly 30 percent to just under \$500 billion through programmed drawdowns and by harsh and indiscriminate cuts under the 2011 Budget Control Act (see Figure 11). As a result, the Services are calling foul.<sup>76</sup> The Army and the Marine Corps claim that they cannot maintain their manning levels, the Navy that it cannot maintain its ship count (see Figure 12), the Air Force that it has to cut the airborne warning and control system (AWACs) aircraft, and on and on. All of these claims are both true and not true. Former Deputy Secretary of Defense, Paul Nitze, often observed that he never trusted the Services to tell him what they needed. Instead he preferred to look at the strategy to determine what capabilities were required. The Services should be supplied with the weapons needed to win the war they are likely to fight, not the weapons they desire for the war they want to fight. The Defense budget, despite the President's request for a substantial increase, is headed downward, almost inevitably, towards \$450 billion. This is larger, even when adjusted for inflation, than it was in 2001 prior to the September 11 attacks. At that time the Department of Defense declared itself ready to fight two major regional conflicts with the forces it had on hand. Current budgetary pressures and a national resistance to overseas commitments have bounded the national security dialog, and will continue to do so for a few years.<sup>77</sup> The United States finds itself presently allergic to "boots on the ground." Each of the Services must be directed to plan for a prolonged period in which they will gradually decrement to a 35 percent cut in adjusted real spending from wartime highs. This is a solvable problem, if approached rationally and objectively. The current U.S. strategic position affords a period of "strategic glide." This significant cut in defense spending should be applied to the deficit, and must be

accompanied by cuts to entitlements and increases in revenues. The military cannot bear the burden of fiscal responsibility on its own, but nor can it refrain from being part of the solution.

Any new look at the size and composition of the U.S. military will result in claims that cuts cannot be made, or that there will be a "hollowing out" of the force; these would be true if the United States sought to maintain the same force it has today. With a budget of around \$100 billion (not including the funding for the Marine Corps), the United States Navy would rapidly shrink from ten aircraft carriers to eight, especially if it were to remain committed to building Ford-class carriers at \$14.3 billion per ship in 2014 dollars.<sup>78</sup> In addition, a significant portion of the fleet – some twelve cruisers or destroyers, six submarines, and three airwings – would need to be laid up to allow the remaining ships to operate under the reduced operational budget.<sup>79</sup> These actions would, of necessity, constrict the Navy's ability to remain forward deployed in critical areas. The North Atlantic, South Atlantic, and Mediterranean are already largely ignored; so too would be the West African coast and portions of the Pacific.<sup>80</sup> Much as Great Britain in the early 20<sup>th</sup> century turned over the security of its interests in the western Atlantic to the United States Navy and its interests in the western Pacific to the Japanese Navy, the United States would be forced to offload burdens to partners and allies – who together would comprise a "1000-ship navy" – to allow the United States to focus efforts in those areas that it deems vital.<sup>81</sup> Such arrangements are, however, inherently unreliable and would have the effect of recreating "spheres of influence" and fracturing the current uniform global security environment.<sup>82</sup>

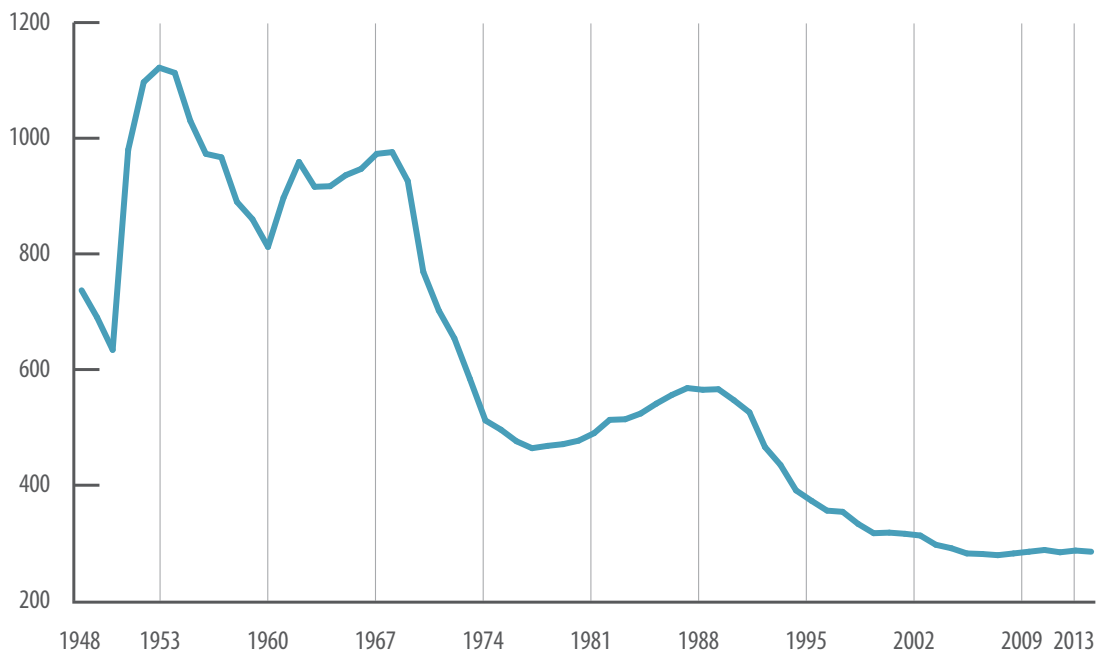
However, there is an alternative. The Navy could set a new course that balances low-end "influence" operations – where the Navy already spends most of its time – with high-end power-projection. It could do so by investing its ship-building budget

FIGURE 11: U.S. DEFENSE SPENDING FROM 9/11 TO PRESENT (IN CONSTANT 2015 US MILLION DOLLARS)



SOURCE: Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2015*, April 2014.

FIGURE 12: U.S. NAVY SHIP COUNT OVER TIME



SOURCE: Ronald O'Rourke, "Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress," RL32665 (Congressional Research Service, August 1, 2014). Note: Numbers reflect changes in ship counting methods over time.

in a mix of a large quantity of smaller, cheaper vessels that would include riverine boats, littoral, and small surface combatants and Joint High Speed Vessels along with a small quantity of larger, more exquisite capital ships. These could include Aegis destroyers and a squadron of guided-missile submarines, built as a derivative of the new nuclear ballistic missile submarine class, which could generate hundreds of precision-strike hypersonic glide missiles. By taking such a path, the Navy could actually increase the size of the fleet to over 330 self-deployable ships in as little as seven years.<sup>83</sup> Such a force structure would enable the United States to sustain global trade, which in turn supports the dollar as the international reserve currency and maintains the current matrix of international laws and norms, while upholding individual liberty and human rights through multiple peacetime exercises and limited policing actions.

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*By taking such a path, the Navy could actually increase the size of the fleet to over 330 self-deployable ships in as little as seven years.*

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Similarly the Air Force could seek to extend the life of its F-22 and B-2 fleets, reserving their use for high-end engagements, while filling the remainder of its aircraft inventory with lower-cost manned fourth-generation aircraft still in production, along with swarm-capable unmanned aerial vehicles (UAVs) now coming on line, to meet low-end tasking. Plans for a new manned bomber should be joined with the development of an effective long-range hypersonic glide missile that could be launched from outside the range of anti-access, area denial (A2AD) weapons. Rapidly deployable space and cyber assets could be fielded to introduce

effects that previously could only be accomplished by kinetic platforms. The Air Force is the ultimate team player, serving as an enabling force for its partner services. It should focus on this role and strengthen its partnership with the Navy in the Asia-Pacific region.

The Army and Marine Corps today appear in the popular mind to be two separate ground forces. That is a problem, as the nation does not need and did not set out to create two ground forces. However, after more than a decade of the two services fighting alongside each other in Iraq and Afghanistan, two ground forces are what we seem to have. Both should take the opportunity to eliminate overlaps and strategically differentiate themselves.

The Army should get smaller, perhaps as small as 390,000 as suggested in an insightful 2013 Brookings Institution report, for a number of reasons.<sup>84</sup> First, the Army should be primarily a defensive force focused on protecting the United States and its treaty allies against threats to their existence as nations and peoples. At this time, no such threat exists, yet the Army remains large, and it looms large in strategic conversations. As Madeline Albright once remarked to Colin Powell, then Chairman of the Joint Chiefs of Staff, “What’s the point of having this superb military that you’re always talking about if we can’t use it?”<sup>85</sup> Therein lies the problem: so long as the Army exists in its present size, there will be an adventurous inclination to use it, an inclination that will be encouraged by the Army’s leadership, eager to justify its existence and budget.

Second, the American people have remained detached from the phenomenon of war over the past decade. The size and strength of the All-Volunteer Force has shielded the citizenry as a whole from any sense of sacrifice, even as the bodies of thousands of American military members have come home for burial in community

cemeteries across the nation. “It’s become just too easy to go to war,” according to former Chairman of the Joint Chiefs, Admiral Mike Mullen.<sup>86</sup> Shrinking the Army, as well as shifting some heavy warfare capabilities to the National Guard and Reserves, will have the secondary effect of imposing a decision and a burden upon the nation as a whole before the nation commits itself again to a large-scale effort overseas. A vote for war (or an authorization for the use of force) would then trigger the activation of the Guard and Reserve forces as well as a rapid expansion of the Army. While not a draft as in previous times, a decision to grow the All-Volunteer Army quickly would of necessity be felt at the local level. The smaller peacetime Army should focus on maintaining competencies in special operations and sustained combat on land with armor and heavy infantry. It is difficult to see where forcible entry forces such as airborne and air assault could play a substantial role in the wars that we are likely to fight. Nevertheless, unmanned platforms, robotic innovations, and exo-skeletons should be exploited in order to lower the cost and heighten the abilities of the Army’s most expensive and valued component: the soldier.

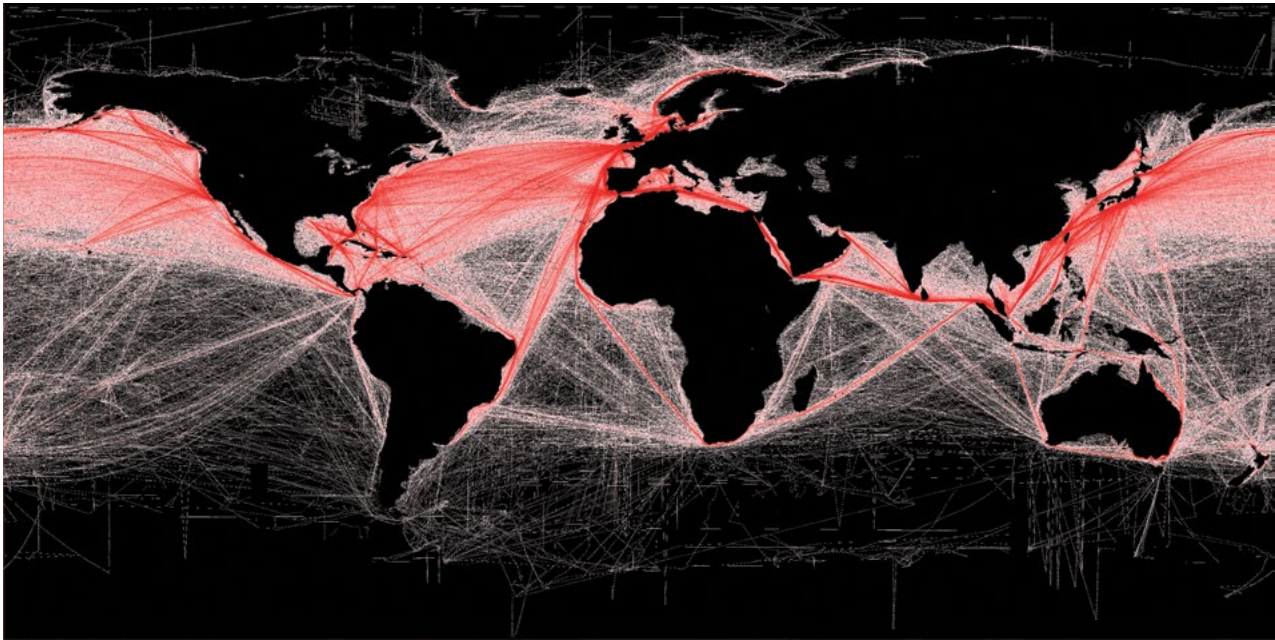
Conversely the Marine Corps should continue the efforts it began with its 2014 Quadrennial Defense Review effort to shift back to its maritime roots, emphasizing lighter, more mobile forces designed to be the nation’s emergency response “911” force. However, the 3-Block War doctrine – the 1990s idea of being able simultaneously to conduct full-scale military operations, peacekeeping, and humanitarian assistance – should give way to “3 Types of War,” focusing on influence operations such as humanitarian assistance and building partnership capacity, the types of maritime light-infantry missions that the Corps currently trains for, and an additional mission as the Navy’s partner and provider of anti-access capabilities. This new mission would seek to degrade or destroy enemy anti-access systems, enabling naval

and air platforms to penetrate into previously protected sanctuaries. Expensive ships built to survive amphibious landings in the face of shore missiles and gun bombardment should give way to more commercially derived designs, in recognition of the low likelihood of opposed amphibious operations in a modern A2AD environment. Technologies such as the MV-22 aircraft allow tactical offset and selective lodgment, having the freedom to choose the direction of approach and a suitable location to establish a base for future operations, and are thus more useful for air assault and vertical envelopment, should be enhanced within a future Marine Corps.

Recognizing the nation’s historical and cultural roots as a commercial power that depends upon foreign maritime trade, and appreciating the current global pressures and fiscal circumstances, the choice should be to extend air and primarily sea power. Savings realized from this investment strategy could be applied towards research and development and reducing spending. This last point is of particular importance if the United States is to emerge from its period of sustainment in a position of influence.

### **The Critical Component – Research and Development**

Prudence demands that some portion of the defense budget should be dedicated to significant research projects that promise “Manhattan Project”- like leap-ahead potential that would allow the United States to emerge from its era of “strategic glide” in a stronger technological and strategic position.<sup>87</sup> While autonomous unmanned systems, directed energy, electro-magnetics, hypersonics, space, and cyber seem obvious choices for focused investment, we should remember that the critical importance of the Manhattan Project was obvious to only a few physicists who felt compelled to bring the possibility of building “the gadget” to the attention of national leaders.<sup>88</sup> Today the United States should follow the lead of officials



Commercial shipping density is shown in red on a map of the world.

(Creative Commons)

who actively solicit insights from the scientific community regarding theories and technologies that suggest war-altering implications.<sup>89</sup> Only by investing in the thinnest and sharpest part of the “cutting edge” of technology can the United States continue to assure its leading position in a future strategic environment and shape the choices of its competitors.

The importance of regaining the initiative cannot be emphasized enough. The continued U.S. adherence to a containment strategy and its accompanying legacy force structure is no longer an advantage but a disadvantage. For example, the U.S. Navy’s focused dedication to aircraft carriers allowed competitors to develop weapons systems specifically targeted at the carrier’s characteristics. To counter these emergent threats, the United States Navy has been forced to invest at great cost in technologies to defend the carrier and its capabilities; these increases in the defensive portion of its acquisition budget leave less – in its budget and in its ship’s magazines – for offensive, sea-control, and power-projection systems.

This asymmetric dynamic, wherein small investments by a rising power result in disproportionate counter-investments by the pre-eminent power – represents an example of getting inside of a competitor’s decision cycle. As the rising power can take steps faster than the Great Power can respond, this forces the latter’s expenditures to rise exponentially until system failure results. Only by initiating research and development investments that allow abandonment, not evolution, of the previous strategy and its accompanying force structure construct can the Great Power re-establish the initiative and begin imposing costs upon the rising competitor.



The image features a dramatic, monochromatic blue sky filled with dark, heavy clouds. The clouds are layered and textured, with some lighter patches where light breaks through. The bottom of the image shows a dark, choppy sea. The overall mood is somber and intense.

**CHAPTER 4:**  
*Conclusion*

This document is not intended to be solely a statement of military strategy. The nation can no longer afford to address the world purely on the basis of its military power. Nor can it allow its foreign policy to be derived from its values. Both approaches create open-ended commitments and costs that exceed the nation's ability to pay. Strategically and economically, the nation's destiny remains at sea. Free trade and free navigation of the global commons lie at the center of the global international order that the United States created after World War II and upon which its future depends. Any grand strategy for the United States must be of necessity a maritime strategy. The United States has advantages – significant strengths in the size and vitality of its economy and its military force – but it also has disadvantages in the overwhelming debt brought on by indiscipline and profligate spending. These debts represent the most clear and present danger to the nation's long-term health.

It is clear that the United States cannot detach itself from its present dangerous fiscal circumstances, and presently no other threat in the world, not even China, poses as significant a threat to U.S. national security as its own budget does. First and foremost the United States must take immediate corrective action to eliminate, not just decrease, its deficit spending and then to address its long-term debt. No other action will have as significant or lasting impact on national security as eliminating the deficit. All options should be on the table with regard to this strategic imperative.

To the extent that the United States must remain engaged militarily, diplomatically, and economically in the world, the resources dedicated to that endeavor should be allocated in a balanced manner first to the maritime realm, then to air, cyber, space, and land in descending order. The nation's wealth, security, and culture are bound up with the sea and the only real challenge remaining that threatens its existence as a nation, regardless of the way it is conveyed, in a suitcase or a missile, will

have to come from over the sea. Only by following this course of action can the nation strategically sustain the current global system on which the nation's future depends. Effort should be directed towards developing new technologies that will enable the United States to alter its force structure so as to strengthen its strategic position in the world and reestablish itself inside its competitors' decision cycles as it emerges from its strategic glide.

There will not be a more strenuous test of the American national character than the challenges confronting the nation in the decade ahead. The challenge is now, the decisions are difficult and the stakes are world-altering. Should the United States falter in its sustainment of the global system of governance that it has spent seventy years of blood and treasure building, codifying, and defending, its future will be a dark one; history, with its unblinking eye, will not be kind. The next decade will be one of constant turmoil. Events in Europe, Asia, and in Africa will swirl about, but it is to the U.S. advantage to remain focused on sustainment. With regard to other issues that erupt across the strategic landscape, American statesmen would do well to remember Marshall's directive to Kennan: "Avoid trivia." **Additionally we must accept the simple truth of the strategic landscape: that a maritime strategy is our national security strategy, at our founding, at this time, and into the future.**



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