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Hedging Against Uncertainty:
US Strategy in an Interdependent World

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National Strategy Forum Review

Richard E. Friedman, *Publisher*

Lauren Bean, *Editor*

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The New National Strategy Forum Review

To Our Readers:

Please note the new format for the ***National Strategy Forum Review*** **(**NSFR). The National Strategy Forum has been publishing the quarterly NSFR publication since 1987. The NSFR has transitioned from its inception as a brief newsletter to its present niche as an influential journal of commonsense ideas regarding vexing national strategy and national security issues confronting the US.

The NSFR is designed to have practical utility for our members/readers who are not professionals in the fields of national strategy and national security, but who have an abiding interest and intellectual investment in America. The second audience is composed of government officials and policymakers. They utilize the NSFR as a supplementary source of non-governmental information and guidance.

The NSFR uses various themes as organizing principles. The result for the reader is that one can become semi-expert in an area in a relatively short period of time.

Why the format change? The issues that are discussed in the NSFR have continuing important and relevance. They are worth preserving as an important reference source to enable our members/readers to gauge governmental policy responses to continuing and emerging issues.

Richard E. Friedman

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NATIONAL STRATEGY FORUM REVIEW

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Letter from the Publisher

Richard E. Friedman

In 2002, the US was basking in its primacy. We had the largest slice of the global pie. However, a major global economic and power transition has occurred, and the pie is much larger. Still, the US has retained its large slice. The essential difference is that other states have acquired large slices, rather than crumbs.

The US is not in decline. However, there is a degree of uncertainty regarding the US position in the world. The demise of the Soviet Union gave rise to more than a decade of belief in US primacy in a unipolar world. The adverse consequence of primacy is that there was a widespread belief in the US that we could do anything we wanted with impunity. The downside of primacy is the risk of arrogance, a matter of style, which, if not constrained, could be perceived as bullying and insensitivity.

A major US strategic objective is international political stability: to prevent global economic growth from resulting in dysfunction and political instability. The key to achieving this objective is an understanding of the reality of competition.

US global dominance is diminishing. Transnational corporations (a large percentage of their shareholders are Americans) and investment capital are constantly moving to the most efficient place to make a profit. The US has lost jobs to PRC, India, and Mexico. In the near- to mid-term, jobs and capital investment will move again to other states where there is a lower wage base and other inducements.

Orderly competition suggests widely agreed upon and accepted rules and a level playing field. However, the rest of the world may prefer cricket to baseball. The Western / US-centric method of doing business may be a matter of indifference to new and emerging states. They may choose to create "a league of their own." These "upstarts" are neither enemies nor adversaries of the US. They are global players who learn and speak English and admire US democracy and culture, even though they prefer their own way of doing things and have their own set of strategies that may or may not be congruent with those of the US.

A new administration will take office in January 2009. The American public needs answers to the following national security-related questions:

- Where are we on the global economic stage?
- What do we want to be – leader, follower, or isolationist?
- What US resources could be used to achieve these goals?
- What are US liabilities?
- What are the barriers to reaching strategic objectives?

There is an over-abundance of available data by which we can take America's strategic, political, and economic temperature. The US is politically stable, economically prosperous, and politically and militarily powerful. However, there is an urgent need for self-assessment.

Most Americans prefer the heuristic model for making their judgments: a method to help solve a problem, which is informal and leads rapidly to a solution that is reasonably close to the best possible answer. Heuristics are "rules of thumb," educated guesses, intuitive judgments, and the exercise of common sense.

Following are some of the paramount issues confronting the US. These issues have mixed domestic and international components. Regrettably, there is no bi-partisan policy agreement.

- The national security dimension of immigration reform
- The campaign against terrorism: strengthening the vulnerable US critical infrastructure
- Nuclear nonproliferation
- Energy: dependence on foreign oil and conservation measures
- Water: by the year 2020, a scarce natural resource
- Strategic thinking: assessing US strategic objectives and how they relate to the strategic objectives of other states – a complementary strategy
- Communicating American values and strategic objectives to the rest of the world
- Education: a high national high school drop out rate – a wasted resource

Ideally, a "common cause" issue would induce widespread public support and bridge the partisan gap between the president and Congress. Perhaps US global economic competition is a common cause issue. The template would include the basics of education, engineering, math, manufacturing, and the discipline of meaningful hard work.

We have asked experts to address an array of crticial challenges the US will continue to confront in the coming years and offer options for how we must adapt and respond.•

America the Law-Abiding

Nicholas Rostow +

Introduction

It was not so long ago that most Americans took for granted that international law and American advocacy of international law were Good Things. Americans had learned the hard way that what President Washington had called "Our detached and distant situation" in his Farewll Address of 1796 was no protection against foreign threats. The two centuries since showed that detachment, even heavily defended detachment, did not guarantee American security, much less peace. Both World Wars and the development of nuclear weapons made an active diplomacy and comprehensive diplomatic agenda indispensable complements of military strength. Such an agenda was developed in the framework of law, indeed, to advance the rule of law. Our goal was and is a regime of minimum order – the order needed to prevent and avoid cataclysmic conflict and promote prosperity. Experience showed that defense of international law strengthens international peace, and thus U.S. security, and advances U.S. interests because the United States benefits from an international order grounded in law.

To those who deemed this understanding to be consistent with traditional American values and realistic as a matter of national policy, the drift away from this point of view within our Government and among our people is a matter of chagrin. The law permeates every aspect of American life. It defines who Americans are and what the country is. Our oaths of office and citizenship are to the Constitution, not to a territory or a flag. And, Article VI of the Constitution elevates international treaties to be part of "the supreme Law of the Land;" the Framers of the Constitution regarded treaties as significant national commitments and wanted to establish a norm different from Europe's habit of making and breaking treaties at will.

Since the end of the Cold War,

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we have lived in a Golden Age of international law that has benefited everyone. Whether using an ATM card in Africa or Asia or Europe or the Americas or enjoying respect for human rights, international law is at work. Where war and peace are concerned, the United States historically has been at the forefront: during the Civil War, it became the first to codify international, unwritten norms into its law of armed conflict, including the treatment of prisoners; it strove to turn that domestic law into multinational treaties; it was a leader in the nineteenth century effort to ban unnecessarily harmful weapons; and it was an originator of the idea that international organizations could help governments harmonize conflicting interests and address transnational problems. The United States was a creator of the League of Nations after World War I, and the U.S. failure to join it was a principal reason for the League's failure. Learning from that example, the United States helped shape and lead the United Nations. With its five Ambassadors and large Mission to the United Nations, the United States always has been a leading advocate of the United Nations, including reform so that the United Nations can effectively contribute to international security and human dignity. Finally, the Cold War itself was at its core a struggle over the rule of law. The demise of the Soviet Union gave government by consent of the governed to more people than ever before and constituted a repudiation of arbitrary and capricious dictatorship. It is difficult to understate the U.S. role in these global achievements. As a result, criticism of the United States as lawless is freighted with irony.

I. From There to Here

In recent years, the United States has followed international law more often than its critics allow. It exercised its legal rights in a formally correct way when it refused to become a party to the Rome Statute of the International Court, the Kyoto Protocol on climate change, and the Land Mines Convention. The failure adequately to explain these decisions allowed critics to assert, and the world to assume, the worst about U.S. motivations: the United States has been pilloried for these actions as evidence of a repudiation of international law. The United States never should have engaged in negotiations on the International Criminal Court, Climate Change, Land Mines, or other treaties once it became clear the U.S. Senate would not accept the final document emerging from multi-lateral give-and-take. Or, if the United States was determined to engage, it should have followed the example of Administrations that kept the Senate abreast of negotiations so that there were no surprises when it came time to seek advice and consent. Waiting until the negotiations were complete to reject the agreement reinforced the view that the United States sees international law as something to apply to others, not itself.

The U.S. record deserves more respect. Critics may never be satisfied with the U.S. response to the violations of law at Abu Ghraib, but the United States did investigate, prosecute, and punish. The legal case for using force against Iraq in 2003 was strong. Instead of engaging the world on the subject, the United States was content with an exposition by the State Department Legal Adviser in the American Journal of International Law. That is no substitute for leadership on the question by the President or Secretary of State. Yet it may be evidence of a broader problem: U.S. policymakers too often do not take the law seriously, and lawyers too often do not address real policy concerns in their legal analyses.

II. Onward and Upward

To repair the damage wrought by recent events, the next President has to accept that there is a problem to be addressed. Then, he can take the appropriate steps. Taking up the treatment of prisoners and issues surrounding some treaties, including those most Americans oppose and our closest allies embrace, could do much to restore our reputation as standing for the rule of law.

A. Prisoners

The U.S. treatment of prisoners since 9/11, even though improved and transformed since 2003 or 2004, has been an enduring, self-inflicted legal and political wound. Experts know that time, not coercion, is the interrogator's most important and reliable ally; torture produces the results one wants. The next President should insist that U.S. treatment of prisoners, even those not protected by the Geneva Conventions, not only must be humane, but be seen to be humane. The war we are in against terrorists is real. The likelihood that Americans will be taken prisoner will remain with us. We should treat prisoners the way we would like Americans to be treated. We should not stoop to the level of our adversaries by using their methods.

We need principled legal distinctions where prisoners fall into different legal categories. No one has a monopoly on wisdom in this regard, and different countries are bound by different bodies of relevant law. For example, the United States is bound by The Hague and Geneva Conventions, by the customary law of war, and by its own domestic law. Most other countries are bound by the 1977 Geneva Protocols I and II in addition to the original Hague and Geneva Conventions. The United States rejected Protocol I in part because it gives prisoner-of-war status to terrorists. The next President therefore should call for a new international conversation on the issue of categorization and on the adequacy of existing legal regimes in the fight against terrorists. The goal should be agreed understanding by the end of the next presidential term in 2013.

B. Treaties

In addition to the treatment of prisoners, the United States has a treaty problem. Most of our Allies view the United States as ambivalent about treaties although it is a party to many thousands of them and for decades stood alone in the world in making treaties part of supreme, domestic law. All countries prefer treaties that suit their interests. The United States could take a step toward improving its international law reputation at least by embracing treaties that demonstrably serve its interests. One such treaty is the UN Convention on the Law of the Sea, which has languished in the Senate for more than a decade although all U.S. objections to the original text were satisfied in subsequent negotiations. The next President and Secretary of State would do well to push it through if it is not ratified before they take office.

Even without being a party, the United States obeys the Law of the Sea Convention anyway. But it does so without the guarantee that other parties will treat the United States according to the terms of the treaty. Adherence to the Convention would give the United States a stronger hand in asserting freedom of the seas and the right of innocent passage through straits and archipelagoes. By not adhering to the Convention, we impede our own ability to insist that the rule of law governs the oceans—a rule of law that reflects successful achievement of our negotiating agenda and that serves our interests as a premier naval and sea-going power. We sacrifice our ability to quickly advance the development of resources beyond 200 nautical miles (approximately 15 percent of our continental shelf). By not adhering, we do not sit on the International Seabed Authority when the Convention gives the United States, and only the United States, a permanent seat and a veto, thus recognizing and acceding to the U.S. price for participation. In any event, the International Seabed Authority's jurisdiction is narrow, focused only on deep seabed mining, not control of the oceans, where no state has national territorial rights. Criticisms of the Convention—that it creates supra-national bodies that detract from the sovereignty of the United States (or other states), that it conveys a taxing power to the United Nations, or that it impedes U.S. national security operations on the high seas or deep sea bed—have no basis in fact. The Navy, the Coast Guard, environmental and industry groups, even the Senate, know these assertions to be false. Adherence would recognize that this Convention serves our interests and advances the rule of law.

While adherence to the Law of the Sea Convention ought to be an easy rule-of-law "win" for the United States, the International Criminal Court, the Kyoto Protocol and the Land Mines Convention require a different approach. These issues have become exhibits to support the proposition that the United States is opposed to international law and the rule of law in international affairs. While there are those who will never accept anything less than full U.S. ratification of these treaties on an "as is" basis, the next Administration still should explain to our allies and friends why we cannot accept these texts as they are and specify what changes would make them acceptable. The United States might not succeed in the way it did with the Law of the Sea Convention, but at least it will have made its case known and shown itself to be interested in international conversations and conventions on the subject. The reason for this attitude is neither sentimental nor symbolic: the problem of horrific, criminal conduct in international affairs is real; the problem of climate change is real; and the problems generated by landmines are real, too. The solutions to all these challenges require multilateral approaches. U.S. participation is essential to success, not because the United States is the "sole superpower" but because, alone for the moment, the United States is the "critical margin" required to make any international collaborative effort succeed. Restoring the reputation of the United States as a rule-of-law country means working with friends and allies, even occasionally adversaries, to strengthen existing legal norms and develop new ones that ultimately serve the interests of the entire world.

Conclusion

No one should be under the illusion that international norms, without more, will preserve our security and strengthen peace. Equally, no one should ignore the fact that norms strengthen the fabric of peace. A useful example is the UN

Charter's prohibition on the threat or use of force. Since the end of the Cold War, all have come to recognize that this standard serves their interests, not just the interests of the victorious powers of World War II. The nuclear non-proliferation regime is another example of an international law development that serves the entire international community. Despite frequent criticism of the 1968 Non-Proliferation Treaty as a failure, any new nuclear weapon state immediately encounters worldwide condemnation for becoming one. This fact testifies to the broad consensus that the world is safer with fewer rather than more nuclear weapons states. It also suggests that the United States can build up the rule of law against proliferation by reminding the international community that it understands and continues to accept the obligation to protect and if necessary defend non-nuclear weapons states against threats of intimidation by any nuclear weapons state—and certainly never to issue such threats itself. That promise is the glue of the non-proliferation regime. Reaffirming the commitment made at the UN Security Council in 1968 might go a long way toward stabilizing the non-proliferation regime and restoring the U.S. rule-of-law reputation.

The effort to revive the reputation of the United States as law-abiding is worth undertaking because the rule of law and true security are inseparable. The erosion of that reputation has not been the fault of any single party—Democratic and Republican Presidents alike have been cavalier about the law. Restoring our reputation, therefore, should be a bipartisan goal.•

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US-China:
The Threat of Economic Mutual Assured Destruction (MAD)

Henry Levine

"The United States and China both need to fend off a troubling rise in economic nationalism in order to keep their economies strong, U.S. Commerce Secretary Carlos Gutierrez said on Thursday… 'Economic isolationism has proven to be a flawed strategy and we have seen time and time again that protectionism doesn't protect anybody.'" (Beijing, May 15, 2008, *Reuters*)

Protectionism is on the rise in the US and China. Left unchecked, protectionist sentiment could drive a damaging downward spiral in bilateral economic relations. But is this likely? What is at stake? Does our huge trade imbalance with China convey leverage China can use to pressure the US on trade or other policies as some suggest?

What's at Stake for the US?

The nightmare scenario for US-China economic relations would be a trade war with strikes and counterstrikes by each country consisting of increasingly strong measures to block imports and investment from the other. As part of such a scenario, some believe China has a massive weapon it could deploy, by dumping its $490 billion in US Treasury holdings, thereby sharply raising US interest rates and worsening the current U.S. economic downturn.

Indeed, economic relations with China bring substantial benefits to the US economy (a fact often lost in presidential campaign rhetoric), starting with the fact that China is our fastest growing export market. In the period 2000-2007, US exports to China grew 301 percent, six times faster than our exports to the rest of the world. Last year China overtook Japan to become our largest export market outside of our NAFTA trading partners. A substantial number of jobs across the country are supported by the $65 billion in merchandise exports to China the US racked up in 2007. That number continues to grow rapidly.

The $57 billion US companies have invested in China also provides substantial benefits to our economy. In a recent survey, 74 percent of members of the American Chambers of Commerce in China reported their companies are "profitable" or "highly profitable" in China. According to the US Commerce Department, in 2006, US affiliates in China repatriated $4.5 billion of profits back to the United States - money that could be used for pensions and healthcare benefits for retirees in the US, advanced R&D, dividends to shareholders, or other productive uses.

These investment and profit numbers are small relative to US investment globally, but they continue to grow rapidly. In addition, US companies see investment in China as critical to their future. According to the American Chambers of Commerce report, 2008 White Paper, American Business in China, 76 percent of members ranked China one, two, or three in their companies' near-term global investing plans. Eighty-nine percent reported they were "optimistic" or "slightly optimistic" about the five-year business outlook for their companies in China. Investment in China is not an opportunity US companies want to cede to their European and Japanese competitors.

Imports from China too benefit the US, especially poorer Americans. A 2006 study sponsored by the US-China Business Council estimated that by 2010 US consumer prices would be 0.8 percent lower than they would have been without trade with China. A recent study by University of Chicago economists indicates that in the period 1994 to 2005, the inflation rate for richer Americans was about 4 percent higher than for poorer Americans, and low cost imports from China accounted for about half that differential. Other studies also have shown a net benefit to the US economy from our relationship with China.

Does China Have Leverage?

Given the strong interest of US companies in the China market and the economic benefits the US derives from our relationship with China, some see leverage points China can use, or threaten to use, to influence US economic policy or other areas. Some speculate China might stop purchases from the US, expropriate our investment there, block new investment, or dump its large Treasury holdings to damage the US economy.

Individual US companies and transactions can be affected by Chinese government actions based on political considerations. Major aircraft purchases, for example, are doled out between Boeing and Airbus with timing of the purchases linked to the status of US-China and US-EU relations (or senior-level visits) rather than market need. However, the scope for such politically based actions has narrowed substantially over the past decade as China's economy has been decentralized and increasingly ruled by market forces.

In addition, although individual, high-profile transactions can be affected by political considerations, China has few incentives and many reasons not to strike out against the US economy (e.g., by dumping Treasury holdings), or take other actions that would precipitate a trade war.

To start, the US is the largest single country destination for Chinese goods, taking about 20 percent of China's exports. As the Chinese government points out, the bulk of the profit on the $321 billion in products the US imported from China last year went to the multinational companies whose names are on the product labels, to the US retailers who put the products on their shelves, or to others in the distribution chain, rather than to the Chinese companies and workers manufacturing the goods. However, it is also true that huge numbers of Chinese workers owe their jobs – directly or indirectly – to these exports. These jobs lie mainly in the coastal cities, where expectations for continued rising incomes are the highest.

A trade war or a long and deep economic slump here would cut China's exports to the US along with a substantial number of Chinese jobs. Chinese officials have estimated China needs to create something in the neighborhood of 25 million jobs annually in the urban economy to absorb workers coming into that labor force. This burden would be made heavier by a sharp fall off in exports to China's main customer.

Foreign direct investment (FDI) is also important to China. Though US companies account for only about 10 percent of total FDI in China, at $57 billion dollars and close to 50,000 companies, this investment supports a sizable work force. Equally important, US companies provide management skills and technology desired by China as a foundation for its further development. As the saying goes, "capital is a coward." Chinese leaders are aware that a sharp deterioration in US-China economic relations would frighten away some existing and much new investment from the US (and other developed countries) as firms seek safer locations for their operations.

High Stakes Constrain Each Country's Actions

Applying the "mutual assured destruction" paradigm of nuclear weapons use in the Cold War to US-China economic relations may be a bit of a stretch. However, the likelihood of a US-China trade war is substantially decreased precisely because the consequences for each side would be so damaging.

In the US, despite the tough talk in Congress and on the presidential campaign trail, there appears to be a recognition among key legislators and policymakers that damaging US-China economic relations (e.g., the 27.5 percent tariffs proposed in the Graham-Schumer bill) would impose a cost on the US that significantly outweighs the benefits. While the hot rhetoric has continued for years, no major negative China trade legislation has been passed. The current problems in the US economy make it even less likely Congress would take actions that would increase economic uncertainty and unsettle credit markets.

The situation is even clearer in China. In a political, if not an economic, sense, China is more dependent on continuing the benefits of our economic relationship than is the US. The legitimacy of the Communist Party/government in China is largely a function of its ability to deliver the economic goods for its people. Social instability is concern number one, two, and three for China's leaders. Such instability would be greatly exacerbated by increased unemployment, especially in the politically sensitive coastal cities. Continued economic growth and job creation hinges in part on continued exports to the US, in addition to those developed countries whose economies would suffer if the US economy was severely damaged. It also requires a continuing flow of FDI from the US and other Western countries that could be at risk if US-China tensions (economic or otherwise) rose too high.

This is particularly relevant with regard to the issue of China dumping US Treasury securities as a weapon. Let's put aside the fact that dumping a large part of its US Treasury holdings would cause huge losses for China on the remainder they held. The fact is China's leaders understand a strong US economy is important to China's development plans and stability. For this reason, the likelihood that China would take steps intended to harm US economic growth is exceptionally low.

Basis for Concern

Though China is not likely to take steps intended to harm the US economy or precipitate a trade war, there is reason for concern about the direction of China's trade and investment policies. Many observers refer to rising "protectionism" in China. However, this phenomenon is better described as "economic nationalism" which is driven by forces somewhat different than those motivating protectionist legislation here.

In the US, economic insecurity is the main driver of protectionist sentiment. Despite much economic analysis to the contrary, many Americans believe trade lies at the root of our economic woes and they point to China – which last year ran a $256 billion trade surplus with the US – as the main culprit.

In China, policies aimed at limiting inroads by foreign companies have a different basis. In part for historical reasons, China continues to be highly suspicious about the role of "foreign powers" – government or commercial. Many Chinese are convinced foreign governments and large companies want to keep China dependent and gouge China for profits.

Of course protectionism in China, like most countries, is driven to a certain extent by good old-fashioned greed on the part of domestic companies. However, these companies' appeals for protection fall on particularly fertile ground given the lingering sense of China's historical humiliation by foreigners. Regrettably, this is kept alive by the textbooks used in China's schools.

One manifestation of economic nationalism is growing concern over acquisitions by foreign companies of well-known Chinese firms (e.g., the well publicized problems faced by private equity firm Carlyle in its efforts to buy a major construction equipment company in the face of a nationalistic fervor (whipped up in part by a Chinese competitor who himself was eyeing purchase of the same firm). However, the clearest reflection of Chinese sensitivity about the role of foreign companies lies in the high tech sector and is expressed through concerns that major foreign firms with large market share (e.g., Cisco, Microsoft, Qualcomm, Intel, etc.) want to take advantage of their strong market positions and keep China dependent on their technology.

While there may be some basis for China's concerns with regard to the behavior of multinational companies, the approaches being promulgated to address these concerns are self-defeating. The practical expression of Chinese concerns has been a series of policy measures over the last few years aimed at tightening review of acquisitions of Chinese firms by foreign companies and implementation of policies intended to favor Chinese high tech companies over their foreign competitors.

The umbrella slogan for this latter effort is the push for "indigenous innovation" —the effort to drive innovation by Chinese companies to allow China to set global technology standards and get out from under foreign dominance in the high tech sector. In support of this policy China has used government procurement rules; tax policies; R&D funding; promotion of unique, mandatory technical standards; major government organized projects (e.g., the recently announced effort to build large civilian airliners to get out of reliance on Boeing and Airbus), among other methods. Some of these measures are used by the US and other governments to spur development of new technologies. However, taken as a whole China risks creating an environment which relies more on bureaucratically directed industrial policies and less on competition, the most effective driver of innovation. In addition, such an environment would increase bilateral trade frictions with the US.

Outlook

For reasons described earlier, we are unlikely to see China lash out in an effort to damage the US economy. Nor are we likely to see US-China economic relations descend into a trade war. However, we will continue to see measures taken by each side that cause friction in the relationship. In the US, we won't see passage of legislation to impose 27.5 percent tariffs on Chinese goods, but we will see continued use of anti-dumping and countervailing duty procedures in ways that China believes are unfair.

On the Chinese side we will not see a massive sell off of US Treasury holdings or expropriation of US assets. On the other hand, we will have to wage a long-term effort to help key constituencies in China understand that policies driven by economic nationalism – such as the "indigenous innovation" effort – are harmful to their country's development and efforts to build the globally competitive firms they seek.

There is much to be done to resolve problems and further increase the benefits both countries get from this relationship. However, those efforts will require long-term, persistent dialogue, negotiation, and education, not crisis management of a bilateral economic relationship in meltdown. Both sides have too much to lose. •

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Defense Futures

Joseph P. Collins

Defense experts tend to fire first at the nearest targets. If you ask them about building a military for the future, they will often tell you about the problems that are presently in their inboxes. While not wholly sufficient, those problems do provide an important point of departure for designing a future force.

Our greatest challenges flow from the war against Islamist extremists, which is a more accurate term than the "Global War on Terrorism." While the contest with Al Qaeda and associated movements is a long-term, worldwide affair, it is dominated now by two conflicts: Operation Iraqi Freedom (OIF), a 140,000-person commitment that costs up to 12 billion dollars per month; and Operation Enduring Freedom, primarily in Afghanistan and Pakistan, a 38,000-soldier (with another 32,000 NATO and other coalition personnel) commitment that costs the United States approximately 2 billion dollars per month. The U.S. combat participation in OIF may end sometime during the next presidential Administration, but OEF and smaller operations in the Horn of Africa and East Asia are likely to continue for another decade.

The wars in Iraq and Afghanistan have severely stressed the Army and Marine Corps. Not only are the troops and their families exhausted from multiple combat tours, but nearly 37,000 U.S. casualties represent a significant human cost, to say the least. The upshot of all of this is downward pressure on enlistments, reenlistments, and junior officer retention. Patriotism, bonuses, educational incentives, lowered enlistment standards, and the "stop loss" forced-retention policy --- affecting over 12,000 soldiers --- are helping to keep the force intact.

On the material end, a vast armada of equipment has been destroyed or is in need of immediate repair. Congress and our commanders worry aloud about our readiness for other contingencies, now or in the future. Air Force, Navy, and ground force artillery commanders in particular worry that our conventional war fighting skills are eroding as we refine our irregular warfare capability.

On the modernization front, the Naval ship inventory is half the size it was in the Reagan years, and our vaunted Air Force has the oldest inventory of flying stock in modern memory. The Air Force's planned new fighters, new long-range strike system, new tanker fleet, and new UAVs (Unmanned Aerial Vehicles) will continue to compete for resources against the Navy's ships, its new fighter aircraft, the Marine Corps' V-22 VSTOL transports, and a long-overdue replacement for the amphibious assault vehicle. The Army has a multi-billion dollar set of Future Combat Systems on the drawing board 14 new pieces of equipment.

Inside the Armed Forces, modernization costs will compete fiercely with repair and maintenance costs, which in turn will compete for dollars with adding 92,000 additional troops to the Army and Marines. For the Armed Forces, the crushing needs of the present may compete with the next force and the force thereafter. In summary, many defense strategists would tell you that the Department of Defense, which is outspending the entire developed world at 700 billion dollars per year and 4.1 percent of the Gross Domestic Product, is barely getting by. And they may well be right.

A future force, however, should not be a straight line projection from the present. Military forces exist to achieve national goals and their development is affected by a wide range of interactive international, economic, and domestic political factors. It is also important to consider the threats and challenges to our interests.

In the international realm, while the war against Islamist extremists will continue apace, much of the other demand for U.S. military forces will come from failed or failing states, colliding nationalisms and ethnicities, and the machinations of insurgents, terrorists, and criminals, all of whom have been empowered by globalization and the information revolution. Dictators and authoritarian political systems will remain significant irritants. The "thugocracies" --- North Korea, Zimbabwe, Sudan, Venezuela, Iran, Syria, etc. --- will create security effects far out of proportion to their intrinsic power or wealth. In some of these states, the proliferation of missiles and weapons of mass destruction, especially nuclear weapons, will remain a preoccupation for years to come.

If all of this were not enough for a graying superpower, the world will also be strongly influenced by the continuing rise of China and India. This phenomenon may be more of a challenge than a threat, but security issues --- such as a crisis over Taiwan --- cannot be ruled out. The reemergence of Russia, which is rich, angry, and hungry for prestige, may also present significant security problems for the United States and its partners. Russia's aggressive pressure on Georgia, Ukraine, and the Baltic states remind us that the ghost of the Soviet Union has not been put to rest.

For their part, U.S. allies are still put off to a degree by the war in Iraq, but they also suffer from their own socio-economic and political problems which exert downward pressure on their defense budgets. London's International Institute of Strategic Studies calculated that the EU 4 (United Kingdom, France, Germany, and Italy) and Japan altogether spent only 38 percent of what the United States did on defense from 2001 to 2007.

NATO's new combat role in Afghanistan has also been more of a challenge than the Alliance had bargained for. Dissatisfied with Europe's response to the NATO call for more combat troops, the United States has had to send the largest group of reinforcements, a few more battalions of its already hard-pressed Marines. As this goes to press, some U.S. and European experts are grappling with ways in the future to reduce NATO's vast responsibilities in Afghanistan to a manageable size.

Beset by all these operational and conceptual problems, defense strategists rarely talk about economics. This is a major fault because the basis of all military power is economic power. It follows then that holes in our national economic power today will create holes in our military power tomorrow. Over the last decade, our nation incurred, maintained, or endured:

- The onset of global warming,
- A significant federal budget deficit,
- A huge trade deficit,
- A crippling housing-mortgage-credit problem,
- A decaying civil and military industrial base,
- A decaying public infrastructure base,
- Structural problems in its Social Security & Medicare programs,
- Rapidly rising oil prices, and
- Rapidly rising food costs.

Our economy, already in the throes of transition from an industrial economy to an information based economy, is out of balance. While national economic growth sputters onward, the economic status of millions of middle-class Americans is eroding. Sixteen percent of the population --- nearly 50,000,000 Americans --- do not have health insurance, and 36 million Americans, about 12 percent of the nation, live below the poverty line.

In January 2009, our political system will be managed by a new Administration, not at all tied to the present team or its spending priorities. The next President will have new priorities. Greater spending for health care, the environment, and education, as well as altering our force posture in Iraq, may be among them. Those new priorities and a sluggish economy are likely to yield a tax increase for the well-to-do. In the coming decades, despite the demonstrable need for vigorous defense spending, there will likely be intense pressure on the defense budget. Whether the next Administration's focus is economic rationalization or new social programs, the Pentagon should not assume that its 'tous azimuths' approach to defense spending and modernization will endure the competition. The notions of making hard choices and getting the most from each dollar will again move to the forefront.

A prudent strategist today should not be planning adjustments in our defense program. He or she should be planning significant changes in how we secure the nation at home and abroad. For its part, the next Administration should vow to measure twice before cutting defense expenditures once. We will benefit little by solving an economic or ecological problem only to create a defect in our national security. As always, the key metric here must be our defense objectives.

Despite the change in Administration, our defense objectives will remain relatively constant. ***First***, we will have to protect the homeland by operations at home and abroad. Alongside military operations abroad, new homeland defense activities in conjunction with state and local governments will remain major new areas of endeavor for the Armed Forces, and another claimant on defense expenditures.

Second, we will have to be prepared to fight and win the nation's wars in whatever locale or character they will appear. For the United States Armed Forces, it will never be enough to be the master of one kind of war. With the help of its many friends and allies, the United States must be prepared for war across the spectrum of conflict, whether it is counterinsurgency in Afghanistan, a conventional war on the Korean peninsula, a counter-proliferation strike in the Middle East, or a major humanitarian intervention in Africa. While current conflicts should hold top priority, the United States neglects preparing for a broad array of future contingencies at its peril. War will remain the province of chance.

Third, the Armed Forces will have to remain vital partners in the much neglected art of conflict prevention and in the day-to-day maintenance of alliances and partnerships around the world. Maintaining presence, training friends and allies, and humanitarian operations will all remain vital activities.

Finally, enhancing U.S. control of the global commons -- air, sea, space, and cyberspace -- is at the heart of securing its position as a world power. Global mobility issues must remain an important factor in operations and procurement for decades to come.

For the near term, key tasks that face the future force will include fighting, achieving success, and creating exit strategies for the wars in Iraq and Afghanistan. We will have to continue to improve our capabilities for irregular warfare and stability operations. In all, our challenge will be to continue to fight, while simultaneously repairing the force, and building a balanced, full spectrum force for the future, all in an era of shrinking resources and competing national priorities. To accomplish this near-miracle, we will have to become more efficient, make better use of allies and friends, and leverage the power of the whole of government to accomplish key national security priorities. The nation's defense will remain expensive, but there is great room for resource savings.

To save resources, we have to think sensibly about rebalancing our national instruments. Just as emphasizing good health habits is cheaper than curing complex diseases, America's soldiers and diplomats should be in the business of preventing deadly conflict and countering Al Qaeda's ideological appeal. However, America's prime instruments for such activity belong to the State Department and USAID. Even after 9-11, as defense grew fat, our diplomatic service was deliberately kept lean. It is now a junior partner to the better resourced, manpower-rich Defense Department in nearly every U.S. endeavor. Indeed, the Defense Department's share of U.S. Official Development Assistance has risen from 5 to over 20 percent of the total, primarily due to funds spent by military units in Iraq and Afghanistan to win local hearts and minds.

Today, we spend 20 billion dollars on the armed forces for every billion dollars that we spend on State Department and USAID programs, including security assistance. In the FY2009 defense budget, the increase requested by the Pentagon over the previous year's budget equals the entire State-USAID budget. Doubling the paltry State-USAID budget and increasing its manpower by 50 percent would be a good start. Priorities for new spending should be given to public diplomacy, stabilization and reconstruction activities, and development assistance aimed at preventing state failure.

On the military side of the house, to shore up our ability to prevent conflict and help our partners worldwide, the Services need to rapidly improve their capabilities to train and advise foreign forces. Until recently, our forces have treated this mission as an afterthought. Our default setting -- illogical as it may seem -- has usually been to have U.S. soldiers do what local soldiers could have done effectively for themselves if trained and equipped. We have made great progress both in Iraq and Afghanistan, but the efforts have been ad hoc and inefficient. Host-nation soldiers and local police officers are the key to security and stabilization in areas challenged by terrorists and insurgents. Again, a sophisticated training and advisory effort could help prevent conflict or solve the problem without the dispatch of an American expeditionary force. It is cheaper and in the long run more effective to train local forces to do the job than it is to do it ourselves.

Second, the new leadership in the Pentagon should set clear priorities and enforce them in the development of the future years' program and the budget. In my view, the most important programs will be oriented on global mobility, counterterrorism at home and abroad, counterinsurgency, and stability operations. Special Operations Forces, transport aircraft, tankers, and intelligence and strike unmanned, aerial vehicles (UAVs) should take the first bite at the apple. New land, air, and naval systems for conventional combat will also remain important priorities. As always, systems like the UAV that can create an ounce of actionable intelligence may be worth a pound of forces.

While there have been elaborate systems for decades to ensure that strategic priorities are reflected in programs and budgets, they have not been fully effective. To an unhealthy degree, each of the Services has been on automatic pilot, resistant to rudder orders from the top, and slow to adapt to a changing security environment. To enhance control and coordination, the new Secretary of Defense should direct the services --- with the help of outside mentors and advisors --- to develop resource-constrained modernization plans that pare back future acquisitions to meet estimates of available resources. To help the Services, the next Secretary of Defense should institute one-time air, land, and sea modernization boards to review and refine the new modernization plans that the services come up with.

Here are some candidate areas for savings:

- On the ground side, the Army's 14-piece Future Combat System might be reduced or pared back. If the demand for troops in Iraq declines, some of the 92,000 additional active component spaces for the Army and Marines could be put in the reserve structure. Both services need to consider the active-reserve mix among their various branches. For example, should more heavy armor and artillery forces be transferred from the active to the reserve component in exchange for more low density, high demand units, such as Military Police? Would the manpower for the last few conventional brigade combat teams be better used to shore up our advisory and foreign training efforts or to create one more standard combat formation?

- The Marine Corps's attempt to develop a new amphibious assault vehicle has been highly problematical. Is there a real requirement for a beach assault vehicle? Are there better alternatives for both amphibious assault and battlefield mobility? Are there any potential economies here between the Marine Corps and the Army's Future Combat Systems that might help the Marines get better on-the-ground transportation after they leave the beachhead?

- Our three fixed-wing air components (Navy, Marine, and Air Force) have redundancy piled on redundancy. The Defense Department is choking on an excess of aviation modernization programs, which has been a well known fact of life since the 1980s. There are billions of dollars of aviation savings that can be returned to the treasury.

- The Marine Corps should get out of the high-tech fighter jet business and stop deploying on aircraft carriers as well. The Marines and the Army may need a new, simple close air support aircraft or helicopter. Still, there is no sense for the Marines to maintain their old F-18s or to be developing an expensive VSTOL Joint Strike Fighter that replaces the old F-18 and the aging Harrier aircraft, which was not a great money-maker for the Corps. I would also review whether the subordination of Marine air assets to "naval aviation" is still a good idea, or whether Marine aviation would be better off with a separate program, funded by Marine "green dollars" as opposed to Navy "blue dollars."

- Naval aviators, riding a new fleet of F/A-18 E/Fs, should review their need to spend mega-billions for the naval, fixed-wing, carrier-capable variant of the Joint Strike Fighter. After they solve that problem, the Navy can attack ship building costs. If you want a larger fleet, you won't get it with 3 billion dollar-destroyers. The Navy's ship building program is in need of a careful review.

On a positive note - alone among the Services - the Navy's organizing concepts have focused on coalition operations and on using their assets afloat to win friends and influence people abroad. Each of the Services and combatant commands should be encouraged to build the type of innovative, conflict prevention orientation that can be found in the new Maritime Strategy, as well as in the conflict prevention and coalition building activities of SOUTHCOM and AFRICOM, which are rapidly becoming Interagency entities.

Air Force modernization requirements have always been seven pounds of wishes with a five pound bag of resources. While its fighter inventory is aging and growing more costly to keep flying, there are likely some economies that can be made in the procurement of F-22 and F-35s that the Air Force is and will be buying. For example, a faster purchase of the entire fleet might lower unit costs, and, in part, be offset by a faster retirement of older fighter aircraft. If we were willing to put more money up front, the Air Force could get better aircraft sooner, and the nation would save more in the long run.

More important than either the F-22 or F-35 aircraft, however, is the new and as yet undefined Air Force long-range strike capability that was called for in the 2006 *Quadrennial Defense Review.* That new system(s) will add to our intercontinental power and solve many problems in crisis response and rapid strike missions. UAVs (which are used by all services, but which the Air Force has raised to the state of the art), along with tanker aircraft and transports, are among the most important capabilities provided by our Air Force. They all should be protected from budgetary reductions.

Space defense, cyber-defense, and missile defense are also gaining in importance and need careful attention in the next Administration. During the last decade while few paid attention to it, missile defense capabilities have made significant improvements and should not be neglected. Given global proliferation problems, missile defense may be a fruitful area for greater spending despite its many political opponents.

One old-time sector ripe for more cuts is the strategic nuclear weapons force and stockpile. We can safely reduce our total of active nuclear weapons well below the 2200 warhead limit set by the 2002 Strategic Offensive Reductions Treaty with Russia. Reducing the nuclear force will encourage non-proliferation and could be an area of effective trilateral great power diplomacy. At the same time, the next Administration should continue to spend wisely on stockpile safety and reliable warheads for the remaining force. Working with Russia to control nuclear materials makes sense, although oil-rich Russia should now begin to pick up more of the tab.

To further the exchange of strategic concepts, the new President and his key advisors should invite the old team to brief them in detail between the election and the inauguration. Amazingly, the handoff between defense teams -- which I have witnessed a few times -- is incredibly disjointed and ineffective. Often, the new officials do not meet their opposite numbers in the previous Administration. Those who think that they can make rapid, deep cuts in defense, for example, have much to learn from people who have supervised operations and run the bureaucracy for the past eight years.

In the end, the Armed Forces will have to be ready for operations across the spectrum of conflict, worldwide. The next Secretary of Defense will have to deal with the war against extremists, while preventing other conflicts, reassuring allies, and shaping the future force. The necessity to build a balanced force under significant resource constraints, while simultaneously recognizing our limited capability to predict the next war will undoubtedly make for a few sleepless nights for the next President and his Secretary of Defense. •

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Energy

Two Essays by
William Hogan &
Constantine Tzanos

Essay by **William Hogan,**
Raymond Plank Professor of Global Energy Policy, John F. Kennedy School of Government, Harvard University

Energy interdependence is a core fact that should guide policy for energy security. This stands in sharp contrast with the oft repeated calls to seek energy security through energy independence, vaguely conceived in the United States as somehow disconnecting the nation from the world energy market, especially the market for oil. From the announcement of Project Independence by President Richard Nixon, who set out a goal of zero oil imports by 1980, to the asserted policies of both candidates nominated to succeed President George W. Bush, eliminating dependence on foreign oil has been a rhetorically prominent policy goal. However, despite the repeated calls for reducing oil dependency, U.S. oil imports actually rose from 35 percent to 58 percent of products supplied.

The failure to achieve energy independence is best seen not as a failure of policy implementation. The whole enterprise was misconceived from the beginning. It soon became clear that eliminating oil imports for the United States would not be realistic, and the stated goal ignored fundamental characteristics of the world energy system. The problem was not dependence on oil imports. If imports alone were a problem, then the whole enterprise of expanded world trade in even more essential commodities like food would be called into question. The reality was inescapable vulnerability to energy shocks because of events that could shake the stability of oil producing nations.

Geology constrains us all, and the geology we are blessed with has much of the large volumes of low cost oil and natural gas deposited in geographic regions like the Persian Gulf where governments are currently or potentially unstable. In some cases, such as with the Chavez regime in Venezuela, instability is coupled with hostility towards the policies of the United States. In other major oil producing countries like Nigeria, the curse of oil abundance breeds domestic political problems that undermine good government and precipitate interruptions in oil supply.

Although there are ample endowments of oil and gas in the world as a whole, including large deposits of tar sands and other non-conventional supplies, the deposits of cheap oil and gas are disproportionally located in trouble spots. Production is under pressure from the growing demand for oil and natural gas to satisfy the needs of large economies in developed countries, and to slake the booming thirst of developing economies like China and India. The growth in world demand is evidence of good news, part of the process of lifting hundreds of millions out of poverty, but the confrontation with limited supplies of easily accessible oil precipitated record world oil prices.

The forces of supply and demand work slowly in energy markets, but the forces are relentless. Through a combination of improved efficiency and increased supply, leveraged by the high cost of reduced economic growth, record high prices for imported oil will be followed by a correction. But the drop in oil prices is not likely to be all the way down, and the cycle will return to higher prices.

To a good approximation, oil flows in a world market and events anywhere affect the price of oil everywhere. There is no escaping these oil price shocks. Even if the United States were to substantially reduce its own oil consumption, there would be no immunity from the effects of high world oil prices that would determine domestic energy prices and ripple through the world economy.

In addition, the flow of huge revenues through the oil coffers of hostile governments would not be much affected by the oil policy of the United States. A heroic effort to reduce oil imports could have some effect on world oil prices, but not enough to choke off the revenues to conventional oil producers. If anything, the impact at the margin would fall on the marginal sources of supply, which for a long while would be the expensive unconventional oil supplies of more stable regions, rather than the much cheaper conventional oil reserves. Hence, the impact of reduced world oil demand would fall more on tar sands producers in Canada than conventional oil gushers in the Persian Gulf. If we are worried about how oil producers are spending their money, reducing world oil demand is a blunt instrument of policy.

Beyond petroleum, political rhetoric supporting climate change policy has been adapting to include global warming and its effects under the rubric of energy security. Greenhouse gas concentrations are increasing, and the consensus analysis sees a warming planet and changing climates. The impacts of climate change are likely to be unevenly distributed throughout the world. Some low lying regions might face catastrophe from a significant rise in sea level or greater incidence of violent storms. By contrast, colder regions might see net benefits. Hence, in addition to the potential negative consequences on average, the disparities across the globe could be a source of conflict among nations.

Gathering climate change under the rubric of energy security would reinforce the central theme of interdependence. The concentration of greenhouse gases in the atmosphere is a global problem, and emissions of greenhouse cases anywhere affect the concentration everywhere. The problem of global warming is the extreme example of an externality where the benefits of emissions are concentrated and the costs of climate change are widely dispersed. For the climate, there is no energy independence.

Going further, there are the matters of war and peace. International security is connected to control of energy resources. Japan's worries about oil security contributed to World War II. Saddam Hussein's invasion of Kuwait presented the motivation of acquiring control of large oil deposits. The two Iraq wars that followed were motivated in part to prevent strategic use of oil revenues for purposes inimical to international security. The resort to arms, rather than energy policy, reflected the difference between sharp and blunt instruments. Oil underground in the Middle East makes everything that happens above ground of greater importance for geopolitics and security that goes well beyond energy policy narrowly defined. And the development of the nuclear alternative to oil and gas raises profound security concerns dealing with proliferation of nuclear weapons.

Starting with an emphasis on energy interdependence would produce an energy policy perspective without the focus on reducing oil imports. An organizing principle would be to strive to make energy more like an ordinary commodity. Capturing wealth for citizens is an obligation of governments in oil and gas producing countries, but it is not synonymous with creating a government monopoly. Commercialization of state-owned companies and resources is better than treating energy as a strategic sector. Providing transparency of revenue flows and stabilization through investment funds would help towards mitigating the curse of energy abundance. Liberalizing energy markets to allow entry and competition would be better than just commercialization. Integrating energy in normal trade relations would help advance the robustness and flexibility of the energy system. Regulating energy in ways that support markets would minimize the costs of government control.

A significant contributor to growing world oil demand is the policy of oil price subsidies adopted by many oil producers. Saudi Arabia, Iran, Venezuela and many others provide gasoline to their domestic markets at a fraction of the value of the oil if exported. Indonesia has seen its domestic oil subsidies contribute to its conversion from a net oil exporter to an oil importer, with now dramatically different interests in the world oil market. A general policy of rationalizing energy prices within producing countries would provide a long run economic benefit to those countries and contribute to energy security throughout the world.

The European Union initiatives in energy markets illustrate the direction of a policy recognizing energy interdependence. The European policy is to liberalize and integrate energy markets. The technical details of markets and institutions, especially in the case of electricity, are formidable but do not present insurmountable obstacles. But success depends in part on Russian adoption of compatible policies for trade in natural gas and oil. Recent concern over threats to energy security arising through Russia's expansion of government control of its energy sector and disruption of supply to its subsidized neighbors illustrates the dangers of energy politicization and the advantages of making energy a normal traded commodity and not a strategic asset. The European response has been to press Russia to adopt more open and commercial energy policies. The success of these efforts is uncertain, but at least it is an attempt to address the fundamental issues.

The extension to climate change policy reinforces energy interdependence as the better policy framework. Action by one country is almost irrelevant if it is not accompanied by similar policies across the critical mass of everywhere else. Furthermore, it matters not at all where reductions in greenhouse gas emissions occur. Renewable energy targets by state are much less efficient than equivalent targets by the nation, and national targets are less efficient than a target for the world as a whole. The focus on reducing oil imports has produced the policy of taxing ethanol imports from Brazil and subsidizing domestic U.S. production. By contrast, from an energy interdependence perspective, cheaper ethanol production from Brazil would be seen as enhancing security. Trade in renewable energy and emissions reductions should be the norm, not the exception.

Energy is important, but energy independence is a dangerous myth. The U.S. National Petroleum Council recently observed: "There can be no U.S. energy security without global energy security." Geology and politics make the world deeply interdependent and policy should be crafted to promote and secure energy interdependence. Real energy security comes from robust energy systems with diversity and flexibility, not through isolation and energy autarky.•

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Essay by **Constantine Tzanos**

The Oil Picture in Brief

U.S. oil production in the lower 48 states peaked in the early 1970s. Although predicting when world oil production might peak is difficult and uncertain, most forecasts suggest that the peak of oil production (production rate cannot increase) will be reached before 2020.

Today the world consumes about 86 million barrels of oil per day. In 2006, the U.S. consumed over 20.7 million barrels of petroleum products per day and imported 12.4 million barrels per day (60 percent of consumption).

Oil meets 40 percent of the total U.S. energy demands, while 23 percent are met by coal, 23 percent by natural gas, 8 percent by nuclear energy, and 6 percent by renewables and hydroelectric power. Most of the oil consumed in the U. S. -- about 69 percent -- is used in transportation, 24 percent is used by industry, while the rest is used for residential heating, commercial needs, and production of electricity. Automobiles use 25 percent of the total oil consumption, light trucks (SUVs, vans, and pick-ups) 18 percent, heavy trucks (including busses) 16 percent, and air carriers 6 percent.

According to the *Oil and Gas Journal*, there are 1.3 trillion barrels of "proven" oil reserves. These are reserves that can be exploited with currently available technology and can be developed "economically." Of these reserves, 56 percent are located in the Middle East; eleven OPEC countries account for 65 percent of these reserves. The top positions on the list of countries with significant proven oil reserves are held by Saudi Arabia (22.1 percent), Iran (11.1 percent), Iraq (9.7 percent), Kuwait (8.3 percent), United Arab Emirates (8.2 percent), Venezuela (6.5 percent), and the Russian Federation (6.1 percent). An additional 2 trillion barrels of "recoverable" oil is not classified as proven, but it may be classified as such in the future as technology improves. To the above estimates should be added the estimates of unconventional oil. This includes 1.2 trillion barrels of ultra heavy oil in Venezuela, 1.8 trillion barrels of tar sands in Canada, and about 3 trillion barrels of shale oil, with about 2 trillion barrels of it in the U.S.

At the current rate of consumption, the proven oil reserves would last for about 41 years. If the rate of consumption were to increase by 2.5 percent per year, the total reserves (proven plus recoverable plus unconventional) would last for about 85 years. The latter estimate discounts the fact that the energy content of unconventional oil is lower than that of conventional oil.

In the past, significant increases in the price of oil have brought inflation and economic malaise. Most notable is the stagflation of the 1970s. The current economic ills of the world are mainly the product of record oil prices. The problems of the dependency of our world on oil, and fossil fuels in general, are further accentuated by the effects of fossil fuel emissions on climate change. How can the U.S. achieve energy security and reduce its dependency on foreign oil? Even if we set aside the climate change problem, which does not recognize borders, because the U.S. economy is strongly coupled with the rest of the world, the solution of the energy problem in the U.S. is not independent of the world energy problem.

What Are the Alternatives to Oil?

Conservation and improvements in efficiency are the cheapest and fastest means to reduce oil demand and greenhouse gas emissions. The per capita consumption of oil in the U.S. is 26 barrels a year compared to 12 barrels a year in France and Germany, and 11 in the UK and Italy, which have a similar standard of living as the U.S. More than half of the 17 million cars sold in the U.S. between 2000 and 2004 were gas-guzzling SUVs. Clearly there is plenty of room for conservation without any sacrifice in quality of life. Over the past 30 years, the U.S. GDP has grown by 150 percent, while energy consumption has grown by only 25 percent. And though over this period the U.S. GDP has become less dependent on manufacturing and more on services, the contribution of efficiency on reduction of energy consumption is significant. However, the U.S. auto industry has focused its production on bigger and heavier cars than more fuel efficient cars, as this is again clearly demonstrated by the popularity of the gas-guzzling SUVs and the Hummer. Because about 60 percent of the oil is used by autos, light and heavy trucks, improvements in vehicle fuel efficiency can greatly reduce oil consumption, if better efficiency would not lead to driving more miles.

Renewable energy sources are based on natural resources that are naturally replenished and include sunlight, wind, geothermal heat, water (waves, rivers, tides), and biomass.

Sunlight

Sunlight is the largest energy source on the planet. The annual solar radiation received by our planet is about ten times more than the total energy content of all other energy sources (coal, oil, gas, uranium, hydropower, and wind). Solar energy is used for low temperature heat and generation of electricity (photovoltaic cells, solar thermal power). The cost of electricity generated from photovoltaic cells is about ten times that of conventional sources and about two to three times that of solar thermal power. The power density (kilowatts per square meter) of solar energy is very low, and presently the efficiency of direct conversion of sunlight to electricity is low.

Wind

The use of wind energy has increased dramatically in recent years with Germany, Spain, and the United States leading in total installed capacity. The American Wind Energy Association claims that the total amount of electricity that could potentially be generated from wind in the U.S. is three times the electricity generated in the U.S. today.

Solar and wind energy, although abundant, are intermittent sources. There is no sunlight during the night and on cloudy days, and wind does not always blow. Until effective energy storage technologies are developed, the generation of electricity from solar energy and wind needs extensive backup capacity by other sources, and this limits their contribution, possibly up to 25 percent of the capacity of an electric grid.

Hydro-electric Power

Hydro-electric power is a clean and economic source of electricity generation. It is an ideal complement of intermittent energy sources like solar and wind, but most major sites in developed countries have already been harnessed.

Geothermal energy

Geothermal energy is used for the generation of electricity and heating. Sites for generation of electricity from geothermal energy are limited. The U.S generates more electricity from geothermal energy than any other country, but this is less than 1 percent of its total electricity generation. The U.S. Environmental Protection Agency (EPA) considers the geothermal heat pumps to be among the most energy-efficient and environmentally-clean technologies for heating and cooling.

Biomass

Biomass is organic material from plants and animals including sugar crops, starch crops, cellulosic biomass, algae, plant oils, and animal fat. *Ethanol* is the most well known biofuel. The U.S. is the number one ethanol producer from corn (6.5 billion gallons were produced in 2007), Brazil is the number two producer (4.4 billion gallons of sugarcane ethanol were produced in 2006), and China is the number three producer (440 million gallons of corn ethanol were produced in 2006). *Sugar cane ethanol* provides 18 percent of Brazil's automotive fuel. The 2007 Energy

Independence and Security Act established aggressive biofuel production targets. Today, in the U.S. ethanol is produced from corn, and although production of corn ethanol is politically very popular, the ratio of energy output over energy input is low (about 1.3 to 1.35), reductions in greenhouse gas emissions are moderate (estimates vary from 15 to 28 percent), and the future impact of corn ethanol on greenhouse gas emissions is unclear. The economics of mass production of corn ethanol are questionable. Corn is the primary feed for livestock, and the use of land for corn to produce ethanol displaces its use for other food crops. The International Organization for Economic Cooperation and Development (OECD) has warned that the rapid growth of the biofuel industry could "even cause food shortages." The production of ethanol or other liquid fuels from cellulosic biomass (prairie grass, wood chips, and agricultural waste) is far more promising in both net energy output and reduction of greenhouse gas emissions. Although several technologies exist for the production of fuels from cellulosic biomass, all these processes are still far too expensive and there is no commercial facility that makes any fuel from cellulosic biomass.

Recoverable Coal

It is estimated that the U.S. has 19 billion tons of recoverable coal reserves at active mines, 267 billion tons of recoverable reserves (equivalent to about 1.2 trillion barrels of oil), and a demonstrated reserve base of 494 billion tons. The recoverable world coal reserves are estimated at 998 billion tons with 67 percent of these reserves located in the United States (27 percent), Russia (17 percent), China (13 percent), and India (10 percent). In the U.S., 93 percent of coal is used for generation of electricity. Coal can be converted into liquid fuels like gasoline and diesel by a number of processes. Such conversion was used in Nazi Germany and is used today by Sasol in South Africa.

Carbon capture and storage (CCS)

Carbon capture and storage (CCS) could reduce carbon dioxide emissions from a coal burning plant by 80 to 90 percent. The Intergovernmental Panel on Climate Change (IPCC) estimates that CCS would increase the cost of energy from a plant with CCS by 30 to 60 percent. Norway's Sleipner gas field is the oldest carbon dioxide storage site on an industrial scale.

Nuclear Energy

Today nuclear energy is the only mature and cost competitive energy option that does not generate greenhouse gases and has the potential for energy production on a large scale. Although the capital cost of a nuclear power plant is higher than that of a coal-fired plant, the fuel cost for nuclear power plants is a minor fraction of the total energy generation cost. According to the International Atomic Energy Agency (IAEA), the total identified reserves of conventional uranium, which can be mined for less than USD 130 per kg, is estimated to be about 4.7 million tons. Based on the 2004 rate of uranium demand for nuclear electricity generation, these reserves are sufficient for about 100 years. The efficient use of uranium with the introduction of the fast breeder reactor can extend this period to over 2900 years. Based on geological evidence, IAEA estimates that more than 35 million tons of uranium are available for exploitation. Today only uranium is used as a reactor fuel, but thorium is also a nuclear fuel, and thorium is about three times as abundant in the earth's crust than uranium. It is also estimated that there are 4 billion tons of uranium dissolved in sea water. Although the public is concerned with the safety of nuclear power and the disposal of nuclear waste, the safety record of nuclear power plants in the West is excellent, and technologies have been developed for the safe disposal of nuclear waste. Today nuclear energy is primarily used for the generation of electricity. It can be used to produce process heat for industrial applications, including process heat for the chemical industry, the production of hydrogen, water desalination, and the production of liquid fuels from coal, tar sands, and shale oil.

What Can be Done?

Because nuclear energy is the only mature and cost competitive energy option today that does not generate greenhouse gases, and can be used to produce energy on a large scale and in a sustainable mode, it can become the backbone of the effort to achieve energy security, reduce dependency on oil and other fossil fuels, and arrest the anthropogenic component of climate change. Nuclear energy and renewable energy resources (to the maximum that is economically feasible by renewables) can be used to produce 100 percent of the energy used as electricity. In the U.S., 49 percent of electricity is generated by burning coal and 20 percent by burning natural gas. A number of automakers are planning to produce plug-in hybrids that can be driven up to 100 miles without a battery recharge. This is well above the average number of miles driven per day per passenger car in the U.S. (about 36 miles). Although most hybrid cars today are passenger cars, there are also hybrid versions of commercial passenger vans, utility trucks, and school buses. Electricity produced from nuclear energy and renewables can provide the additional electricity needed to power the plug-in hybrids. Because 69 percent of the oil is used in transportation, the maximum use of electricity in transportation can drastically reduce oil consumption. For example, if 80 percent of the miles driven by autos and light trucks (SUVs, vans, and pick-ups) are taken by plug-in hybrids, and 50 percent of the miles driven by heavy trucks are taken by transport using electric locomotives (powered by rail or overhead lines), the oil consumption in the U.S. would be reduced to about 48 percent of its level today.

Additional reductions can be achieved by conservation and improved efficiency. In the U.S., 24 percent of the oil consumption is used by industry, and the U.S. chemical industry is the country's largest energy consumer in the industrial sector. Recently the president and CEO of the American Chemistry Council stated that nuclear power should be a key component of the country's energy supplies. Nuclear energy and coal (with or without carbon dioxide capture and storage) can be used to produce hydrocarbons for those uses that cannot be replaced. When production of hydrocarbons would become commercially viable from cellulosic biomass, most or all of the hydrocarbon consumption that cannot be replaced could be produced from biomass, and oil consumption from fossil fuel sources could be eliminated or nearly eliminated. Nuclear energy and solar energy can be used to produce hydrogen, which can be used as transportation fuel when it becomes economically feasible.

The technology for energy production from thermal nuclear reactors is mature and cost competitive. However, further development is needed to improve and demonstrate the economics of the fast breeder reactor and significantly improve the economics of electricity generation from sunlight. Effective technologies need to be developed for storage on large scale of energy produced from intermittent energy sources (like sunlight and wind). It needs to be demonstrated that hydrogen can be economically generated from nuclear power, and liquid fuels can be economically produced from coal and nuclear energy, or shale and nuclear energy. It has to be demonstrated that carbon capture and storage can be applied on a large scale, and commercially viable technologies have to be developed for production of ethanol or hydrocarbons from cellulosic biomass.

Since the oil embargo of 1973, each oil crisis brings to the forefront of the national debate the issues of energy security and energy independence; energy is the life blood of the modern mode of living; the likely catastrophic effects of unchecked climate change from fossil fuel emissions have been widely publicized since 1990. Yet U.S. investment in energy R&D is appallingly low.

The 2008 budget for energy of

the U.S. Department of Energy is about $3.8 billion. For the war in Iraq, which is not unrelated to the supply of oil, Congress has provided an estimated $600 billion and mounting. To this should be added the "cost" of lives lost, the cost of war injuries, and all other economic costs stemming from the war. A study by Oak Ridge National Laboratory has estimated a $7 trillion cost to the U.S. economy from the whims of the oil market since the seventies, not including the current oil crisis. Work at the University of California - Berkeley (2005) shows that: between 1991 and 2003 the investment in energy research and development by U.S. companies declined by 50 percent; this investment is below the average R&D investment of U.S. industry by more than a factor of ten (in the pharmaceutical industry, for example, is more than 10 times larger than in the energy industry). Over the previous (previous to 1999) 20 years, worldwide energy research and development spending has declined by 39 percent. The International Energy Agency stated recently that to keep the rise in global temperature below 2.4 degrees Celsius, the world would require an extra investment in the energy sector of $17 trillion, or about $400 billion per year.

For the effort to achieve energy security and reduce dependency on oil to succeed, investment in energy R&D and in deployment of new energy technologies and related infrastructure is critical. It is equally critical to stick to the effort regardless of possible temporary retreats in the price of oil.

This effort requires time even for the deployment of mature technologies. Availability of human resources, the creation of the required infrastructure, and the retirement of the existing stock of vehicles and industrial facilities that depend on oil impose limitations on the rate of deployment of such technologies. For example, today, after the U.S. capability was left to atrophy, reactor vessels, steam generators, and other large nuclear power plant components can be manufactured only in France, Japan, and Korea. As the price of oil goes up, the cost to replace it also goes up. Until oil and natural gas consumption is significantly replaced by energy produced by other sources, the cost to build nuclear power plants as well as facilities for the production of energy and fuels from renewables will be dependent on the price of oil and natural gas. The longer the transition to the meta-oil (and natural gas) economy is delayed, the more it will cost us. •

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In the Common Defense:

National Security Law for Perilous Times

By James E. Baker, Cambridge University Press, 2007. 418 pages, $30.00

Book reviewed by Harvey Rishikof

> *The threat of catastrophic attack with nuclear weapons has the greatest potential impact on our way of life in terms of human cost.* (p. 307)
>
> *A 2006 poll of 116 terrorism specialists representing a cross-section of political perspectives placed the likelihood of a "terrorist attack on the scale of 9/11 occurring in the United States" in the next five years (by the end of 2011) at 79 percent.* (p. 242)
>
> *We are on borrowed time.* (p. 6)
>
> James E. Baker
> *In the Common Defense*

There is a sense of urgency in this book. The pages bristle with measured insights, shrewd counsel, and thoughtful analysis based upon practical experience. *In the Common Defense: National Security Law for Perilous Times* should be on the shelf of the national security transition team for the 44th president of the United States. Published in 2007, the text is a basic primer and touchstone for the issues raised by national security law and the process by which national security policy should be made. In fact, the book would be a great addition to the welcoming package for all national security "professionals" – lawyers and policymakers in the new administration.

For example, the chapter on homeland security poses what will be threshold questions for a new administration. In the wake of the creation of the Homeland Security Council (HSC) as part of the Homeland Security Act of 2002, Baker questions – Is the Homeland Security Council process the most effective mechanism for addressing homeland security? And, would the president be better served by a singular national security process or, perhaps, a process distinct from both the National Security Council and the Homeland Security Council? (p. 251) Analyzing the "dual process" problem he concludes three factors will determine the success of the HSC – the personality of the players; speed (the ability to fuse intelligence and unity of command); and finally, whether the council has embedded itself in agency culture and expectations. Sub-cabinet coordination, state and local law enforcement coordination, and federalism pose substantial problems. Though there is a National Response Plan for the federal system, a National Incident Managements System for state and local government, State Emergency Plans, and Pandemic Response Plans issued by HSC, our Katrina experience is not reassuring. For Baker, the overarching legal and policy issues associated with federalism and domestic use of military persist since there is no template for the relationship. (p. 292)

In discussing the recent amendments to posse comitatus, the Insurrection Act, and the Stafford Act, Baker explains how the new administration may well be confronted with a domestic military deployment under the Department of Homeland Security, HSC, the new Northern Command established in 2002. How will it all work? Are the lawyers and policy makers ready and do they understand the issues? The top three homeland security issues for Baker are: (1) nonproliferation, (2) maritime security, and (3) public health. Although congress has passed acts in each area, there are gaps - serious strategic gaps.

In a crisis, the key to an effective response will be "speed, intelligence and unity of command." Clarification of the use of the military domestically, coordination with the private sector, and how federal power will be deployed are required. Baker wisely counsels that the principles that should guide the law are transparency of federal power; dual-use capacities for natural disasters and pandemics; risk management involving federal assets; a concentric defense that attacks and defends, prevents and responds, and supports resiliency of institutions. All of this requires extensive expenditures and, finally, a frank appraisal of current capacity. I leave it to the reader as to where we are. Baker calls for homeland security lawyers to identify any statute, regulation, or practice that will impede the ability of their agency to fully and effectively secure the nation. This is sound advice.

The author is not just an academic, but was a practioner of national security law and now is a jurist. Judge James E. Baker was appointed to the United States Court of Appeals for the Armed Forces in 2000. He previously served as Special Assistant to the President and Legal Adviser to the National Security Council, where he advised the President, the National Security Adviser, and the NSC staff on U.S. and international law involving national security, including the use of force, terrorism, arms control, and human rights. Prior to this, he also served as Deputy Legal Adviser to the National Security Council and as Counsel to the President's Foreign Intelligence Advisory Board and Intelligence Oversight Board. As an attorney adviser in the Office of the Legal Advisor, Department of State, he provided advice on law enforcement, intelligence, and counter-terrorism, and he served as legal adviser to U.S. delegations to various environmental negotiations. Baker also served in the legislature, as a legislative aide and acting Chief of Staff to Senator Daniel Moynihan. In addition to this study, Judge Baker is the co-author of *Regulating Covert Action* and numerous articles on national security and criminal law. His career track also includes military service. After graduating from Yale College, he received a Reserve commission as a Second Lieutenant in the Marine Corps. He then earned a regular commission at The Basic School before joining the Fleet Marine Corps. He eventually attended Yale Law School and continues to teach national security law at a number of schools. It would be hard to find an individual who has been more committed to bi-partisan national security policy formation.

The book is divided into ten chapters covering the nature of the current threat, the meaning of national security, the constitutional framework, electronic surveillance - constitutional law applied, the national security process, the role of intelligence, the use of military force, homeland security, and quite significantly, in the final chapter the role of the national security lawyer. The breadth of the topics reflects the scope of what "national security" has come to mean in the 21st century. Domestic and international categories are eroding in the face of transnational threats that are not state-based and testing the limits of the law and policy makers. As a result, the practice of national security law and the projection of force is crossing traditional boundaries, hence the breadth of issues.

To guard our liberty and physical security we need to "find a lasting architecture" with the "sorts of checks and balances that serve as the hallmark of the rule of law," (p. 11). For Baker this lasting architecture must come from "good process" whereby all views are present and there are devil's advocates who can test factual assumptions, test assurances, and evaluate the implications – process conveys "validity." (p.25) As ironically underscored by Baker in his chapter on national security law, the Constitution is a short document, and is also short on substance, but very long on process. Law is critical for Baker since it enables security, shields liberty and foundationally provides the process and framework within which to evaluate the efficacy and legality of policy.

The legislature, judiciary and the executive must be part of this national security apparatus. In a powerful footnote in the first chapter, he rejects the theory of the "unitary executive theory" of power. Although the executive under the separation of power theory in good faith can direct the executive branch to follow its interpretation of the Constitution: "the theory's premise that the executive is therefore free to ignore the views of the other branches is pernicious, and ignores 200 years of constitutional practice stating with

John Marshall's statement that is the province of the Supreme Court to say what the law is. Moreover, the theory can elevate the separation of powers to a pedestal not intended, placing the executive's legal determinations beyond the reach of the Constitution's other interlocking checks and balances. The Constitution recognizes that a foundational-shared obligation is for each branch to uphold liberty through the oversight of the other branches. Similarly, providing for the common defense is a responsibility of all branches of government." (Fn. 10. p. 346) This piece of counsel in the wake of the recent Supreme Court legal decisions over habeas corpus, detainee detention, wiretapping, and jurisdiction should be heeded by the future administration.

In the words of Baker, the threat of weapons of mass destruction, such as nuclear weapons, in the hands of terrorists is a threat that is "perpetual, indefinite, endless and not just long." (p. 9) Quoting James Madison's fear that when a government is in "continual effort and alarm attendant on a state of continual danger" ominous consequences for process lurk. In such a situation of such threat presidents and their lawyers may decide that the process due is no process at all; that every search and seizure is reasonable; and, that these extraordinary circumstances negate the necessity for checks and balances on the use of military and intelligence instruments. (p. 10) Much then can be done in the name of "national security" and these actions often undermine the concept of process.

As Baker explains in chapter two exploring the meaning of national security, there is "no single definition of national security" recognized in law or policy. (p. 18) "Security, however, is concrete and rule of law is an abstraction, a term that is easy to employ in rhetoric, but hard to measure in result." (p. 22) As noted by Baker, Justice Jackson once famously opined, "a judge… may be surprised at the poverty of really useful and unambiguous authority applicable to concrete problems of executive power as they actually present themselves." Faced with the dilemma of "concrete security" v. "abstraction in law," policy makers are prone to choose the concrete at the expense of abstraction. But again Baker's words are prescient – "… a national security policy that does not include the rule of law as a core element will diminish not only our liberty but also our security. That is because good process, founded in law, including good legal process, as well as good faith adherence to the law, produces better security results." (p. 22)

Given this reliance on law, his chapter on the constitutional framework is worth a close read since his reading of the key cases - Curtiss-Wright and Youngstown - are reviewed to distinguish between agreed upon "law" and constitutional theory and assertion. In the national security area, there are special jurisdictional problems concerning transparency. A theme in this chapter and the book is the role of the national security lawyer in the framework. Under the "state secrets privilege" lawyers are required to draft declarations on the "actual and necessary secrets." This responsibility requires moral and professional integrity since courts tend to be deferential to these affidavits. In addition the "political question doctrine" also is a brake on judicial review. This interplay between executive prerogative and congressional overview with potential judicial review is one that each administration confronts.

The recent proposed legislation this summer on electronic surveillance is previewed in the chapter reviewing constitutional law as applied. In a creative chapter, Baker in lawyer-like fashion lays out the legal arguments for and against presidential authority to authorize warrantless surveillance under Foreign Intelligence Surveillance Act (FISA), based on the legal categories of constitutional framework/ court precedent/wartime powers and responsibilities/historic practice/statutory analysis under FISA, the Authorization to Use Military Force (AUMF), and facts. This is followed by an equally powerful "legal policy advice" section presenting the prudential factors in determining a president's position to exercise "inherent executive power" based on secrecy, efficiency, presidential authority, and legislative tactics. Again he explores in the alternative, the following of a parallel track with the legislature or judiciary based on rule of law and public diplomacy/sustained public support/maximization of presidential authority/encouraging risk-taking with legislative backing/ and most prophetically private sector protection and support.

In his epilogue for the electronic surveillance chapter and lead on to his description of the national security process section, he underscores why an administration should have a rigorous vetting process of programs when a president chooses to assert executive power since, as noted by Alexander Hamilton in Federalist 8, "It is the nature of war to increase the executive at the expense of the legislative authority." Since the "legitimate thirst for secrecy may overwhelm the instinct for good government" we need "a good process that acknowledges and addresses these tensions" so that the correct actors are in the room with appropriate information so that "accountability" can be established. For Baker, presidential power in the national security arena is "contextual" with informal and formal channels, but the right balance between "operational efficacy" and "presidential accountability" is critical for the best results. All presidents craft a national security process that fits their character. Baker, however, warns that presidents who chose to exclude critical actors run the risk of omitting critical facts or insights. In short, bad process equals bad policy. We have seen what happens when a small cabal controls decision-making and avoids having a vetted process for all views.

Like many in this field, Baker believes that intelligence is the "fuel" for a successful counter-terrorism program. In exploring the five essential intelligence functions (collection, analysis and dissemination, counter-intelligence, covert action and liaison), he reiterates the fact that in this area, "leadership and not law will ultimately determine whether the intelligence instrument is successfully employed." (p. 130) For example, any administration must be conscious of the risks involved in collection and the moral and potential legal compromises. Boy scouts often do not hold information. "Working" with these foreign assets requires constant appraisal as to "whether the United States has effectively calibrated the risk of penetration, the risk of causalities, the risk of values compromise, and the risk of attack." (p. 140) This type of calibration requires judgment and experience. In Baker's analogy, if intelligence is the fuel, the president is the engine and national security lawyers are part of the policy crew that helps to navigate the craft of state. (p. 173)

In a revealing paragraph discussing rendition and torture, Baker points out that under Article 2 of the Convention Against Torture (CAT) to which we are signatories, "no exceptional circumstances whatsoever; whether a state of war or a threat of war, internal political instability, or any other public emergency, may be invoked as a justification for torture." (p. 170) Therefore, regardless how the United States defines or interprets its criminal law implementing CAT, other states may define the term differently than us, and under the International Criminal Court "torture" is a war crime under its jurisdiction. (p. 170) Having lawyers not tied to the policy at stake, testing facts and arguments as a counselor, peer review and role playing as a devil's advocate, and identifying enduring consequences should be the process when new tactics and approaches are being implemented.

The chapter on the use of military force is a wonderful primer on *jus ad bellum* and *jus in bello* and reviews the critical doctrines of discrimination, proportionality, necessity, and military objective. It covers the war powers act, international law and self-defense, preemption, and prevention, for example, and the current unified chain of command. For JAG officers he asks the fundamental questions: Is the chain of command configured in a manner that provides for meaningful and timely legal advice? Is the chain of command educated on the law? Is the chain of command configured in a manner that clarifies or obfuscates decisions? Does the chain of command integrate the correct measure of civilian control? The last question in particular has become a "hot button" in civilian military relations. What is legal military professionalism and what is its relation with civilian authority? At what point do JAG officers assert international norms under the law of armed conflict? Our current situation with "detainees" is a painful public policy example of military/civilian divergence.

The penultimate chapter is simply titled "The National Security Lawyer." As Baker explains, law provides an array of positive or substantive instruments, procedural mechanisms for review, and reflects American values of democracy and liberty. In the international context, law can provide avenues to achieve our security objectives as in the maritime arena. Law provides predictability, is a source of calm and stability, and provides continuity.

Lawyers "reside at the intersection where physical safety and liberty merge" (p. 323) and it requires moral courage "to decide when, whether, and how to speak up." (p. 310) They must have the temerity to insist on attendance at a necessary meeting (p. 310) and rebut charges of "lawyer creep," whereby one question begets another question, and another. (p. 314) At times lawyers must assume the role of advocate, of neutral judicial counsel, of pure advisor of the law, or ultimately, a defender of the public interest.

We have seen how the previous administration used its lawyers and interpretations of the constitution and law. History will provide the final verdict to their approach. The new administration and its lawyers would do well to heed the concluding paragraph of Baker's book:

> *The law depends on the morality and courage of those who apply it. It depends on the moral courage of lawyers, who raise tough questions, who dare to argue both sides of every issue, who insist on being heard at the highest levels of decision-making, and who ultimately call the legal questions as they believe the Constitution dictates and not necessarily as the policymakers may want at a moment in time. We do not live in a moment in time. We and our children live in perilous times.* (p. 325)

Harvey Rishikof, *Professor of Law, former Chair, Department of National Security Strategy, National War College and former legal counsel to the deputy director to the FBI.* *The views expressed in this review are those of the author and do not reflect the official policy or position of the National Defense University, the National War College, the Department of Defense, or the U.S. Government.*

NSF Recent Speakers

Summary of Remarks

The Presidential Campaign and US National Security

On April 2, 2008, the National Strategy Forum hosted an expert panel on the topic, “The US Presidential Campaign and National Security.” The panel was moderated by **James Warren, a managing editor with the Chicago Tribune and political affairs commentator. Panelists included Richard Friedman, President and Chair of the National Strategy Forum; Andrew Krepinevich, Jr., President of the Center for Strategic and Budgetary Assessments (CSBA); and John Allen Williams, Professor of Political Science, Loyola University Chicago.** The panelists discussed an array of major national security issues the US is currently confronting, including Iraq’s future, the rise of radical Islamist terrorism, and nuclear proliferation. They also discussed some less apparent issues the next US president and administration may confront, such as space warfare with China, cyber warfare, and the importance of bipartisanship in national security policy.

National Strategy Forum president Richard Friedman noted that “Vilification, mud-slinging, and lack of substance have been part of presidential campaigns since 1800.” The current presidential campaign is no different, including the personal attacks and the lack of serious discussion about important national security issues, with the exception of Iraq, and even that has been discussed only superficially with little exploration of the potential consequences of alternative policies. “However,” he noted, “the American public is inured to this quadrennial exercise in self-destruction.”

The panelists offered their views of the major national security issues confronting the next US president and administration based on existing and emerging trends. They agreed that presidential candidates typically respond to issues in which the public is interested, and, as a result, it is often difficult to discern candidates’ national security policy positions. Partisanship and a resultant lack of consensus among political elites about what defines America’s “national interest” pose a critical challenge to defining an overall national strategy, which Professor John Allen Williams of Loyola University Chicago explained “requires clear goals and means. Both the moral and practical implications of how we define America’s national interest must be considered.” He added that the current presidential rhetoric might not survive reality come January 20th, recalling Woodrow Wilson’s 1916 reelection slogan, “He kept us out of war,” Lyndon Johnson’s 1964 pledge not to "send American boys in to do what Asian boys ought to do," and Richard Nixon's 1968 "secret plan" to end the Vietnam War.

Andrew Krepinevich, president of the Center for Strategic and Budgetary Assessments, warned of three major challenges the US faces. First, there is the rise of a disordered world. This is characterized by the spread of radical Islamist terrorism, failed or failing states, and the loss of governmental monopolies of information as a result of the Internet. Second, he noted the ability of non-state actors – groups and even individuals – to wreak enormous destruction. Examples include the acquisition of precision guidance systems by insurgent groups such as Hezbollah and Colombia's FARC and the use of cyber warfare against American public and private sector networks. Third, there is the impact of nuclear proliferation and the actions of actors such as North Korea and Iran and a rising China.

Professor Williams concurred with Dr. Krepinevich's comments, and noted the effect of nuclear proliferation on conventional warfare operations. In addition to the expected challenges to a new president, there are several 'wildcard' threats to consider. These include another terrorist attack, the possibility of state collapse (for example, Pakistan or Cuba), the effect of a boycott and possible collapse of the Olympics in China, a potential PRC/Taiwan confrontation (less likely under the new Taiwanese government), possible alliances among non-state terrorist groups, crime syndicate, and criminal gangs, and the ever-present possibility of a Middle East meltdown of some sort. He also noted the declining military capabilities of our European allies and a concomitant hesitancy to use them. These have affected the effectiveness of NATO operations in Afghanistan.

Richard Friedman said that a lack of competent national security management may be the primary challenge facing the next US president. A legitimate US national strategy, he explained, requires an architecture. "The future is uncertain," he said. The advent of asymmetric warfare, the evolving threat posed by US enemies and adversaries, and the challenges posed by US strategic competitors such as China necessitate a more complementary national strategy that can be adapted to changed circumstances. The US is no longer in a position of primacy. Moreover, the US has substituted ad hoc decision making for an overarching strategy that takes into account the strategic objectives of other states and non-state actors. For example, does the new US warfighting doctrine combine US military force with diplomacy, culture, language, and tradition of other countries and hostile groups? Also, terrorists define "victory" as not being defeated; time is on their side. The US defines victory as absolute and unconditional. What are the implications of these differing strategic objectives?

The panelists agreed that the US may be approaching an economic recession, and the continuing US presence in Iraq raises the issue of whether the US can sustain a "guns and butter" economy. They noted that US manufacturing capacity is being rapidly reduced and has been replaced by intangible "information" products. It was noted that one cannot eat or wear digital information.

When asked about the implications of the candidates' positions on Iraq, the panelists suggested several variables to consider. These include establishing regional security, the need to provide Iraqi citizens with a decent standard of living, the importance of US credibility and the establishment of mutual trust. With regard to the latter, US strategic communications are deficient. The worldwide abundance of information of varying degrees of accuracy and bias creates a challenge in crafting a credible message. That message must accurately reflect American values and use the communication tools available to disseminate that message widely, with a focus on the Islamic world.

The panelists also discussed the important role of US intelligence in counterterrorism and military efforts. They noted that intelligence is the first line of defense and to be effective it will also be very intrusive. This poses problems for civil liberties that must also be addressed. The importance of highly trained and educated US intelligence professionals is paramount. In that connection, the National Intelligence University (NIU) of the Office of the Director of National Intelligence provides an outstanding opportunity for enhancing the education and training of the 100,000 US intelligence professionals. The degree to which the recent reorganization of the intelligence community has improved national intelligence is not yet certain.

The panelists agreed that the next president will need on the job training. The first six months of the new administration will be a time of vulnerability - a period when US adversaries will test the new administration. Events will trump campaign promises and vision. The president and his advisers will be tested roughly and they need a strategy and architecture for the next four years and beyond.

In order to begin constructing an effective national strategy, the panelists agreed, the US must first determine its national identity. What are American values and strategic objectives? What is the American ethos? How do we see ourselves? How do want the rest of the world to see us? And, what are the components of a national strategy that accurately reflects contemporary challenges and remedies, American strengths and weaknesses?

Communicating US Values to the Islamic World

On May 1, 2008, the National Strategy Forum hosted **Aaron Lobel, President of America Abroad Media (AAM)** - a Washington, DC-based non-profit organization whose mission is to "harness the power of media to inform America and the world about the critical international issues of our time." Mr. Lobel, who received his Ph.D. in international affairs from Harvard's Kennedy School of Government and served as a research fellow with Brookings Institution, discussed how the US can better communicate with the Islamic world.

"The battle of ideas is at the heart of the twenty-first century US struggle to win the hearts and minds of the billions of Muslims in the world," Aaron Lobel said. He stressed the importance of fully engaging the government, public, and private sectors in the "struggle for the minds of men" (recalling President Truman's Campaign of Truth speech), particularly in the information age when open access to information and ease of communication accelerate the dissemination of radical Islamist misinformation about America.

The Islamists' campaign of anti-Americanism is a critical threat to US national security. "Islamists have defined the wars in Iraq and Afghanistan for America," Lobel said, "and if we don't develop a strategy to define ourselves now, they will continue to do it for us." By fueling hostility toward America, Islamists foster sympathy for their cause, which directly enhances their efforts to garner support in the region.

Based on the growth of AAM's programming, which includes a real-time, townhall-style panel discussion via Internet satellite among the US and four Muslim countries including Pakistan, Turkey, Indonesia, and Afghanistan, Mr. Lobel said that there is a demand in the Islamic world for an understanding of America (rule of law, civil society and the role of women). Despite negative perceptions of America abroad, good will exists in Muslim countries toward the US, he added. Mass media via cable lines and television reach remote areas throughout the Islamic world in countries such as Pakistan and Afghanistan where the US is engaged in various diplomatic and security operations. There is an opportunity for the US to develop a strategy based on more substantial, collaborative public diplomacy efforts using media.

The media has a critical role in bridging the information gap between the US and the Islamic world, "but we have to show up in the Islamic world," Lobel said. The media can be an important tool of national security. The Internet, television, and radio enhance the free exchange of ideas between America and Islamic countries, and, if developed properly, can advance critical thinking about complex cultural, political, and global issues in the Islamic world. Lobel noted that even more contentious issues such as Iraq should not be left off the table. Discussing these issues openly -- the bad and the good -- will mitigate bias and misperceptions and foster a greater sense of trust.

In the past, the US has used media as an instrument of national power to engage and inform foreign audiences via such effective programs as the United States Information Agency (USIA, which was developed in the early 1950s and retired in 1999), Voice of America, and Radio Free Liberty/Radio Free Europe. These programs demonstrate the ability of the US government to organize the necessary resources for public diplomacy, which Lobel said is currently lacking. This can be attributed, in part, to what Lobel characterizes as the culture clash between the US government and media, whose competing missions of protecting information versus disseminating information limit cross-sector collaboration.

The US is losing the war of ideas and the battle for credibility, Lobel said. However, since September 11, 2001, the expectation that government can do everything has been disproved. Government limitations prevent the necessary degree of flexibility required to address twenty-first century challenges, particularly in the realm of national security. Mr. Lobel explained that "getting the information" to an international audience is not technically complicated or expensive considering the costs of not communicating America's message abroad. Engaging the private and non-government public sector to share this task is necessary today. Lobel warned, "we can't wait".

Is a clearly defined US national strategy a prerequisite for an effective US communications strategy? Lobel explained that while a cogent US message and strategy is imperative today, the US must not delay reaching out to the Islamic world in the meantime. He warned that the continued absence of a US public diplomacy presence will inevitably fuel the current misunderstanding of America in the Islamic world, which terrorist organizations such as Al Qaeda (which has its own media strategy) continue to exploit.

Why has the US government failed to communicate to the Islamic world? Many variables may have contributed to the current communication deficit – a lack of strategy, a lack of a consistent US message, a lack of resources, a lack of understanding about what information to provide to the Islamic world and how to present it, etc. Lobel suggests more programs and more discussion, even on those issues deemed contentious.

The US is straddling a potentially destructive fault line today: balancing the need to protect America versus the call for greater openness. The media provide numerous opportunities for relatively low-cost (some no-cost), but potentially substantial, public diplomacy initiatives that could be part of an improved US national strategy.

Lessons Learned in Iraq and Afghanistan

On May 21, 2008, the National Strategy Forum hosted **Lt. General David Valcourt, Deputy Commanding General / Chief of Staff of US Army Training and Doctrine Command (TRADOC)**, a post he assumed on February 25, 2008, after serving as Commanding General, Eighth United States Army. Lt. General Valcourt discussed the role of TRADOC as the Army's "architect," the newly updated Army *Field*

Manual FM 3-0, Operations, and opportunities and challenges for the military.

For an older generation of American citizens and military servicepersons, America's existence is based on sacrifice. Several major wars, political trials, and economic cycles have vetted an older generation. For a large percentage of "Gen Y," as General Valcourt explained, the convergence of technology, information, and new political, economic, and social realities have resulted in a more varied understanding of America's position in the world, its identity, and the role of the military. The young generation is confronted with a complex playing field, and TRADOC's task of defining the operational environment for the twenty-first century is timely. Learning to live in an "era of persistent conflict" will pose a new array of challenges for Gen Y soldiers, whose mission will be to protect the nation.

The recently updated *Field Manual 3-0, Operations*, is the Army's response to the recognition that effectively confronting new and emerging threats requires military adaptation. TRADOC's objectives are twofold: generate (recruit and train) the force to respond to current conflict demands and build the Army of tomorrow.

Seven years of war have yielded several critical metrics regarding how the military must adapt. For example, General Valcourt explained that the challenges posed by irregular and asymmetric warfare and the growing need for stability operations require a greater "human dimension." While new technology has advanced the military's capacity to implement intelligence and combat operations, he said, human resources are the key to improved readiness and response.

As the Army "architect," TRADOC is placing greater emphasis on the need for multi-purpose training for troops. FM 3-0 emphasizes culture and language as an important part of the doctrine, and places the importance of Stability Operations on the same level as Offensive and Defense. General Valcourt noted that the military has engaged academics to consult with top echelon Army officers in the field regarding culture, anthropology, and sociology to help bridge the culture gap and to help commanders employ non-lethal means to help them accomplish their missions.

Valcourt explained that simultaneously managing major combat operations, kinetic (e.g., a raid on an IED manufacturing facility) and non-kinetic operations (e.g., delivering school supplies to a local school), stability operations, and counterinsurgency -- with mobility and flexibility -- will require the right number of troops, and the numbers are low. Recruitment is a constant challenge for the military, and it is currently stretched. He warned, "We must not overstretch the military." He also explained that the US military is still in a surge mode until troops can serve the regular 18-month tour and the military can maintain the proper rotations.

The young generation of troops is the Army's most valuable resource. Their knowledge, their ability to adapt on the ground to various scenarios, and their energy "are inspiring," General Valcourt said. Developing greater incentives and rewards to retain troops currently enlisted is imperative. For example, greater education benefits must be given to the military and their families. The well-being of Army families, Valcourt noted, is a vital consideration for TRADOC.

He also addressed the issue of young recruits with criminal backgrounds who receive moral waivers, which has increased by about 65 percent in the last three years (see Lawrence Korb and Sean Duggan's article on military demographics from the fall 2007 NSFR). "Would you rather have these individuals on the streets, or under the guidance of the US military?" The training and discipline provided by the military provides an opportunity for these individuals to serve their country.

When asked about the use of civilian contractors to supplement US military operations, General Valcourt acknowledged that there are instances when contractors can be mobilized more quickly and can supplement military operations. He also noted that enhancing partnerships with NATO and the US private and government sectors would be mutually beneficial.

General Valcourt reiterated that the military is not a bureaucracy – its objective is adaptive, operational readiness. He concluded by calling on American families to "send us [the Army] your children and grandchildren. We will take care of them. They will become American citizens you can be proud of."

The Challenges of Nonproliferation in the Middle East

On May 29, 2008, the National Strategy Forum hosted **Ambassador Nabil Fahmy, Egypt's Ambassador to the United States-**a post he has held since October, 1999. Previously, he headed the Egyptian delegation to the Middle East Peace Process Steering Committee in 1993 and the Egyptian delegation to the Multilateral Working Group on Regional Security and Arms Control emanating from the Madrid Peace Conference in December 1991. He was elected Vice Chairman of the First Committee on Disarmament and International Security Affairs of the 44th Session of the U.N. General Assembly in 1986. From 1999 until 2003, he was a member of the U.N. Secretary General's Advisory Board of Disarmament Matters and served as its chairman in 2001.

The current challenge of nonproliferation of weapons of mass destruction is not new, Ambassador Fahmy remarked. The global community has been grappling with this issue for decades. In recent years, however, a number of states in the Middle East have expressed interest in developing nuclear energy, including Bahrain, Saudi Arabia, and the United Arab Emirates (UAE). Their aim in developing nuclear energy is economic or resource-related (e.g., meeting energy demands; water desalination), yet concerns about a possible nuclear arms race in the Middle East has the international community on edge. Iran's more recent nuclear aspirations and defiant posturing have intensified this debate. If Iran proliferates, and a regional arms control mechanism is not implemented, including Israel, neighboring states will feel compelled to take legitimate protective measures, which could mean additional security arrangements or arms acquisitions to balance the threat, the Ambassador explained. To date, he said, only Iran is developing enrichment and reprocessing capability. He also noted that Israel has reprocessing capability.

Ambassador Fahmy explained that the failure to adequately address how to stop the proliferation of weapons of mass destruction to date, which is evidenced by current discussions among "practitioners and pundits" regarding the efficacy of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT; 1970), can be attributed to several factors. These include competing regional strategic interests in the Middle East, differing notions among key players of "security" and what is needed to achieve it, and competing political interests.

Ambassador Fahmy said that the NPT was perceived as an important but unfulfilled contribution to nonproliferation efforts. By creating a system based on norms, the NPT provided a framework that has served as a guide for states and has resulted in various measures including the Comprehensive Nuclear Test Ban Treaty (CTBT). He noted that states joined the NPT to protect long-term national security interests, which encompasses political or economic reasons. Still, the general assumption among member states was that the NPT would ultimately result in nonproliferation or possibly total disarmament, and thus, would provide the added benefit of security. This has not happened.

The state-parties that compose the NPT are categorized into two categories: nuclear-weapon states (NWS), which include the US, Russia, China, France, and the United Kingdom; and non-nuclear-weapon states (NNWS). All of them committed to pursue general and complete disarmament.

The Ambassador pointed out that several major NNWS did not join the NPT. He noted that India, Israel, and Pakistan, which were all non-nuclear weapons states in 1968, were unsatisfied with the NPT and have since pursued various nuclear capabilities, or have been perceived as having "gone nuclear." He explained that Egypt joined the treaty under the assumption that its neighbors would also adhere to the standards and norms, particularly Israel which has not. He cited the cases of Iraq under Saddam Hussein, and North Korea, which also have not adhered to the NPT regime. North Korea opted out of the NPT in 2003.

Iran's current posturing, Ambassador Fahmy warned, suggests the need for more effective, collaborative nonproliferation measures, in addition to the NPT. For example, he said, Iran uses Israel's reprocessing capabilities as leverage for their own development. It becomes an issue of "If they can do it, so can we." "The current situation in the Middle East is urgent," he said, and "there is the need for immediate action."

Ambassador Fahmy stressed the importance of addressing the foundational security issues in the region that would compel NNWS to acquire nuclear capability. A show of force against Iran will be ineffective if the policies to support such action are defective or inconsistent with double standards being applied to different states in the region. Developing policies to address the root causes of insecurity in the Middle East is the prerequisite to effective nonproliferation measures.

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