

The NATIONAL STRATEGY FORUM REVIEW

An Online National Security Journal Published by the National Strategy Forum

Thinking About National Security: An NSF Guidebook for 2011

Winter 2011 Volume 20, Issue 1

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**Morris I. Leibman:
100th Birthdate Commemoration**

The month of February 2011 marks the 100th year of the birth of our founder, Morris I. Leibman's, birth. This issue of the *National Strategy Forum Review* commemorates and is dedicated to him. His legacy as advisor to U.S. Presidents and Congress, and founder of the National Strategy Forum, co-founder of the American Bar Association Standing Committee on Law and National Security, and several other national security and world peace organizations, is very much alive.

Morrie Leibman's profession was as an attorney, and, most importantly, as a counselor who possessed the rare abilities to think and act strategically, to identify paramount objectives among conflicting and competing ideas, and to resolve issues for his business clients and for America which he loved passionately.

Many vexing national security issues have occurred since Morrie's death. As we analyze these issues, the starting points are always what would Morrie do, what are the critical objectives, what is the appropriate strategy, and how do we communicate? These principles provide a way forward through the morass of competing voices, ideologies, and imperfectly understood facts.

The National Strategy Forum operating standard is derived from Morrie who was a consummate educator for those who had the good sense to know that they were in the presence of a wise elder. Morrie counseled, gathered objective facts, asked questions (and didn't answer them), arrayed options, and constructed an overarching strategy that addressed the contemporary problem and its anticipated future consequence. All of this was done on a scrupulously non-partisan basis, with great respect for competing ideologies. All of these principles were to be presented with respect, civility, and good humor.

In addition to being a counselor and educator, Morrie was a talent scout and a recruiter. Morrie mentored a legion of talented young people who shared his impulse to serve America as national security practitioners. This younger generation has become the present generation of national security strategy policymakers and counselors. In turn, they have used Morrie's principles to recruit and mentor a new generation of America's leaders. Thus, continuity and sustainability is being achieved.

Morrie would have reveled in the daunting array of contemporary U.S. and global issues that the National Strategy Forum is addressing. For example, the U.S. budget deficit; the U.S. military presence in Afghanistan and Iraq; counterterrorism; political instability in the Middle East —

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Egypt and Tunisia; how to strengthen Pakistan; the multi-relationships among the U.S., PRC, Taiwan, India, and Pakistan; Iranian and North Korean nuclear proliferation; the compatibility of civil liberties and national security; the U.S. adaptation to a multi-polar world; immigration; how to learn fiscal responsibility from Canada; cyber security; and how to enhance a good neighbor policy with Mexico and Central and Latin America.

"Not to worry" as Morrie would often say. For us, Morrie is here and always available for good advice.

For more information regarding the life and times of Morris I. Leibman, see the link [here](#).

Publisher's Note

What is the status of U.S. national security? It is difficult to make an objective judgment. The best indicator is that there has been no major, successful attack against U.S. interests since September 11, 2001. Subsequent to 9/11 the U.S. has successfully adapted its national security system from meager to near-robust in the past decade of the Global War on Terror ("GWOT").

Adaptation will continue, but it will be substantially enlarged beyond the focus on counterterrorism. It will include the driving force of economics: the intersection of the economy and national security.

The U.S. has become a debtor state within the past two decades. Debtors lose their international leverage. For example, U.S. policy regarding PRC is constrained by the debtor/creditor relationship; and the U.S. is constrained by its Middle East oil dependency. U.S. policymakers must confront the issues of the U.S. living beyond its means, including the affordability of Department of Defense undertakings, and the expense of TSA airport security. The orientation of the open purse GWOT largesse era must be examined.

The ongoing presence of U.S. military forces in Afghanistan and Iraq must be reassessed through the lens of affordability. Critical analysis questions the annual expense of counterinsurgency. What are the existential and future Al Qaeda and Afghan Taliban threats to the U.S.? The partial answer to this question is that a stable, functioning Afghan government will deny safe haven to terrorists who may threaten U.S. security interests. This conclusion is accurate, but it is only partially correct.

Terrorists have or could have safe havens just about anywhere. There are an estimated 400-600 "black spots," which are ungoverned or poorly governed places within states where terrorists can operate without interdiction. Safe havens can exist in any American city or suburb. The difference between Evanston, Illinois and Somalia, Yemen, or Mauritania is that Evanston is not a safe haven and the likelihood of interdiction is great, but not perfect.

It is estimated that there are more than 200 unguarded crossing points on the U.S./Canada border. The U.S.-Mexico border is also porous. The reality is that in a global society, no state's borders can be sealed completely.

U.S. national security and international relations policy are based on secrecy. However, this assumption has proven to be grossly unfounded. The WikiLeaks secrets information dumps shocked the national security, private sector, public, and defense and intelligence communities. Successful hackers should have alerted policymakers to the reality that there are no more enduring secrets. Leverage gained by information advantage is short-lived. U.S. policymakers and the commercial private sector are beginning to awaken to the reality of a future with no more secrets. How quickly and rationally the U.S. adapts to this new reality will be a marker for future national security.

Since its founding in 1983, the National Strategy Forum has focused on national security strategy. Beginning in 1990, the NSF has made quadrennial predictions regarding U.S. national security — a look ahead to the following four years. At the end of each time period, we evaluate our predictions. We have awarded ourselves a consistent grade above 90% accuracy. The reason for this prescience is that we apply common sense and critical analysis to the mosaic of discrete national security problems. This enables the NSF to develop a strategic umbrella composed of complementary and competitive strategy components.

The key issues have been economic, international terrorism, and the consequence of globalization.

Subsequent to the demise of the Former Soviet Union, U.S. policymakers focused on two issues: how to spend the "peace dividend," and America's world role as the "the global sheriff." In retrospect, this constituted a delusion of U.S. grandeur. The rapid U.S. change of status from creditor to debtor nation began in the 1990s. We did not understand that China, India, and most other major states focus on their self-interest and that the world has become economically highly competitive with the United States. Arrogance and misplaced belief in America's continuing primacy has skewed reality.

What should be the U.S. national security strategy for the next decade? The first steps already taken are encouraging. America has awakened to the severity of our present condition, and there is apparent motivation to use our abundant resources to adapt to changed circumstances. The major unanswered question is whether U.S. policymakers will think and act strategically, and abandon the traditional ad hoc way of resolving problems.

The NSF Editorial Board has identified an array of emerging security issues and suggested policy issues for the matters that follow.

Dire Straits: Will We Take Them Seriously?

By Frank Schell

In November, we heard from the President's Deficit Commission, and then in January from President Obama in the State of the Union Address. In the aftermath of the worst recession since

the Great Depression and the collapse of much of Wall Street, America continues on an unsustainable course of trade and treasury deficits, with a culture of entitlements. We are left with the view that if unchecked, they will imperil the nation's competitiveness and economic leadership in the 21st century.

That is a draconian assessment – dire straits – but the question is as a nation, are we going to take them seriously? The endgame of not doing so is not clear, but 9%+ unemployment could be mild for a U.S. without globally competitive industries, and a continuing shift of wealth to China and others having massive trade surpluses. The guarantor of much of the world order since World War II, a U.S. with diminished moral and practical influence and a parsimonious defense budget is not a happy sight in view of asymmetric threats and the military ascent of China. Presently defined as neither friend nor foe, China aims for a blue water navy, stealth air superiority aircraft, cruise missile technology to threaten Carrier Strike Groups, with a robust cyberwarfare capability.

Momentous legislation known as Dodd-Frank was enacted in July 2010 to stabilize and regulate the financial system. While it strengthened diagnostics with a Financial Stability Oversight Council to address system risk, and enabled government control and intervention beyond the commercial banking industry to encompass financial services, the fundamental drivers of the catastrophe remain alive and well. Intertwined trade and treasury deficits of massive proportions continue, with dollar claims on the U.S. converted into holdings of U.S. treasury securities, fostering a low interest rate environment with the same moral hazard of easy money, use of cheap debt, and outsized financial appetites and lifestyles. Junk bonds (high yield debt) are back at record levels. The national debt now approximates about \$14 trillion or one year's GDP. Fannie Mae and Freddie Mac, wards of the state that have cost the U.S. taxpayer at least \$160 billion and still counting, have not even been addressed by Dodd-Frank.

The U.S. is fortunate to have the dollar, its store of value, as a reserve currency so that there is strong demand for U.S. Treasury securities, but it must no longer expect more fiscal discipline of others than it does of itself. To avert a day of reckoning, which would probably not come in the form of a day but as a series of events in currency, capital and credit markets, the U.S. must moderate its commitment to entitlements such as Medicare, Medicaid, the defense budget, and Social Security. (The State of the Union Address did not name the latter in terms of austerity, but instead spoke of strengthening it, unlike pension and retirement age changes already announced by France and Britain).

The net deficit in petroleum products of about \$200 billion for 2009¹ was nearly as much as the trade deficit with China. This deficit not only increases foreign holdings of U.S. Treasuries, but exposes the country to autocratic and totalitarian regimes whose people are suppressed and whose values are antithetical to our own. For decades presidents have espoused the merits of reducing reliance upon foreign oil, yet the U.S. presently imports 61% of its requirements.² There is no well-communicated vision of energy mix for the status quo versus target

¹ U.S. Energy Information Administration, *Annual Energy Review 2009*, August 19, 2010.

² Federal Reserve Economic Database, *TheDailyPickens*, January 19, 2011.

environment in the next several decades, the cost of getting there, and the needed sacrifices. What we see as a nation is a blur of terms and exhortations about them: clean coal, nuclear, hydroelectric, solar, wind, algae, and natural gas.

The value of currency reform by China, a welcome action to encourage more consumption by China, must still be kept in perspective. Although the Yuan appreciated from about 15% against the U.S. dollar from 2005-2008,³ the U.S. trade balance actually worsened in those years.⁴

Reduction of the corporate tax rate, which ranges from 35% to 41.2%⁵ has been embraced in principle by the Deficit Commission, as well as by the President, who has also called for reorganization and consolidation of the entities of the federal government – although the State of the Union Address was silent on public sector unionization and pensions.

The challenge is whether a pluralistic democracy, where people want things they don't want to pay for, and a system of free markets can prevail and allocate resources in pursuit of not only profits, but also for economic security. There are many who believe in American exceptionalism from the beginnings of the Republic – and the challenge to the future of the United States as the leading global power is equally exceptional right now. But we have to get serious about it.

Frank Schell is a business consultant and former international banking executive. He serves on the Dean's International Council of the Harris School of Public Policy Studies, University of Chicago, where he is a guest lecturer on South Asia affairs.

Homeland Security Gone Global

By Eric S. Morse

American domestic security has improved in the decade since the September 11th terrorist attack. The federal and state governments have improved their ability to prepare, respond, and recover from security emergencies. These developments are laudable, providing the American public with a relatively stable decade. Nevertheless, past stability is no indicator of future success. The U.S. domestic security apparatus is faced with a number of new security trends. The following is an overview of emerging security trends and the contextual framework by which to consider policy solutions.

A singular theme running through these trends is that homeland security is no longer confined to the activities that take place within U.S. borders. Homeland security is susceptible to the vagaries of the international system and must be cognizant of the external pressures placed upon

³ OANDA, Average Exchange Rates. Available at: <http://www.oanda.com/currency/average>

⁴ U.S. Census Bureau, Foreign Trade Division, Data Dissemination Branch, Washington, D.C. 20233.

⁵ Tax Foundation, "Comparing U.S. State Corporate Taxes to the OECD 2011."

domestic security system. Homeland security has gone global, and policymakers must adjust accordingly to this context.

Emerging Homeland Security Trends

Cyber Warfare: U.S. cyber security received a big boost when U.S. Cyber Command was launched in May 2010. The institutional arrival of U.S. Cyber Command is a strong step towards mitigating the threat. However, challenges to cyber security are looming. Perhaps the biggest threat is the continuous probing of U.S. networks from foreign sources. Deterring foreign cyber warfare is a very tricky proposition. Current international cyber warfare laws are vaguely defined and poorly implemented. A cyber security strategy must look to issues beyond our border to achieve deterrence. Key foreign partners in such a regime would be China and Russia. A global deterrence¹ strategy would include coordinating international cooperation, creating an international standard for reciprocity in the event of an attack, and defining what is appropriate cyber behavior for state and non-state actors.² This is a daunting challenge for the next decade. As governments seek to secure their complex networks from cyber warfare and cyber terrorism threats, they will find that international cooperation is vital for achieving success.

No More Secrets: The U.S. has entered an era where international, national, and personal secrets are no longer assumed to be safe. WikiLeaks, the General McChrystal scandal, corporate espionage, private disclosures on Facebook, juicy media news reports, and cyber security are all examples of information exposure with negative consequences. As an open, interconnected society, the U.S. thrives off of its transparency and freedom. However, such openness poses a provocative question: Is there anything that can truly be kept secret?³ Information is threatened from both interior sources (be it company employees, government officials, or a neighbor next door) and exterior sources (such as non-state and state actors, and corporate espionage). The consequences of exposed secrets can be devastating. Protecting secrets has a cost, as does losing control of secrets. The government and private sectors must develop strategies and policies that address a world in which there may be no more precious, enduring secrets. Determining which secrets, if any, are worth keeping is difficult. A balance must be found between protecting vital national security secrets and adjusting to a world that is becoming open source.

Biological Threats: The U.S. has been fortunate to have avoided forms of biological terror or widespread pandemic disasters. It was only a year ago that the H1N1 Swine Flu virus swept across the world, only to be more benign than originally expected. The question is are we more

¹ Deterrence theory includes the following components: a shared interest; deterrent calculation; a denial measure; a penalty measure; credibility; assurance; fear; and a cost-benefit calculation. For details, see Will Goodman's "[Cyber Deterrence: Tougher in Theory than in Practice?](#)" *Strategic Studies Quarterly*, Fall 2010.

² For an in-depth discussion of cyber deterrence strategy, see *NSFR Blog*: [Research Report William Goodman's "Cyber Deterrence: Tougher in Theory Than in Practice?"](#); and [A Strategy For Deterring Cyber Attacks](#).

³ For more information, see the conference report titled "[No More Secrets: National Security Strategies for a Transparent World](#)." The conference was sponsored by the American Bar Association Standing Committee on Law and National Security, the Office of National Counterintelligence Executive, and the National Strategy Forum.

prepared to face next year's or next decade's biological outbreak? In addition, are we prepared for the possibility of biological, chemical or radioactive terror attacks?⁴ The domestic security trends indicate that defense gaps remain.⁵ Preparation should be viewed as a health insurance policy: one day you are bound to get sick and insurance prevents the costs from being overwhelming. In the early 1900s, the Spanish Flu killed 50-100 million people worldwide, with up to 500 million infected. Al Qaeda is pursuing the biological and radioactive means to carry out attacks. A prudent strategy would be to carry sufficient insurance. Such insurance includes setting aside funds for biological countermeasures, encouraging the private market to develop and produce vaccines and other medical countermeasures, and improving the rapid response and reach of the Center for Disease Control and the Department of Health and Human Services. However, a civil defense strategy against biological threats is expensive. It may be worth exploring a global biological defense structure that links states in developing joint biological countermeasures to share development and implementation costs. Finally, individual citizens should be empowered to take responsibility for protecting their own health by becoming more informed of possible threats and being enabled to purchase their own biological countermeasures in advance, rather than waiting for the government to supply the necessary doses after an event.

Black Spots: Ungoverned spaces, or “black spots,” are an emerging national security threat that is largely ignored by the post-9/11 security system.⁶ These areas are typically defined by the following characteristics: near an international border; overseen by a weak or ineffective government; exhibit high levels of government corruption; near trade routes; inhabited by heterogeneous populations; and generally unattended by media sources. A number of international examples of such places are locations in Yemen, Somalia, Southern Italy, the Pakistan tribal regions, and areas in Afghanistan. Concurrently, the threat to domestic security is that black spots reside both within and proximate to the U.S. Border areas along the Mexican and Canadian borders provide porous routes for the infiltration of drugs, criminals, and terrorists. Domestic black spots could even be defined as seemingly peaceful suburbs where disaffected individuals are free to plot extremist attacks on U.S. soil. The UK is no stranger to homegrown terrorism, and the U.S. is currently experiencing its own homegrown terrorist trend.⁷ A new research methodology is being employed to define, identify, and track black spots both domestically and abroad. The U.S. security apparatus must continue to adapt to this trend and deploy the resources necessary to prevent chaos from emerging from these areas.

Principles for Guiding Domestic Security Policy

To adapt to these security threats, five principles serve as a guide for creating policies. First, there is an ongoing tension between civil liberties and threat reduction. Security policy must

⁴ <http://www.vancouversun.com/news/Qaida+brink+using+nuclear+bomb/4205104/story.html>

⁵ Eric S. Morse. “[Russian Roulette with Project BioShield.](#)” *The National Strategy Forum Review Blog*. July 28, 2010.

⁶ Bartosz Hieronim Stanislawski. “[Mapping Global Insecurity.](#)” *The National Strategy Forum Review*, Fall 2010, Volume 19, Issue 4.

⁷ Janet Napolitano: “We face a threat environment where violent extremism is not defined or contained by international borders.” February 10, 2011. “Officials Spotlight Domestic Terrorism Threat.” *Wall Street Journal*.

remain compatible with the civil liberty and open society principles established by the U.S. Constitution. Second, policies must be affordable.⁸ Third, homeland security must be proactive—not reactive—in nature; proactive security investments should target emerging trends before the fruition of a threat. Fourth, the American public must recognize the role of personal responsibility in preparing for security threats; relying solely upon government is not always the most efficient option. Fifth, domestic security strategy should seek greater efficiency through cooperative strategies with friends and allies.⁹ With sufficient foresight, flexibility, and global outreach, America can continue to keep its citizens safe and secure.

Eric S. Morse is the Managing Editor of the National Strategy Forum Review, and a Doctoral Candidate in Political Science at Loyola University Chicago.

U.S. National Security Challenges

By John Allen Williams

Short of a global war with a peer competitor, it is hard to imagine a more challenging and complex national security environment than the one now faced by the United States. The war in Iraq is hardly finished, yet our major combat forces are currently scheduled to leave there by the end of this year in accordance with our status of forces agreement with the Iraqi government. Many security problems will remain for that government to handle, and they will need to do so without the safety net of U.S. forces in the country. It is not certain that they are up to the task. At the same time the war in Afghanistan winds on with no end in sight. It is not even clear what the endgame might be or what the constellation of political forces will be when the combat phase is eventually over.

To make matters worse, compounding the strategic problems posed by the “away games” in Iraq and Afghanistan is the very real possibility of catastrophes at home. Like Britain in particular, the United States confronts a problem at home of radicalized residents, some illegal but many others legal residents or even citizens. Some of them have links with groups abroad that make them easier to discover and track, but there is an increasing problem of homegrown radicals acting on their own. This was seen in several cases, perhaps the most alarming of which was the car bomb in downtown New York City that fizzled but did not explode. Eventually one will, and there are even more serious threats on the horizon with respect to “dirty bombs” that would spread radioactivity along with the blast.

Three aspects of U.S. security problems deserve close attention. They are conceptual, geopolitical, and fiscal.

⁸ Richard E. Friedman. “[Affordability and National Security](#).” *The National Strategy Forum Review*. Summer 2010, Volume 19, Issue 3.

⁹ Richard E. Friedman and Eric S. Morse. “[Complementary Strategy](#).” *The National Strategy Forum Review*. Winter 2009, Volume 19, Issue 1.

Conceptual Issues

It may not be too harsh to suggest that the United States is better at tactics than strategy. Reports from the field in Afghanistan suggest that U.S. and allied forces are making headway against heavily entrenched Taliban fighters. Statements of progress from the highest military leaders there are echoed by highly credible reports from the field, many of them from soldiers and Marines we know personally and trust. The United States military is extraordinarily good at what it does, and has perhaps never had more capable or dedicated service members.

At the same time, it is less clear what the overall strategy is or whether it is likely to be successful. Sun Tzu supposedly said, "Strategy without tactics is the slowest road to victory. Tactics without strategy is the noise before defeat." Debates about the role of counterinsurgency ("COIN") as opposed to counterterrorist operations are common, but generally off the mark. There needs to be some combination of the two that at the same time tries to win the hearts and minds of the population and ruthlessly goes after enemy combat elements. This is well understood, but one would have more confidence of eventual success if the members of the Afghan government were as committed to the fight as they seem to be to personal enrichment. The issue is further complicated by the ambiguous role of Pakistan, which is hedging its bets for a post-U.S. Afghanistan that will likely have some element of Taliban participation in the government.

At a more fundamental level, the U.S. needs to balance the forces needed to fight the wars with which we are now confronted with those needed for other highly plausible scenarios, such as the rise of a peer competitor. Counterinsurgency forces will not be helpful if we are trying to deter a resurgent China from military adventures. Traditional "conventional" forces involve very expensive equipment and highly trained personnel. Should that capability erode, it will be very difficult to reconstitute it. Meanwhile, the U.S. armed forces have become split functionally, with the Army and Marine Corps focusing on the present wars and the Air Force and Navy focusing on deterring and, if necessary, fighting a large-scale war with a near-peer competitor. Future intra-service disputes over a division of resources in a drastically constrained fiscal environment should be expected.

There are also many other challenges confronting the United States that are not military, but most definitely affect national security broadly defined. These include the integration of a large and diverse population and arriving at an immigration policy that is fair to individuals, consistent with the national interest, and enforceable. Much is made about the importance of military personnel policies that would, for example, put women into ground combat units under the same conditions as men and permit the service of openly homosexual service members. These policies, important as they are to the individuals involved, pale in importance compared to the considerations noted above.

Geopolitical Issues

Arguably the greatest geopolitical challenge faced by the United States is in the Middle East, now in the throes of apparently popular revolutions which may or may not be hijacked by undemocratic elements – as has happened so often in the past (1789 France, 1917 Russia, and

1979 Iran). It is not possible to predict how these revolutions will end up or how far the revolutionary spirit may carry, but that something fundamentally important has happened in Tunisia and Egypt – with further sparks flickering in Libya, Yemen, Bahrain, and Iran – is beyond doubt.

At the same time, United States faces a growing challenge from China, the only country that could pose a serious threat to the U.S. in the mid term. Chinese leaders are increasingly assertive, and Chinese investments in military hardware appear to be bearing fruit. Whether these factors would make the Chinese more likely to, for example, decide to settle the Taiwan question once and for all is not clear, but it is a real possibility. It is possible that increased Chinese pressure in that region will backfire, however. Japan in particular may be motivated to resume its role as the traditional balancer of China, a position more recently played by the United States. The greatest threat in that region relates to a miscalculation on the part of China or Taiwan that would result in a conflict across the Straits. Were the United States to become directly involved, no one can predict how great the escalation would be.

The possibility that the regime in North Korea would attack South Korea is very real, as is the possibility of an international consortium deciding to press as hard as necessary to get the North Koreans to denuclearize. Given the importance of the nuclear capability to the regime in North Korea, and perhaps to its survival, it is hard to imagine North Korean denuclearization without threats moving to the brink of war or beyond. There are recent reports of U.S.-South Korean military exercises dealing not with a North Korean attack on the South but with managing the results of a collapse of the North Korean regime, so there is no lack of plausible scenarios that would involve a greatly enhanced U.S. military posture on the Korean Peninsula.

One could make the case that the greatest geopolitical danger to the United States is closer to home. Certain trends in Central and South America are very worrisome, including the danger Venezuela poses to its neighbors and to the United States, the rise of narco terrorism, the spread of criminal gangs into the United States, and the possible destabilization of Mexico itself – with unforeseeable negative consequences for both the United States and Mexico.

Fiscal Issues

Conceptual clarity is less critical – even in the face of significant geopolitical problems – if the resources to be devoted to defense are unlimited. In the real world, however, it is necessary to make choices, and decision makers need to understand clearly the opportunity costs for any particular decision. That is, what capabilities are not acquired because one has devoted scarce resources to something else? The criticism is sometimes made of the Reagan Administration that defense improvements were more the result of a massive increase in defense spending rather than a more targeted notion of what should be acquired and for what purpose. Without associating oneself completely with this position, there is at least a grain of truth in it. Quantity can at some point make up for a want of quality.

Unfortunately, the American economy is not sufficiently robust to generate sufficient resources to apply to defense that one can be unconcerned with priorities. Coupled to this is the fact that our traditional allies are even more strained economically than we are. As a result, defense is going

to be "underfunded" for the foreseeable future. In this stringent fiscal environment, it is vitally important that we understand the priority that should be placed on particular defense expenditures. To do this, we will need a clearer notion of what we are trying to accomplish and how we are going to do it.

It is a commonplace that if you do not know where you're going, any road will take you there. This highlights the importance of strategy: the analysis of means and ends and the most effective and efficient ways in which national goals can be attained. In the security sector, the very survival of the state is at stake.

John Allen Williams is a Professor of Political Science at Loyola University Chicago, and Editor of the National Strategy Forum Review. He is a retired Captain in the U.S. Navy Reserve, and is Chair and President of Inter-University Seminar on Armed Forces and Society.

A Fighter Gap?

By William A. Price*

Defense Secretary Robert Gates, in a July 16, 2009 speech to the Economic Club of Chicago, said that China would have no fifth generation aircraft by 2020. Our fighter force plans include the retirement of 112 F-15's and 134 F-16s, along with restriction of the F-22 program to 187 units. The Air National Guard had five F-15 squadrons in 2009, four down from nine in 1999, and reductions may continue. There could be a Navy and Marine Corps shortfall of 243 fighter aircraft by 2018. The F-35 program is over budget and behind schedule, and is much less capable than the F-22 in the air superiority role.

Strategic Context: Changed and Less Comfortable

Mr. Gates went back to China in January 2011. During his trip, China tested a "J20" fighter similar in appearance to the F-22. China is likely to deploy more than 600 air superiority fighters. Russia may build 300 or so Sukhoi Pak FA fighters. Development of this Russian FA series, with billions of dollars worth of cash support from India recently announced, means the F-22 could have a second "fifth generation" fighter challenge.

Policy Options

Options discussed in the defense press have included:

- Continuation of the current "Joint Strike Fighter" (F-35) program, with sales to allies and exclusive use of this weapons system, once F-22 production is done, for all three services;

* For a longer analysis of this issue, see [NSFR Special Report: Fighter Gaps](#), by William A. Price.

- Modification of short term production plans to allow Naval air needs to be met with further FA-18 production;
- Cancellation of the F-35B VTOL variant for Marine Corps use;
- Extended production of F-16 and other older aircraft lines; and
- Restart of production for the F-22.

Allies like Israel and Australia have requested F-22s, which are not now allowed for export.

Questions To Ask

1. *What does this option cost?* F-35 costs were originally projected at \$112 million per unit. Costs this year and next are above \$200 million per unit, and cancellation of Marine production and other delays are likely to increase costs, not cut them. F-18's cost about \$57 million per unit, upgraded F-16s about \$40 million. F-22 production costs averaged \$143 million per unit.

2. *What Difference Does This Design Make?* Australian analysis suggests that only the F-22 could survive the high threat ground to air defense systems now being deployed worldwide. RAND corporation analysis of possible US-China confrontations suggest that both the F-22 and the F-35 could run out of missiles against much larger numbers of hostiles. Stealth may mean nothing, if phased array radars can detect such planes, or may be all that keeps our planes alive in hostile space. Beyond visual range engagements may not avoid the need for dogfighting capability, which the F-35 lacks.

3. *What Political Difference Can This Option Make?* The Egyptian revolution may surround Israel with revolutionary and hostile states, with missiles and possibly with nuclear weapons. Northeast Asia has Korean and Taiwan Strait confrontation possibilities, as well as South China Sea territorial conflicts. In all of these, "close" air power balances can invite overconfident challengers to act.

Conclusion

We may need more air superiority systems, and more capable friends, in an increasingly hostile world.

*William Price is a corporate attorney (www.growthlaw.com) and has served as the Chair of the Corporation, Securities, and Business Law Section Council for the Illinois State Bar Association. He has taught venture capital and new technology team building at the Illinois Institute of Technology. Mr. Price's prior publications can be found in *The National Interest* and on *StrategyPage*.*

The Dangers of a Multi-polar World in the 21st Century

By Endy Zemenides

The 21st century world faces more dangers than ever: multiple nuclear flashpoints; global terrorism; infectious diseases; failed states; the potential for resource wars; climate change; etc. Despite these challenges, the world seems ill-equipped in terms of institutions. The U.N., NATO, IMF, and other organizations were all established in a much different global context. The post Cold-War world seems to rely too much on the good intentions of its biggest players: Will the United States be a responsible hegemon? Will China's rise be peaceful? Will Europe continue to integrate eastern European nations, and will Russia allow it?

Our world desperately requires structure, at a time when the United States – because of deficits and debt to other nations, its multiple wars, and its decreased soft power – is ill-equipped to impose it. Instead, we are witnessing the emergence of major powers in every region of the world. In the absence of structure in international relations, is the emergence of multiple powers a positive, or a negative? Are we more likely to see a multi-continent, multi-cultural, 21st century Concert of Europe? Or are international relations about to devolve into a real life version of *RISK*?

A combination of factors – the rise of China, European political integration, the overextension of the United States – has made the post Cold War American uni-polar moment the shortest lived era in modern international relations. Those who wished for multi-polarity now have it. The United States still features the strongest combination of economic, military and soft power. China's ambition, the size of its economy and armed forces put it in second position. The E.U., with NATO to serve as military cover as a single European foreign and defense policy is established, with its pre-crisis economic clout, with two permanent Security Council members, and with the prestige of European diplomacy rounds out the big three. Russia – another permanent Security Council member – will remain a significant global power because of its nuclear arms, its willingness to project power in neighboring regions, and its access to oil and gas. Finally, Japan qualifies as a global power because of its economy and potential to remilitarize.

The world became multi-polar, but there was no 21st century Congress of Vienna at which the great powers laid out a structure to ensure global stability. Such a task would be difficult in and of itself, but was made impossible by: a United States that realized too late that it could no longer “go it alone”; a Europe still not fully integrated; and a Russia and China that typically oppose the political and economic ground rules of the existing Western order. Is it any wonder that the past decade failed to produce the next round of WTO trade negotiations, or any significant peace agreement, or any successful example of collective defense led/authorized by the U.N. Security Council or NATO?

Into this gap of leadership and achievement have stepped new institutions – developing country blocs like the Group of 77 (G-77); the annual BRIC (Brazil, Russia, India and China) summits – and non-Western regional powers like Brazil, India, Indonesia, South Africa and Turkey. These

“powers” have acted with great effect – with the developing bloc group staking cohesive, and decisive, positions in trade and climate change negotiations and with Turkey and Brazil aggressively trying to negotiate their own solution to the Iranian nuclear dilemma with Tehran.

Perhaps no country better illustrates the dilemma of emerging powers in today’s world than Turkey. People encouraged by Turkey’s emergence as a power point to its bullish economy; the fact that it is a modern Islamic democracy; its NATO membership and potential EU membership; its spot on the U.N. Security Council; and its geographic advantages.

But Turkey’s behavior has also raised red flags. Its role in the flotilla incident and its divergence with and ultimate opposition to U.S. policy on Iran left Thomas Friedman wondering whether Turkey is intent on “joining the Hamas-Hezbollah-Iran resistance front against Israel.” Turkey wants to join the EU, but it continues to occupy the territory of an EU member (Cyprus) and refuses to recognize that member. Turkey declares a “zero problems with neighbors” foreign policy, but in addition to the aforementioned occupation of Cyprus, Turkey still is at odds with Armenia, Iraqi Kurds, Israel, and violates Greece’s airspace daily in trying to stake its claim to the Aegean. Turkey is a signatory of the European Convention on Human Rights, but it has been found in violation of that convention more than any other signatory (only Russia is close.)

The challenge for U.S. policy with regard to integrating Turkey into the West is a microcosm for the challenges the U.S. faces with all emerging powers. It has been argued that Turkey’s Western fate depends on Turkey being brought to Europe, rather than Europe to Turkey. If emerging powers do not commit to a structure – and as time passes, they may have a significant voice in shaping that structure – but treat their commitment to international relations in an *a la carte* manner, the dangers our world faces are more likely to be exacerbated rather than beaten back. John Mearsheimer predicted in 1990 that we would soon miss the Cold War because of the instability of the emerging multi-polar world. Twenty years later, it is hard to argue with him.

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The Importance of Being India

By Frank Schell

A principal ally of the United States, the Republic of India is likely to become more assertive in world affairs in coming years as it redefines itself as a first tier economy with an affluent middle class, acquisitive multinational companies, a modernizing military, and new western sponsorship.

The U.S. needs an Asian ally as an offset to the economic and military ascent of the People’s Republic of China. India, a vibrant democracy and nuclear power, can fill this role in some measure. At this time, India’s relations with China are generally good, with increasing two way trade with its leading import partner and third largest export partner (CIA *World Fact Book*,

January 2011). Projecting its sphere of influence, India has defined its maritime interests to extend from the Strait of Malacca to the Persian Gulf. Its armed forces are modernizing all three branches and rank in the world's top five in terms of scale. They pressure China to deploy military resources in two locations in Tibet: next to Ladakh, a region of Jammu and Kashmir in the northern most part of India, and at the McMahon line to the east, adjacent to the Indian state of Arunachal, which also borders Myanmar (formerly known as Burma) and Bhutan.

India's reach also extends well into Afghanistan and the Pakistani southwest province of Balochistan, in view of affinities dating to the British and Mughal empires, the Delhi sultanate, and to ancient times. Moderate Indian behavior and rhetoric, as well as engagement with Pakistan over the Kashmir dispute, will challenge the *raison d'être* of the Pakistan Army to be so focused on what it sees as the Indian threat. This will gradually need to change if democratic institutions in Pakistan such as the presidency, parliament, and judiciary are to gain strength and credibility. The sharing of intelligence between the U.S. and India is an example of cooperation in the fight against terrorism, although this can be viewed with suspicion in Pakistan and can have negative consequences for U.S. relations with that country.

India may also prove useful in tightening the sanctions against Iran. Recently, the [Wall Street Journal](#) reported that the Reserve Bank of India, the nation's central bank, prohibited Indian firms from using the Asian Clearing Union, a trade clearinghouse based in Tehran. It is believed that payments effected between central banks can prevent transparency with respect to the identity of buyers and sellers, obscuring the role of blacklisted entities such as the Iranian Revolutionary Guard. The central bank also required that settlements with Iranian suppliers must be in currencies other than the U.S. dollar and the Euro, making trade with Iran more complicated. Iran is reportedly India's second largest supplier of crude oil, representing 14% of its demand for that commodity.

The U.S. and India will continue to have serious differences regarding Indian protectionism and the collapse of the Doha trade talks, India's unwillingness to sign the Nuclear Non-Proliferation Treaty, and its insistence on a per capita basis for carbon dioxide emissions. Moreover, the hardware of the Indian military is still 70% Russian in origin, including the air superiority Sukhoi-30MKI fighter, the T-90 battle tank, the BrahMos cruise missile, an aircraft carrier, and stealth frigates.¹ Further, the U.S.-India nuclear agreement, which offers U.S. companies the opportunity to construct civilian reactors and supply uranium fuel, will be offset by continued Indian efforts to engage with Russia as a supplier — and act as a hedge in case the U.S. becomes an unreliable partner.

India's economic rise in the past two decades, accomplished as a pluralistic democracy with disparate religions, ethnicities and languages, gives it a certain moral authority in addressing the West and developing countries not seen since the 1950s when it was a member of the so-called non-aligned bloc, while nevertheless a Soviet client state. With approximately 155 million Muslims in its nearly 1.2 billion population, India is vulnerable to Islamist radicalism. An

¹ Sieff, Martin . *Shifting Superpowers*. Washington, D.C.: Cato Institute 2009. Pages 166 and 183.

example of a successful secular state able to embrace many faiths, India will seek to maintain good relations with the Muslim world and will not allow itself to be an instrument of the U.S.

The U.S. tends to see India through the prism of its foreign relations in the region, although the country's internal challenges posed by the Naxalite movement, a rural Maoist style uprising with antecedents in West Bengal in the 1960s in, are quite severe. India merits U.S. support in addressing the underlying causes of this potent force, which include economic isolation and the inability to integrate low caste and tribal populations into the mainstream. Naxalites are estimated to be represented in at least 30% of India's districts.

The characteristics and symbols of the Indian state that the U.S. finds attractive – parliamentary democracy, free markets, the English language, and a western legal structure – do not guarantee that India will be a predictable partner in its relations with us. As we support that country's economic rise and enhanced relations with the U.S., we must recognize that India will act pragmatically in concert with its own self-interest. This will sometimes support and sometimes frustrate U.S. policies.

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U.S. Complementary Strategy: The Pakistan Opportunity

By Richard E. Friedman

In 1788, during a lowpoint of the Revolutionary War, John Adams and George Washington expressed their perspective on aid from France.

John Adams: "France kept their hand under our chin to prevent us from drowning, but not to lift our heads out of water."

George Washington: "It is a maxim founded on the universal experience of mankind that no nation is to be trusted farther than it is bound by its own interest."

The 18th century dictum applies with force today: states are best served when they identify their enlightened self-interest, identify clearly their strategic objectives, and implement them with a nuanced, light touch.

U.S. policy makers have awakened belatedly to several realities. September 11th was an historic event that led, for better or worse, to the Bush II Global War on Terror policy. The U.S. economic recession that began in 2008 is likely to continue for several years and degrade U.S. economic and political primacy. An honest and objective evaluation of U.S. foreign policy

suggests that we have acted arrogantly, without need, in many situations. We have fretted about the loss of U.S. international prestige and realized belatedly that much of the world no longer holds us in high esteem.

America's great state tragedy is that we lead the world in providing protection for other states and in sharing our largesse with people in need. This noble and almost unique humanitarian impulse and action is accepted, but frequently not reciprocated.

The fix will not be found in public diplomacy—the notion that the U.S. should create a better image of itself. Rather, the U.S. should look inward and examine its international policy and the cumulative negative effect of the uncomfortable notion of U.S. policy arrogance.

The need for U.S. introspective self-bashing is a relatively easy first step towards rehabilitation and progress. The second phase involves *complementary strategy*: understanding the strategic objectives of friend and foe, and incorporating these findings into the establishment of U.S. strategic objectives and a national security strategy.

Pakistan provides a near perfect opportunity for the U.S. to exercise its complementary strategy.

Pakistan is important to the U.S. for several reasons.

- Its 170 million Muslim population is pivotal to the region.
- There is a contemporary and growing anti-American trend, notwithstanding the massive U.S. financial aid packages provided to Pakistan.
- Pakistan has nuclear weapons, and has shared its nuclear technology with America's enemies, and could provide nuclear capabilities to non-state actors.
- Pakistan has provided aid and comfort to the Afghan Taliban and it is thwarting U.S. objectives in Pakistan.

The U.S. goal should be to recognize the downside gravity of these thwarts and attempt to convert them to our advantage. Consider Pakistan's many weaknesses, their strengths, and how they relate to the U.S. for their survival.

Pakistan needs to address the following issues solely from its self-interest perspective, and to communicate clearly to the U.S., warts and all, their strategic objectives, in hopes that the U.S. is in a complementary strategy mode. If there would be a private, non-governmental conference convened by Pakistan's highly qualified non-governmental leadership, the following agenda items would be addressed by Pakistan's participants.

Pakistan's Strategic Objectives

What are Pakistan's most important strategic objectives (*for example, economic prosperity; internal terrorism; recovery from the 2010 monsoon flooding*)? Are there other first-rank strategic objectives?

Pakistan's Domestic Political Stability

What is the present status of Pakistan's political stability? What are the destabilizing factors? How important is corruption in government and the private sector? Is there the need for emphasis on democracy? If so, how can this be achieved? What are the competing forces of democracy, secularism, and religious theocracy? What are the reasons for political instability? How can Pakistan address these barriers that contribute to political instability? What could be done to prepare for the 2013 national election?

What is the Present Condition of Pakistan's Strategic Relationship to the U.S.?

What elements of the Pakistan/U.S. strategic relationship are positive, and what elements are negative? What should be the ideal Pakistan strategic relationship with the U.S.? How can Pakistan and the U.S. jointly address and cure the negative elements of this relationship? How can Pakistan's new policy towards the U.S. be communicated to U.S. policy makers, and to Pakistan's public? What steps should the U.S. take to strengthen its strategic relationship with Pakistan's political leadership and Pakistan's public?

Pakistan's Regional Perspective

What facts should be included in Pakistan's regional objectives? What should be Pakistan's regional strategic perspective? This would include India, China, Iraq, Iran, Saudi Arabia, and Israel.

Pakistan's Nuclear Weapons Security

The U.S. is very concerned about the security of Pakistan's nuclear weapons. Particularly worrisome is the possibility of the Pakistan Taliban diminishing Pakistan's nuclear security. What steps, if any, are being taken by Pakistan to prevent its nuclear technology from being acquired by other states and non-state actors? Is there a Pakistan/Saudi Arabia secret nuclear weapons sharing agreement?

The U.S. Concerns Regarding Counter-Terrorism and Counter-Insurgency

The U.S. is very concerned about Pakistan's ISI supporting the Afghan Taliban insurgency. Is this perception correct? If so, is this in Pakistan's best interest? How can the U.S. and Pakistan cooperate given Pakistan's possible support for the Afghan Taliban?

Pakistan and India

How can Pakistan's relationship with India be improved? What specific action could be taken by Pakistan, and what actions, if any, could be taken by India to improve this

relationship? What could the U.S. do to persuade India to accommodate Pakistan? Would Pakistan's support for India's permanent membership on the UN Security Council be a positive step towards improving the relationship?

What is Pakistan's Strategic Interest in Afghanistan?

What is Pakistan doing and what should it be doing in Afghanistan to address its strategic objectives there? What is Pakistan's perspective of U.S. strategic objectives in Afghanistan? What are the consequences for Pakistan and the region, if/when the U.S. withdraws its military forces from Pakistan?

Pakistan's Self-Help Policy

What can Pakistan do using a self-help mode to improve the internal domestic situation, including political stability, economic prosperity, the military, internal national security, education, healthcare, and social services? What can the U.S. do to assist Pakistan in this regard? How can Pakistan and the U.S. shape the U.S. financial aid package to Pakistan?

Although answers on all of these issues may not emerge, there would be zones of agreement that would provide a strategic architecture going into Pakistan's 2013 general election. Both Pakistan and the U.S. should strive to create new, mutually enforcing national security strategies.

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