

Testimony of Andrew J. Bacevich
House Armed Services Committee
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Thank you for the opportunity to present my views on the future of U. S. grand strategy to members of this committee.

In American practice, grand strategy almost invariably implies conjuring up a response to emerging threats or prospective challenges beyond our borders. The expectation is that an effective grand strategy will provide a framework for employing American power to “shape” that external environment – “shape” having in recent years become a favorite term among those who inhabit the rarified world of grand strategy.

These days strategists expend considerable energy (and imagination) devising concepts intended to enable the United States to “win” the Global War on Terrorism, “transform” the Greater Middle East, or “manage” the rise of China.

These are honorable, well-intentioned efforts and may, on occasion, actually yield something useful. After all, the grand strategy of Containment, devised in the wake of World War II, did serve as an important touchstone for policies that enabled the United States and its allies to prevail in the Cold War.

Yet there is a second way to approach questions of grand strategy. This alternative approach – which I will employ in my very brief prepared remarks – is one that emphasizes internal conditions as much as external threats.

Here is my bottom line: the strategic imperative that we confront in our time demands first of all that we put our own house in order. Fixing our own problems should take precedence over fixing the world’s problems.

The past decade has seen a substantial erosion of U. S. power and influence. This has occurred in part as a result of ill-advised and recklessly implemented policy decisions, the Iraq War not least among them. Yet it has also occurred because of our collective unwillingness to confront serious and persistent domestic dysfunction.

The chief expression of this dysfunction takes the form of debt and dependency. In the not so very distant future these may well pose as great a danger to our well-being as violent Islamic radicalism or a China intent on staking its claim to the status of great power.

To persist in neglecting these internal problems is in effect to endorse and perpetuate the further decline in U. S. power.

Let me illustrate the point with two examples.

Example number one is energy. I hardly need remind members of this committee of the relevant facts. Once the world's number one producer of oil, the United States today possesses a paltry 4% of known global oil reserves while Americans consume one out of every four barrels of worldwide oil production.

President Bush has bemoaned our "addiction" to foreign oil. He is right to do so. The United States now imports more than 60% of its daily petroleum fix, a figure that will almost surely continue to rise.

The costs of sustaining that addiction are also rising. Since 9/11, the price of oil per barrel has quadrupled. The nation's annual oil "bill" now tops \$700 billion, much of that wealth helping to sustain corrupt and repressive regimes, some of it subsequently diverted to support Islamic radicals who plot against us.

Since the 1970s, Americans have talked endlessly of the need to address this problem. Talk has not produced effective action.

Instead, by tolerating this growing dependence on foreign oil we have allowed ourselves to be drawn ever more deeply into the Persian Gulf, a tendency that culminated in the ongoing Iraq War. That war, now in its sixth year, is costing us an estimated \$3 billion per week – a figure that is effectively a surtax added to the oil bill.

Surely, this is a matter that future historians will find baffling: how a great power could recognize the danger posed by energy dependence and then do so little to avert that danger.

Example number two of our domestic dysfunction is fiscal. Again, you are familiar with the essential problem, namely our persistent refusal to live within our means.

When President Bush took office in 2001, the national debt stood at less than \$6 trillion. Since then it has increased by more than 50% to \$9.5 trillion. When Ronald Reagan became president back in 1981, total debt equaled 31% of GDP. Today, the debt is closing in on 70% of GDP.

This is no longer money we owe ourselves. Increasingly, we borrow from abroad, with 25% of total debt now in foreign hands. Next to Japan, China has become our leading creditor, a fact that ought to give strategists pause.

Given seemingly permanent trade imbalances, projected increases in entitlement programs, and the continuing costs of fighting multiple, open-ended wars, this borrowing will continue and will do so at an accelerating and alarming rate. Our insatiable penchant for consumption and aversion to saving only exacerbate the problem.

Any serious attempt to chart a grand strategy for the United States will need to address this issue, which cannot be done without considerable sacrifice.

Now there are those who would contend that the Bush administration has already formulated a grand strategy, one that will carry us well into the current century. The centerpiece of this strategy is the Global War on Terrorism, in some quarters referred to as the Long War.

In fact, the Long War represents an impediment to sound grand strategy. To persist in the Long War will be to exacerbate the existing trends toward ever greater debt and dependency and it will do so while placing at risk America's overstretched armed forces.

To imagine that a reliance on military power can reverse these trends toward ever increasing debt and dependency would be the height of folly. This is the central lesson that we should take away from period since September 11, 2001.

Shortly after 9/11 then Secretary of Defense Donald Rumsfeld framed the strategic problem facing the United States this way. "We have a choice," he said, "either to change the way we live, which is unacceptable, or to change the way that they live; and we chose the latter."

What we have learned since then is that the United States does not possess the capacity to change the way they live, whether "they" are the people of the Middle East or the entire Islamic world. To persist in seeing U. S. grand strategy as a project aimed at changing the way they live will be to court bankruptcy and exhaustion.

In fact, the choice facing the United States is this one: we can ignore the imperative to change the way we live, in which case we will drown in an ocean of red ink; or we can choose to mend our ways, curbing our profligate inclinations, regaining our freedom of action, and thereby preserving all that we value most.

In the end, how we manage – or mismanage – our affairs here at home will prove to be far more decisive than our efforts to manage events beyond our shores, whether in the Persian Gulf or East Asia or elsewhere.