In 1945 the United States commanded a 40 percent share of the world economy; today its share is half that, and yet our military commitments have grown dramatically. This imbalance, which conforms to a classic historical pattern, threatens our security, both military and economic

THE (RELATIVE) DECLINE OF AMERICA

BY PAUL KENNEDY

The Erosion of U.S. Grand Strategy

IN FEBRUARY OF 1941, WHEN HENRY LUCE'S *LIFE* MAGAZINE announced that this was the "American century," the claim accorded well with the economic realities of power. Even before the United States entered the Second World War, it produced about a third of the world's manufactures, which was more than twice the production of Nazi Germany and almost ten times that of Japan. By 1945, with the Fascist states defeated and America's wartime allies economically exhausted, the U.S. share of world manufacturing output was closer to half—a proportion never before or since attained by a single nation. More than any of the great world empires—Rome, Imperial Spain, or Victorian Britain—the United States appeared destined to dominate international politics for decades, if not centuries, to come.

In such circumstances it seemed to American decision-makers natural (if occasionally awkward) to extend U.S. military protection to those countries pleading for help in the turbulent years after 1945. First came involvement in Greece and Turkey; and then, from 1949 onward, the extraordinarily wide-ranging commitment to NATO; the special relationship with Israel and, often contrarily, with Saudi Arabia, Jordan, Egypt, and lesser Arab states; and obligations to the partners in such regional defense organizations as SEATO, CENTO, and ANZUS. Closer to home, there was the Rio Pact and the special hemispheric defense arrangements with Canada. By early 1970, as Ronald Steel has pointed out, the United States "had more than 1,000,000 soldiers in 30 countries, was a member of 4 regional defense alliances and an active participant in a fifth, had mutual defense treaties with 42 nations, was a member of 53 international organizations, and was furnishing military or economic aid to nearly 100 nations across the face of the globe." Although the end of the Vietnam War significantly reduced the number of American troops overseas, the global array of U.S. obligations that remained would have astonished the Founding Fathers.

Yet while America's commitments steadily increased after 1945, its share of world manufacturing and of world gross national product began to decline, at first rather slowly, and then with increasing speed. In one sense, it could be argued, such a decline is irrelevant: this country is nowadays far richer, absolutely, than it was in 1945 or 1950, and most of its citizens are much better off *in absolute terms*. In another sense, however, the shrinking of America's share of world production is alarming because of the implications for American grand strategy—which is measured not by military forces alone but by their integration with all those other elements (economic, social, political, and diplomatic) that contribute toward a successful long-term national policy.

The gradual erosion of the economic foundations of America's power has been of several kinds. In the first place, there is the country's industrial decline relative to overall world production, not only in older manufactures, such as textiles, iron and steel, shipbuilding, and basic chemicals, but also—though it is harder to judge the final outcome at this stage of industrial-technological combat—in robotics, aerospace technology, automobiles, machine tools, and computers. Both areas pose immense problems: in traditional and basic manufacturing the gap in wage scales between the United States and newly industrializing countries is probably such that no efficiency measures will close it; but to lose out in the competition in future technologies, if that indeed should occur, would be even more disastrous.

The second, and in many ways less expected, sector of decline is agriculture. Only a decade ago experts were predicting a frightening global imbalance between food requirements and farming output. But the scenarios of famine and disaster stimulated two powerful responses: the first was a tremendous investment in American farming from the 1970s onward, fueled by the prospect of ever larger overseas food sales; the second was a large-scale investigation, funded by the West, into scientific means of increasing Third World crop outputs. These have been so successful as to turn growing numbers of Third World countries into food exporters, and thus competitors of the United States. At the same time, the European Economic Community has become a major producer of agricultural surpluses, owing to its price-support system. In consequence, experts now refer to a "world awash in food," and

ILLUSTRATIONS BY SEYMOUR CHWAST

this state of affairs in turn has led to sharp declines in agricultural prices and in American food exports—and has driven many farmers out of business.

Like mid-Victorian Britons, Americans after 1945 favored free trade and open competition, not just because they held that global commerce and prosperity would be advanced in the process but also because they knew that they were most likely to benefit from a lack of protectionism. Forty years later, with that confidence ebbing, there is a predictable shift of opinion in favor of protecting the domestic market and the domestic producer. And, just as in Edwardian Britain, defenders of the existing system point out that higher tariffs not only might make domestic products *less* competitive internationally but also might have other undesirable repercussions—a global tariff war, blows against American exports, the undermining of the currencies of certain newly industrializing countries, and an economic crisis like that of the 1930s.

Along with these difficulties affecting American manufacturing and agriculture has come great turbulence in the nation's finances. The uncompetitiveness of U.S. industrial products abroad and the declining sales of agricultural exports have together produced staggering deficits in visible trade—$160 billion in the twelve months ending with April of 1986—but what is more alarming is that such a gap can no longer be covered by American earnings on "invisibles," which are the traditional recourse of a mature economy. On the contrary, the United States has been able to pay its way in the world only by importing ever larger amounts of capital. This has, of course, transformed it from the world's largest creditor to the world's largest debtor nation in the space of a few years.

Compounding this problem—in the view of many critics, causing this problem—have been the budgetary policies of the U.S. government itself.

Federal Deficit, Debt, and Interest (in billions)

	Deficit	Debt	Interest on Debt
1980	$59.6	$914.3	$52.5
1983	$195.4	$1,381.9	$87.8
1985	$202.8	$1,823.1	$129.0

A continuation of this trend, alarmed voices have pointed out, would push the U.S. national debt to around $13 *trillion* by the year 2000 (fourteen times the debt in 1980) and the interest payments on the debt to $1.5 *trillion* (twenty-nine times the 1980 payments). In fact a lowering of interest rates could make those estimates too high, but the overall trend is still very unhealthy. Even if federal deficits could be reduced to a "mere" $100 billion annually, the compounding of national debt and interest payments by the early twenty-first century would still cause unprecedented sums of money to be diverted in that direction. The only historical examples that come to mind of Great Powers so increasing their indebtedness *in peacetime* are France in the 1780s, where the fiscal crisis finally led to revolution, and Russia early in this century.

Indeed, it is difficult to imagine how the American economy could have got by without the inflow of foreign funds in the early 1980s, even if that had the awkward consequence of inflating the dollar and thereby further hurting U.S. agricultural and manufacturing exports. But, one wonders, what might happen if those funds are pulled out of the dollar, causing its value to drop precipitously?

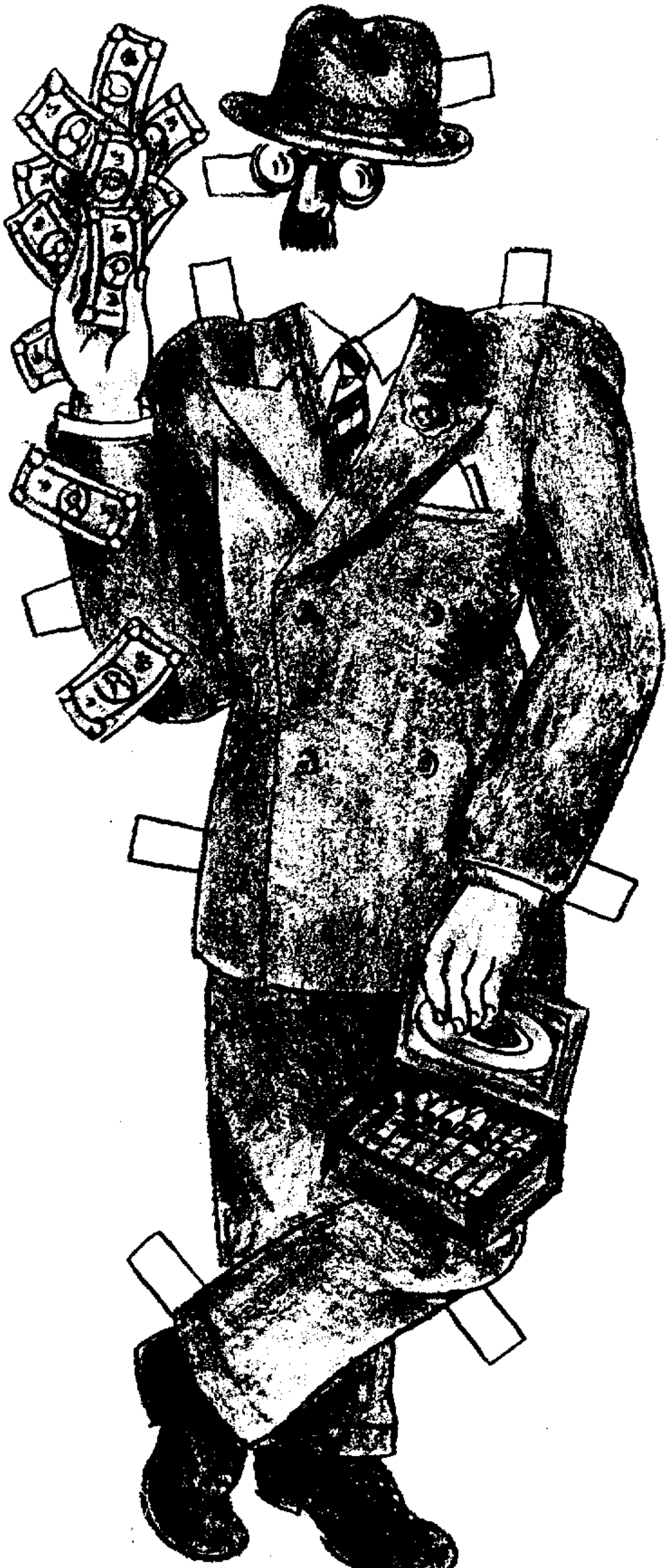
Some say that alarmist voices are exaggerating the gravity of what is happening to the U.S. economy and failing to note the "naturalness" of most of these developments. For example, the midwestern farm belt would be much less badly off if so many farmers had not bought land at inflated prices and excessive interest rates in the late 1970s. The move from manufacturing into services is understandable, and is occurring in all advanced countries. And U.S. manufacturing *output* has been rising in absolute terms, even if employment (especially blue-collar employment) in manufacturing has been falling—but that too is a "natural" trend, as the world increasingly moves from material-based to knowledge-based production. Similarly, there is nothing wrong in the metamorphosis of American financial institutions into world financial institutions, with bases in Tokyo and London as well as New York, to handle (and profit from) the heavy flow of capital; that can only increase the nation's earnings from services. Even the large annual federal deficits and the mounting national debt are sometimes described as being not very serious, after allowance is made for inflation; and there exists in some quarters a belief that the economy will "grow its way out" of these deficits, or that government measures will close the gap, whether by increasing taxes or cutting spending or both. A too hasty attempt to slash the deficit, it is pointed out, could well trigger a major recession.

The positive signs of growth in the American economy are said to be even more reassuring. Because of the boom in the service sector, the United States has been creating jobs over the past decade faster than it has done at any time in its peacetime history—and certainly a lot faster than Western Europe has been. America's far greater degree of labor mobility eases such transformations in the job market. Furthermore, the enormous American commitment to high technology—not just in California and New England but also in Virginia, Arizona, and many other places—promises ever greater production, and thus national wealth (as well as ensuring a strategic edge over the Soviet Union). Indeed, it is precisely because of the opportunities existing in the American economy that the nation continues to attract millions of immigrants and to generate thousands of new entrepreneurs, and the capital that pours into the country can be tapped for further investment, especially in research and development. Finally, if long-term shifts in the global terms of trade are, as economists suspect, leading to steadily lower prices for foodstuffs and raw materials, that ought to benefit an economy that still imports enormous amounts of oil, metal ores, and so on (even if it hurts particular American interests, such as farmers and oilmen).

Many of these points may be valid. Since the American economy is so large and diverse, some sectors and regions are likely to be growing while others are in decline—and to characterize the whole with generalizations about "crisis" or "boom" is therefore inappropriate. Given the decline in the price of raw materials, the ebbing of the dollar's unsustainably high exchange value since early 1985, the reduction that has occurred in interest rates, and the impact of all three trends on inflation and on business confidence, it is not surprising that some professional economists are optimistic about the future.

NEVERTHELESS, FROM THE VIEWPOINT OF AMERICAN grand strategy, and of the economic foundation necessary to an effective long-term strategy, the picture is much less rosy. In the first place, America's capacity to carry the burden of military liabilities that it has assumed since 1945 is obviously less than it was several decades ago, when its shares of global manufacturing and GNP were much larger, its agriculture was secure, its balance of payments was far healthier, the government budget was in balance, and it was not in debt to the rest of the world. From that larger viewpoint there is something in the analogy that is made by certain political scientists between America's position today and that of previous "declining hegemons." Here again it is instructive to note the uncanny similarity between the growing mood of anxiety in thoughtful circles in the United States today and that which pervaded all political parties in Edwardian Britain and led to what has been termed the national efficiency movement—a broad-based debate among the nation's decision-making, business, and educational elites over ways to reverse a growing uncompetitiveness with other advanced societies. In terms of commercial expertise, levels of training and education, efficiency of production, and standards of income and (among the less well off) living, health, and housing, the number-one power of 1900 seemed to be losing its superiority, with dire implications for its long-term *strategic* position. Hence the calls for "renewal" and "reorganization" came as much from the right as from the left. Such campaigns usually do lead to reforms here and there, but their very existence is, ironically, a confirmation of decline. When a Great Power is strong and unchallenged, it will be much less likely to debate its capacity to meet its obligations than when it is relatively weaker.

In particular, there could be serious implications for American grand strategy if the U.S. industrial base continues to shrink. If there were ever in the future to be a large-scale war that remained conventional (because of the belligerents' fear of triggering a nuclear holocaust), one must wonder, would America's productive capacities be adequate after years of decline in certain key industries, the erosion of blue-collar employment, and so on? One is reminded of the warning cry of the British nationalist economist Professor W. A. S. Hewins in 1904 about the impact of British industrial decay upon that country's power:



> Suppose an industry which is threatened [by foreign competition] is one which lies at the very root of your system of National defense, where are you then? You could not get on without an iron industry, a great Engineering trade, because in modern warfare you would not have the means of producing, and maintaining in a state of efficiency, your fleets and armies.

It is hard to imagine that the decline in American industrial capacity could be so severe: America's manufacturing base is simply much broader than Edwardian Britain's was, and—an important point—the so-called defense-related industries not only have been sustained by Pentagon procurement but also have taken part in the shift from materials-intensive to knowledge-intensive (high-tech) manufacturing, which over the long term will also reduce the West's reliance on critical raw materials. Even so, the expatriation from the United States of, say, semiconductor assembly, the erosion of the American shipping and shipbuilding industry, and the closing down of so many American mines and oil fields represent trends that cannot but be damaging in the event of another long, Great Power, coalition war. If, moreover, historical precedents have any validity at all, the most critical constraint upon any surge in wartime production will be the number of skilled craftsmen—which causes one to wonder about the huge long-term decline in American blue-collar employment, including the employment of skilled craftsmen.

A problem quite different but equally important for sustaining a proper grand strategy concerns the impact of slow economic growth on the American social-political consensus. To a degree that amazes most Europeans, the United States in the twentieth century has managed to avoid overt "class" politics. This, one imagines, is a result of America's unique history. Many of its immigrants had fled from socially rigid circumstances elsewhere; the sheer size of the country had long allowed those who were disillusioned with their economic position to escape to the West, and also made the organization of labor much more difficult than in, say, France or Britain; and those same geographic dimensions, and the entrepreneurial opportunities within them, encouraged the development of a largely unreconstructed form of laissez-faire capitalism that has dominated the political culture of the nation (despite occasional counterattacks from the left). In consequence, the earnings gap between rich and poor is significantly larger in the United States than in any other advanced industrial society, and state expenditures on social services claim a lower share of GNP than in comparable countries except Japan, whose family-based support system for the poor and the aged appears much stronger.

This lack of class politics despite obvious socio-economic disparities has been possible because the nation's overall growth since the 1930s has offered the prospect of individual betterment to a majority of the population, and, disturbingly, because the poorest third of American society has not been mobilized to vote regularly. But given the different birthrates of whites on the one hand and blacks and

Hispanics on the other, given the changing composition of the flow of immigrants into the United States, given also the economic metamorphosis that is leading to the loss of millions of relatively high-paying jobs in manufacturing, and the creation of millions of poorly paid jobs in services, it may be unwise to assume that the prevailing norms of the American political economy (such as low government social expenditures and low taxes on the rich) would be maintained if the nation entered a period of sustained economic difficulty caused by a plunging dollar and slow growth. An American polity that responds to external challenges by increasing defense expenditures, and reacts to the budgetary crisis by cutting existing social expenditures, runs the risk of provoking an eventual political backlash. There are no easy answers in dealing with the constant three-way tension between defense, consumption, and investment as national priorities.

Imperial Overstretch

THIS BRINGS US, INEVITABLY, TO THE DELICATE RElationship between slow economic growth and high defense spending. The debate over the economics of defense spending is a heated one and—bearing in mind the size and variety of the American economy, the stimulus that can come from large government contracts, and the technological spin-offs from weapons research—the evidence does not point simply in one direction. But what is significant for our purposes is the comparative dimension. Although (as is often pointed out) defense expenditures amounted to ten percent of GNP under President Eisenhower and nine percent under President Kennedy, America's shares of global production and wealth were at that time around twice what they are today, and, more particularly, the American economy was not then facing challenges to either its traditional or its high-technology manufactures. The United States now devotes about seven percent of its GNP to defense spending, while its major economic rivals, especially Japan, allocate a far smaller proportion. If this situation continues, then America's rivals will have more funds free for civilian investment. If the United States continues to direct a huge proportion of its research and development activities toward military-related production while the Japanese and West Germans concentrate on commercial research and development, and if the Pentagon drains off the ablest of the country's scientists and engineers from the design and production of goods for the world market, while similar personnel in other countries are bringing out better consumer products, then it seems inevitable that the American share of world manufacturing will decline steadily, and likely that American economic growth rates will be slower than those of countries dedicated to the marketplace and less eager to channel resources into defense.

It is almost superfluous to say that these tendencies place the United States on the horns of a most acute, if long-term, dilemma. Simply because it is *the* global superpower, with military commitments far more extensive than those of a regional power like Japan or West Germany, it requires much larger defense forces. Furthermore, since the USSR is seen to be the major military threat to American interests around the globe, and is clearly devoting a far greater proportion of its GNP to defense, American decision-makers are inevitably worried about "losing" the arms race with Russia. Yet the more sensible among the decision-makers can also perceive that the burden of armaments is debilitating the Soviet economy, and that if the two superpowers continue to allocate ever larger shares of their national wealth to the unproductive field of armaments, the critical question might soon be, Whose economy will decline *fastest*, relative to the economies of such expanding states as Japan, China, and so forth? A small investment in armaments may leave a globally overstretched power like the United States feeling vulnerable everywhere, but a very heavy investment in them, while bringing greater security in the short term, may so erode the commercial competitiveness of the American economy that the nation will be less secure in the long term.

Here, too, the historical precedents are not encouraging. Past experience shows that even as the relative economic strength of number-one countries has ebbed, the growing foreign challenges to their position have compelled them to allocate more and more of their resources to the military sector, which in turn has squeezed out productive investment and, over time, led to a downward spiral of slower growth, heavier taxes, deepening domestic splits over spending priorities, and a weakening capacity to bear the burdens of defense. If this, indeed, is the pattern of history, one is tempted to paraphrase Shaw's deadly serious quip and say: "Rome fell. Babylon fell. Scarsdale's turn will come."

HOW IS ONE TO INTERPRET WHAT IS GOING ON? AND what, if anything, can be done about these problems? Far too many of the remarks made in political speeches suggest that while politicians worry more than they did about the nation's economic future, they tend to believe that the problems have quick and simple-minded solutions. For example, some call for tariffs—but they fail to address the charge that whenever industry and agriculture are protected, they become less productive. Others urge "competitiveness"—but they fail to explain how, say, American textile workers are to compete with textile workers earning only a twentieth of American wages. Still others put the blame for the decline of American efficiency on the government, which they say takes too much of the national income—but they fail to explain how the Swiss and the Germans, with their far higher tax rates, remain competitive on the world market. There are those who want to increase defense spending to meet perceived threats overseas—but they rarely concede that such a policy would further unbalance the economy. And there are those who want to reduce defense spending—but they rarely suggest which commitments (Israel? Korea? Egypt? Europe?) should go, in order to balance means and ends.

Above all, there is rarely any sense of the long-term context in which this American dilemma must be seen, or of the blindingly obvious point that the problem is not new. The study of world history might be the most useful endeavor for today's decision-makers. Such study would free politicians from the ethnocentric and temporal blinkers that so often restrict vision, allowing them to perceive some of the larger facts about international affairs.

The first of these is that the relative strengths of the leading nations have never remained constant, because the uneven rates of growth of different societies and technological and organizational breakthroughs bring greater advantage to one society than to another. For example, the coming of the long-range-gunned sailing ship and the rise of Atlantic trade after 1500 were not uniformly beneficial to the states of Europe—they benefited some much more than others. In the same way, the later development of steam power, and of the coal and metal resources upon which it relied, drastically increased the relative power of certain nations. Once their productive capacity was enhanced, countries would normally find it easier to sustain the burdens of spending heavily on armaments in peacetime, and of maintaining and supplying large armies and fleets in wartime. It sounds crudely mercantilistic to express it this way, but wealth is usually needed to underpin military power, and military power is usually needed to acquire and protect wealth. If, however, too large a proportion of a state's resources is diverted from the creation of wealth and allocated instead to military purposes, that is likely to lead to a weakening of national power over the long term. And if a state overextends itself strategically, by, say, conquering extensive territories or waging costly wars, it runs the risk that the benefits ultimately gained from external expansion may be outweighed by the great expense—a problem that becomes acute if the nation concerned has entered a period of relative economic decline. The history of the rise and fall of the leading countries since the advance of Western Europe in the sixteenth century—that is, of nations such as Spain, the Netherlands, France, Great Britain, and, currently, the United States—shows a significant correlation over the long term between productive and revenue-raising capacity on the one hand and military strength on the other.

Of course, both wealth *and* power are always relative. Three hundred years ago the German mercantilistic writer Philip von Hornigk observed that "whether a nation be today mighty and rich or not depends not on the abundance or security of its power or riches, but principally on whether its neighbors possess more or less of it."

The Netherlands in the mid-eighteenth century was richer in absolute terms than it had been a hundred years earlier, but by that stage it was much less of a Great Power, because neighbors like France and Britain had more power and riches. The France of 1914 was, absolutely, more powerful than the one of 1850—but that was little consolation when France was being eclipsed by a much stronger Germany. Britain has far greater wealth today than it had in its mid-Victorian prime, and its armed forces possess far more powerful weapons, but its share of world product has shrunk from about 25 percent to about three percent. If a nation has "more of it" than its contemporaries, things are fine; if not, there are problems.

This does not mean, however, that a nation's relative economic and military power will rise and fall in parallel. Most of the historical examples suggest that the trajectory of a state's military-territorial influence lags noticeably behind the trajectory of its relative economic strength. The reason for this is not difficult to grasp. An economically expanding power—Britain in the 1860s, the United States in the 1890s, Japan today—may well choose to become rich rather than to spend heavily on armaments. A half century later priorities may well have altered. The earlier economic expansion has brought with it overseas obligations: dependence on foreign markets and raw materials, military alliances, perhaps bases and colonies. Other, rival powers are now expanding economically at a faster rate, and wish in their turn to extend their influence abroad. The world has become a more competitive place, and the country's market shares are being eroded. Pessimistic observers talk of decline; patriotic statesmen call for "renewal."

In these more troubled circumstances the Great Power is likely to spend much more on defense than it did two generations earlier and yet still find the world to be less secure—simply because other powers have grown faster, and are becoming stronger. Imperial Spain spent much more money on its army in the troubled 1630s and 1640s than it had in the 1580s, when the Castilian economy was healthier. Britain's defense expenditures were far greater in 1910 than they were, say, at the time of Palmerston's death, in 1865, when the British economy was at its relative peak; but did any Britons at the later date feel more secure? The same problem appears to confront both the United States and the Soviet Union today. Great Powers in relative decline instinctively respond by spending more on security, thereby diverting potential resources from investment and compounding their long-term dilemma.

After the Second World War the position of the United States and the USSR as powers in a class by themselves appeared to be reinforced by the advent of nuclear weapons and delivery systems. The strategic and diplomatic landscape was now entirely different from that of 1900, let alone 1800. And yet the process of rise and fall among Great Powers had not ceased. Militarily, the United States and the USSR stayed in the forefront as the 1960s gave way to the 1970s and 1980s. Indeed, because they both interpret international problems in bipolar, and often Manichean, terms, their rivalry has driven them into an ever-escalating arms race that no other powers feel capable of joining. Over the same few decades, however, the global productive balances have been changing faster than ever before. The Third World's share of total manufacturing output and GNP, which was depressed to an all-time low in the decade after 1945, has steadily expanded. Europe has recovered from its wartime batterings and, in the form of the EEC, become the world's largest trading unit. The People's Republic of China is leaping forward at an impressive rate. Japan's postwar economic growth has been so phenomenal that, according to some measures, Japan recently overtook the Soviet Union in total GNP. Meanwhile, growth rates in both the United States and the USSR have become more sluggish, and those countries' shares of global production and wealth have shrunk dramatically since the 1960s.

It is worth bearing the Soviet Union's difficulties in mind when one analyzes the present and future circumstances of the United States, because of two important distinctions. The first is that while it can be argued that the U.S. share of world power has been declining faster than the Soviet share over the past few decades, the problems of the United States are probably nowhere near as great as those of the Soviet Union. Moreover, America's absolute strength (especially in industrial and technological fields) is still much greater than that of the USSR. The second is that the very unstructured, laissez-faire nature of American society (while not without its weaknesses) probably gives the United States a better chance of readjusting to changing circumstances than a rigid and *dirigiste* power has. But its potential in turn depends upon a national leadership that can understand the larger processes at work in the world today and perceives both the strong and the weak points of the country's position as the United States seeks to adjust to the changing global environment.

Although the United States is at present still pre-eminent economically and perhaps even militarily, it cannot avoid the two great tests that challenge the longevity of every major power that occupies the number-one position in world affairs. First, in the military-strategic realm, can it preserve a reasonable balance between the nation's perceived defense commitments and the means it possesses to maintain those commitments? And second, as an intimately related question, can it preserve the technological and economic bases of its power from relative erosion in the face of the ever-shifting patterns of global production? This test of American abilities will be the greater because America, like Imperial Spain around 1600 or the British Empire around 1900, bears a heavy burden of strategic commitments, made decades earlier, when the nation's political, economic, and military capacity to influence world affairs seemed so much more assured. The United States now runs the risk, so familiar to historians of the rise and fall of Great Powers, of what might be called "imperial overstretch": that is to say, decision-makers in Washington must face the awkward and enduring fact that the total of the United States's global interests and obligations is nowadays far too large for the country to be able to defend them all simultaneously.

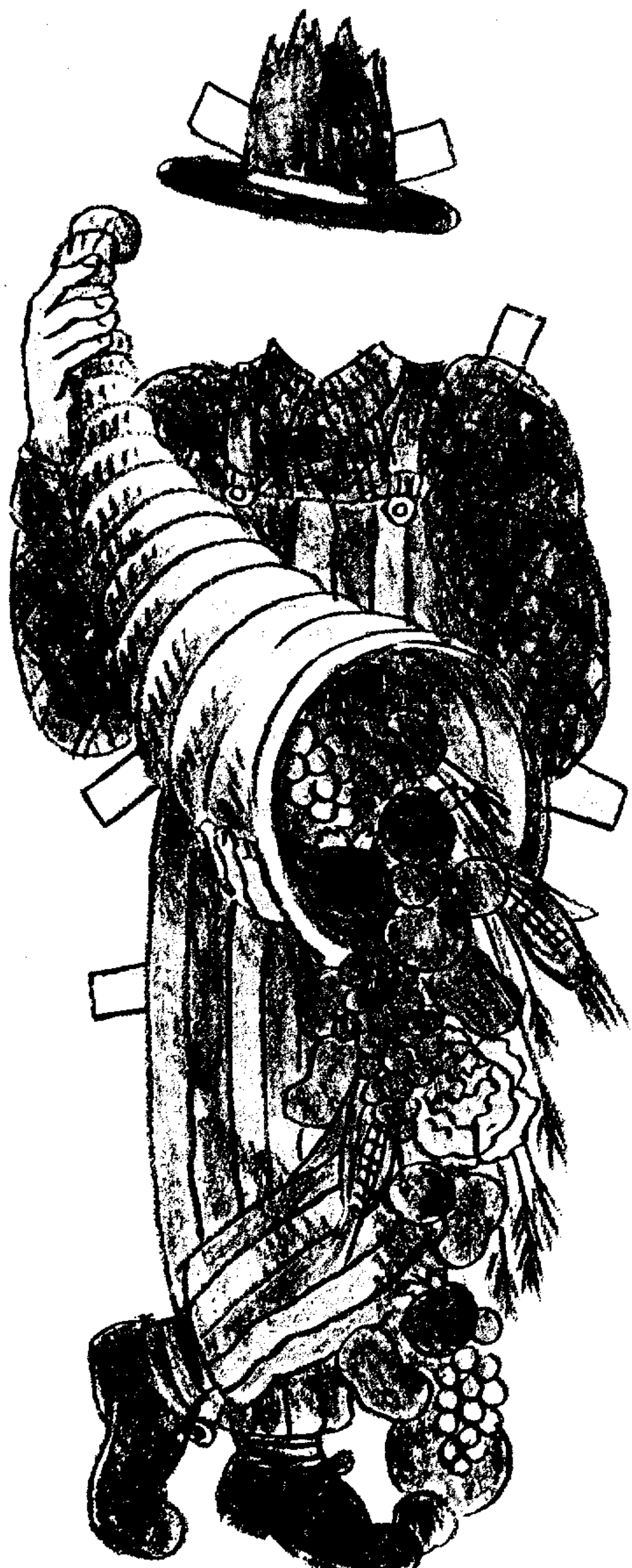
To be sure, it is hardly likely that the United States would be called upon to defend all of its overseas interests simultaneously and unilaterally, unaided by the NATO members in Western Europe, Israel in the Middle East, or Japan, Australia, and possibly China in the Pacific. Nor are all the regional trends unfavorable to the United States with respect to defense. For example, while aggression by the unpredictable North Korean regime is always possible, it would hardly be welcomed by Beijing—furthermore, South Korea has grown to have more than twice the population and four times the GNP of the North. Also, while the expansion of Soviet forces in the Far East is alarming to Washington, it is balanced by the growing threat that China poses to the USSR's land and sea lines of communication in that area. The recent sober admission by Secretary of Defense Caspar Weinberger that "we can never afford to buy the capabilities sufficient to meet all of our commitments with one hundred percent confidence" is surely true; but it is also true that the potential anti-Soviet resources in the world (the United States, Western Europe, Japan, China, Australasia) are far greater than the resources lined up on the USSR's side.

Despite such consolations, the fundamental grand-strategic problem remains: the United States today has roughly the same enormous array of military obligations across the globe that it had a quarter century ago, when its shares of world GNP, manufacturing production, military spending, and armed-forces personnel were much larger than they are now. In 1985, forty years after America's triumph in the Second World War and more than a decade after its pull-out from Vietnam, 526,000 members of the U.S. armed forces were abroad (including 64,000 afloat). That total is substantially more than the overseas deployments in peacetime of the military and naval forces of the British Empire at the height of its power. Nevertheless, in the opinion of the Joint Chiefs of Staff, and of many civilian experts, it is simply not enough. Despite a near-trebling of the American defense budget since the late 1970s, the numerical size of the armed forces on active duty has increased by just five percent. As the British and the French military found in their time, a nation with extensive overseas obligations will always have a more difficult manpower problem than a state that keeps its armed forces solely for home defense, and a politically liberal and economically laissez-faire society sensitive to the unpopularity of conscription will have a greater problem than most.

Managing Relative Decline

Ultimately, the only answer to whether the United States can preserve its position is *no*—for it simply has not been given to any one society to remain permanently ahead of all the others, freezing the patterns of different growth rates, technological advance, and military development that have existed since time immemorial. But historical precedents do not imply that the United States is destined to shrink to the relative obscurity of former leading powers like Spain and the Netherlands, or to disintegrate like the Roman and Austro-Hungarian empires; it is too large to do the former, and probably too homogeneous to do the latter. Even the British analogy, much favored in the current political-science literature, is not a good one if it ignores the differences in scale. The geographic size, population, and natural resources of Great Britain suggest that it ought to possess roughly three or four percent of the world's wealth and power, all other things being equal. But precisely because all other things are never equal, a peculiar set of historical and technological circumstances permitted Great Britain to possess, say, 25 percent of the world's wealth and power in its prime. Since those favorable circumstances have disappeared, all that it has been doing is returning to its more "natural" size. In the same way, it may be argued, the geographic extent, population, and natural resources of the United States suggest that it ought to possess 16 or 18 percent of the world's wealth and power. But because of historical and technological circumstances favorable to it, that share rose to 40 percent or more by 1945, and what we are witnessing today is the ebbing away from that extraordinarily high figure to a more natural share. That decline is being masked by the country's enormous military capability at present, and also by its success in internationalizing American capitalism and culture. Yet even when it has declined to the position of occupying no more than its natural share of the world's wealth and power, a long time into the future, the United States will still be a very significant power in a multipolar world, simply because of its size.

The task facing American statesmen over the next decades, therefore, is to recognize that broad trends are under way, and that there is a need to manage affairs so that the relative erosion of America's position takes place slowly and smoothly, unaided by policies that bring short-term advantage but long-term disadvantage. Among the realities that statesmen, from the President down, must be alert to are these: that technological and therefore socioeconomic change is occurring in the world faster than it has ever before; that the international community is much more politically and culturally diverse than has been assumed, and is defiant of simplistic remedies offered by either Washington or Moscow for its problems; that the economic and productive power balances are no longer tilted as favorably in America's direction as they were in 1945. Even in the military realm there are signs of a certain redistribution of the balances, away from a bipolar and toward a multipolar system, in which American economic and military strength is likely to remain greater than that of any other individual country but will cease to be as disproportionate as it was in the decades immediately after the Second World War. In all the discussions about the erosion of American leadership it needs to be repeated again and again that the decline is relative, not absolute, and is therefore perfectly natural, and that a serious threat to the real interests of the United States can come only from a failure to adjust sensibly to the new world order.



Just how well can the American system adjust to a state of relative decline? Already, a growing awareness of the gap between U.S. obligations and U.S. power has led to questions by gloomier critics about the overall political culture in which Washington decision-makers have to operate. It has been suggested with increasing frequency that a country needing to reformulate its grand strategy in the light of the larger, uncontrollable changes taking place in world affairs may be ill served by an electoral system that seems to paralyze foreign-policy decision-making every two years. Foreign policy may be undercut by the extraordinary pressures applied by lobbyists, political-action committees, and other interest groups, all of whom, by definition, are prejudiced in favor of this or that policy change, and by the simplification of vital but complex international and strategic issues, inherent to mass media whose time and space for such things are limited and whose raison d'être is chiefly to make money and only secondarily to inform. It may also be undercut by the still powerful escapist urges in the American social culture, which are perhaps understandable in terms of the nation's frontier past but hinder its coming to terms with today's complex, integrated world and with other cultures and ideologies. Finally, the country may not always be helped by the division of decision-making powers that was deliberately created when it was geographically and strategically isolated from the rest of the world, two centuries ago, and had time to find a consensus on the few issues that actually concerned foreign policy. This division may be less serviceable now that the United States is a global superpower, often called upon to make swift decisions vis-à-vis countries that enjoy far fewer constraints. No one of these obstacles prevents the execution of a coherent, long-term American grand strategy. However, their cumulative effect is to make it difficult to carry out policy changes that seem to hurt special interests and occur in an election year. It may therefore be here, in the cultural and political realms, that the evolution of an overall American policy to meet the twenty-first century will be subjected to the greatest test.

Nevertheless, given the considerable array of strengths still possessed by the United States, it ought not in theory to be beyond the talents of successive Administrations to orchestrate this readjustment so as, in Walter Lippmann's classic phrase, to bring "into balance . . . the nation's commitments and the nation's power." Although there is no single state obviously preparing to take over America's global burdens, in the way that the United States assumed Britain's role in the 1940s, the country has fewer problems than had Imperial Spain, besieged by enemies on all fronts, or the Netherlands, squeezed between France and England, or the British Empire, facing numerous challengers. The tests before the United States as it heads toward the twenty-first century are certainly daunting, perhaps especially in the economic sphere; but the nation's resources remain considerable, *if* they can be properly utilized and *if* there is a judicious recognition of both the limitations and the opportunities of American power. □