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A National Security Strategy For The New Century

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Mr. Chairman, distinguished members, it is a pleasure to appear again before the House Armed Services Committee. I must admit that I find it much easier to stand before you today than in previous appearances when I was the Deputy Secretary of Defense. Somehow you all don't appear so fearsome as I recall.

Mr. Chairman, I also would like to begin by saying that when I agreed to testify before you today I stated that I would not appear to defend the previous Administration or to criticize the Bush Administration. I come here today as a private citizen with an intense interest in the subject of this hearing.

I congratulate you for holding this hearing. I believe that we need to undertake a fresh review of our national security strategy, and I believe that the Bush Administration has a unique opportunity to set a new direction for our national security strategy.

To Survive as a Nation and to Prosper as a People

I don't recall who said it, but I believe that two objectives inform our national security strategy-to survive as a nation and to prosper as a people. This elegant and simple formulation is not a national strategy, of course. Rather this represents the objectives of any national strategy. Nonetheless, these two objectives are a useful starting point for our discussion today.

Five Epochs of National Security Policy

As a nation, we have experienced five distinct epochs of security policy. The first epoch began before we were a nation, continued through our war of independence and lasted through the conclusion of the War of 1812. During this first security period we were but pawns on an international political chessboard dominated by great European military powers. We achieved independence largely because France helped us in its struggle against the United Kingdom.

The second security epoch stretched from 1819 and lasted until 1898. The United States lived in isolated security, sheltered from the international politics of Europe by the Royal Navy. America spent its energies internally, expanding into the vast heartland of the North American continent. During this period America became a world power without knowing it, through the unbounded energy of an expanding economy propelled by the Industrial Revolution and successive waves of immigrants. We were not naïve rustics. America pioneered the modern industrialized military establishment as a consequence of the Civil War. European military powers watched us closely at that time. But America was content to grow internally during this second security period.

The third epoch-our imperial epoch-started with the Spanish American War and extended through World War I. American elites sought territorial expansion beyond the continent, and the war

brought us far-flung properties, such as the Philippine Islands. We saw ourselves as a world power and we fielded the resources to give muscle to that new vision of national power. This epoch ended when World War I ended. Disenchanted with the experiences of politics dominated by a decaying European international order, we withdrew again into our heartland.

The fourth epoch was the isolationist period between the two world wars. This period saw the rise of two powerful forces-national socialism and fascism in Germany, Italy and Japan, and international communism in the Soviet Union, the two dominant forces that did so much to shape the 20th century. These two powerful forces ultimately brought the world to war in 1939, and pulled America into conflict in 1941. While America politically isolated itself from the politics of Europe, our military forces undertook important preparations. The Navy pioneered new concepts of operation that ultimately led to aircraft carriers and the strategy that led to victory in the Pacific. The Army quietly revitalized itself through the Louisiana maneuvers that laid critical preparations for World War II.

The fifth epoch gradually emerged from the wreckage of World War II and the reconstruction of Europe and Asia. America confronted three simultaneous challenges-the need to confront a dynamic and menacing communist ideology, the need to rebuild in Europe and Asia, and the need to manage the collapse of the European-dominated empires and integrate the former colonies as new states into a stable international order. To accomplish our national security goals, America led in the creation of a series of international institutions-the United Nations, the International Monetary Fund, the World Bank, and ultimately NATO-that were designed to force the Soviet Union to play on a chessboard dominated by American political values. Our national security strategy was based on a set of alliances and institutions where we shouldered with others the burden of maintaining an international order that embodied western values.

Arguably, the fifth epoch ended in 1989 when the Berlin Wall was breached and the Warsaw Pact collapsed.

A Sixth American Security Epoch

We have been in a transition period for the past ten years. While the character of the new security epoch is still unfolding, I believe it is now possible to discern its primary features.

First, while we do not confront a major peer opponent, we now live in a world of manifold security challenges. Only one of them-an uncontrolled escalation of conflict leading to nuclear war with Russia--represents an existential threat to the United States. Former CIA Director Jim Woolsey summarized the situation best when he said that we no longer face a bear in the woods, but instead confront many snakes in a swamp. While none of these security challenges represent an existential threat to the United States, many of them do disturb the foundations of a stable international order that represented our security objective for the past fifty years. This new epoch then seems to be filled with troubling conflicts, none of which are directly threatening to the United States, but many of which affect our primary security objective, which is a stable and open international order.

Second, the greatest threat we face, I believe, comes from the proliferation of dangerous materials and knowledge amassed during the Cold War. The Soviet Union built massive inventories of chemical, biological and nuclear weapons, and created an extensive intellectual-industrial complex to manufacture these terrible weapons. As the Soviet Union collapsed, these dangerous weapons and technologies began to proliferate to other countries and potentially to international terrorist organizations. The growing technological sophistication of scientific and industrial establishments around the world bring chemical and biological weapons within the reach of virtually any country with a competent university. We now think some 14-15 countries harbor chemical or biological weapons. And with the proliferation of inventories comes the risk that these terrible devices will fall into the hands of terrorist organizations. I must remind the committee that we have experienced a since-forgotten terrorist incident in this country utilizing a biological agent. It was a group that spread salmonella on a food-bar in the Pacific Northwest

some years back. I personally do not think it is a matter of if, but rather a question of when we have a terrorist incident in America involving a chemical, biological or nuclear weapon.

Third, we witness the rise of non-governmental actors that can assemble the human, technical and monetary resources to threaten the United States. We have always had terrorists, but they tended to be solitary individuals or small groups with limited objectives. We now see international organizations capable of sophisticated operations requiring extensive logistics preparations and resources. Disturbingly, many of these organizations have ideological objectives that are not susceptible to classic methods of deterrence. We do not currently know how to deter organizations that glorify violent acts of suicide.

Fourth, we are living in an era of global technologies and global business practices that undermine the effectiveness and, in some cases, the viability of nation-state sovereignty. America's borders are more porous than at any time in our history. Cyberspace and just-in-time international business practices have radically undercut traditional definitions of borders and border control. International corporations now have unimagined flexibility to pick and choose the extent to which they wish to cooperate with government. The forces of globalization are undermining the traditional structures of national security.

A National Security Strategy for this new Epoch

Any national strategy will necessarily contain elements of continuity and elements of change - elements that worked from the past and elements that need to be pioneered to address the new circumstances of our day. I would argue that there are four primary components for a national security strategy for this new epoch:

A Robust and Dynamic Economy. It is undoubtedly too obvious for words, but the first component of a national security strategy is a robust and dynamic economy. If the Cold War taught us one lesson, it was this. Recently we learned that a critical spy working initially for the Soviet Union and later for Russia allegedly revealed enormously sensitive information that has damaged the United States. Nonetheless, we still won the Cold War, because of the virtue of our ideas, the quality of our allies, and the strength of our economy. Sustaining a strong and vibrant economy is a national security imperative.

There are two specific issues that I would draw to your attention in this regard. While our economy is strong, despite the current slowdown, the health of our defense industry is in question. I attended a provocative symposium recently where four distinguished Wall Street analysts offered their insights on the defense industry. The investment community has effectively dismissed the defense industry as a meaningful investment opportunity. One of the analysts stated that the "market" ranks the defense industry somewhere between farm equipment manufacturers and machine tool manufacturers. Less than 1 percent of the capitalization of the Standard and Poor's 500 is found in the defense industry. Our industrial underpinnings are increasingly fragile. Our companies have difficulty raising capital and attracting talent. We cannot defend this country without our private-sector industrial partners, and these partners are becoming financially fragile. This is a problem this Committee must look into this year.

There is a second issue concerning the strength of our economy which will also require this Committee's attention and that concerns the degree to which our preoccupation with Cold War security procedures is beginning to stifle our economic productivity. The productivity of our economy is inextricably tied to idea-generation, and idea-generation is inextricably tied to international scientific exchange and international business partnerships. During the past decade, American scientific enterprise and business practices have become global. Advanced technology projects and business developments increasingly involve partnerships with entities in many countries, some of them sensitive in terms of national security concerns.

Yet we continue to operate a Cold War security paradigm that impedes interaction with other countries, even our strongest allies. These security procedures are seriously distorting, if not

undermining, alliance business ties. Foreign defense firms are instructing their engineers to avoid U.S. components. Business opportunities for American firms are disappearing. We are creating protected market opportunities for foreign firms by blocking the ability of American defense companies to compete effectively in these markets.

The U.S. security procedures may have been appropriate during the Cold War, but they are increasingly counterproductive as the world has adopted geographically distributed design and manufacturing procedures. Any argument that American security depends on insulating our science and industry from dangerous foreign involvement is a recipe for long-term decline and weakness. American science and industry will become more global in the years ahead. If we block our scientists and businesses from international collaboration, we will cripple our economy's future productivity. If we effectively prevent commercial enterprises with international connections from undertaking defense work, we will place a straightjacket on an already fragile defense industry. Our current system of export controls is increasingly doing just that. I believe one of our greatest security risks comes from blind adherence to obsolete export controls and technology restraints that will slow our economic and technical progress and degrade our ability to generate new ideas and technologies.

Controlling the export of "supercomputers" is a good example. A supercomputer five years ago is a laptop computer today. Congress wanted to block the sale of supercomputers to dangerous countries, but now these prohibitions threaten the sale of laptop computers. If these legislative restrictions are not changed, we will either force U.S. companies to relocate production overseas or give the market to foreign competitors. We will lose business and jeopardize productivity, but we will not be safer as a nation.

I believe there is still an important role for export controls, but not the way we are implementing them today. This committee has to start taking an active lead in reforming our export control system if we are going to protect our long-term national security.

A Full-Spectrum Defense Establishment. The second element of our strategy has to be a commitment to maintaining a full-spectrum defense establishment. A full-spectrum defense capability would:

- deter nuclear war and lower the threat of proliferation of weapons of mass destruction;
- stop a limited WMD attack via active defenses;
- retain the ability to deter and, if necessary, to fight, at any time and in any place, major wars in defense of U.S. interests, now and in the future;
- maintain the ability unilaterally to intercede where necessary to protect the lives of American citizens and the citizens of friendly nations;
- blunt and defeat terrorist attacks utilizing weapons of mass destruction;
- insure that American forces always retain technological superiority over any opponent.

Certainly, the precise means and methods for achieving these goals will and should change with time as new technologies emerge and new concepts are developed. But we must maintain a full-spectrum defense establishment capable of accomplishing these tasks.

A Structure of Alliances and Coalitions. In the early days of the Cold War, the United States created a set of institutions and alliances to contain the Soviet Union and block the spread of international communism. Those institutions and alliances were important not just in broadening the resources available for the common defense. They also were instrumental in creating a new, stable international security order that enshrined western values of due process and democratic accountability. I believe that our national security still benefits from having strong and capable allies committed to a common task of providing a stable and secure international order. I believe we still need international institutions that embrace long-standing American values of democratic accountability and transparency.

I worry that our current alliance relationships are beginning to fray. I worry that Americans are starting to question the value of membership in international institutions. I see troubling trends in

Europe, and frankly here in the United States, that could undermine our alliance relationships. We Americans often see only fecklessness in European security pronouncements and actions. Europeans often see only American arrogance and unilateralism in our words and deeds. We are drifting apart, I fear, and need to work hard to hold together an important relationship in the years ahead. Maintaining these alliance relationships will be the greatest challenge to face the Bush Administration.

Modulating our Security Environment. Finally, Mr. Chairman, I believe that we should continue to undertake programs to shape our security environment. Four specific dimensions to this shaping task come to mind. First, as I just noted, we should actively work to maintain alliance relationships and bilateral security partnerships. The best security investment is an alliance of genuine friends.

Second, we must continue to maintain forward-deployed forces. As hard as it is to explain to folks back home, it is critical that we continue to have forward-deployed forces. American troops in Japan and Korea provide stability to the entire region, which directly contributes to American economic well being. Naval forces deployed in key regions of the world help deter aggression and promote stability.

Third, we should continue to engage military establishments around the world through active programs of cooperation. Throughout history, military establishments have been almost as threatening to their own country as to their neighbors. That question has never come up in America. I believe we have effectively perfected the model of democratic control of military force. The American military is now the "gold-standard," and we should proudly demonstrate that model through active military-to-military engagement.

Fourth, and this will probably surprise many of my former colleagues in the Defense Department, I think one of our highest defense priorities should be to encourage substantially more foreign students to study in America. As I travel around the world, I am always amazed at the high percentage of business and governmental leaders in other countries who went to college or graduate school in the United States. I believe we underestimate the tremendous advantage that gives us in the future. Will some of those students be spies? Undoubtedly yes. Is that a risk worth taking? Absolutely. No one is more sickened by the reports of espionage and treason than am I, and we must be just as vigilant today as we were during the Cold War to guard against the loss of sensitive national secrets. But I again remind the Committee, America won the Cold War, in spite of the fact that our strongest opponents were able to insinuate spies in the most sensitive positions where they could compromise our most important national secrets. We won because of the quality of our values, the vitality of our society and the strength of our economy, and the compelling model we presented to the world. Sharing all that with the next generation of the world's leaders is just as important as building the next tank or aircraft or ship.

To Survive as a Nation and to Prosper as a People

Mr. Chairman, I conclude with the same observation I made at the outset. Our national security goal is to survive as a nation and to prosper as a people. The new security epoch presents unique challenges, but they are well within our ability to cope, so long as we have patience, confidence and a will to invest in our national security. This Committee is the indispensable leader for the House of Representatives, and I thank you for making reassessing our approach to national security a priority at the outset of this new Congress.