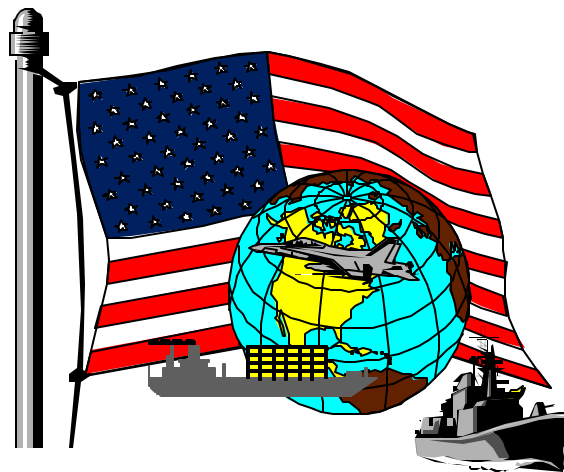


## Pax Americana

Role of Federal Government	U.S. Economic Vitality	Threats to U.S. Society	Demand for Maritime Services
Substantial	Strong	Low	High



### SUMMARY

Over the past 20 years, the world has suffered economic catastrophe, significant social and political instabilities and regional wars. For the U.S., it was a hard time that shattered our arrogance and gave us a taste of real vulnerability. The America that has emerged in 2020 is a very different country from the one that went into the new millennium — 125,000 civilian and military casualties will do that. The America of 2020 has a new sense of purpose and an appreciation for the global role that it must assume. The price tag might be high, but we have learned that the price of not being a proactive member of the world community determined to maintain stability in the globe is even higher. Domestically, our federal government is tightly focused on three policy pillars: defense, infrastructure, and education. Other social priorities have to fight for attention. The economy is globally interconnected and strong, but we are more sensitive than before to the vulnerabilities of dependent economic linkages with other regions. It is a more skeptical and wary America that is on the move again.

**February 2021: U.S. War Fighting Center, Armed Services War College**

The Commander was nervous, very nervous. Hostile Action Patrols didn't make her this nervous, and she'd done her share of Coast Guard HAPs. But this was her first teaching assignment — a role that the service took very seriously, indeed. The course material she was presenting was recently declassified and much of it was rather startling. And she had just learned that CINCUS, who had interviewed her for the job, was going to be viewing the lecture. On top of all that, it looked like she was going to be late.

Admirals never like to be kept waiting, but the Commander *was* going to be late, if that yeoman didn't get here with the viewer program of her lecture in about five minutes. Blast the congestion in the Pentagon tubes! The trip out here had taken longer than anticipated. *Why*, she kept asking herself, *was CINCUS viewing her lecture. It's not like the guy doesn't have anything to do. Vice Admiral Farmer never wasted time on things that were not vital. That was his reputation in the Millennium Wars and it was his reputation now as CINCUS. So what was going on?*

This was a very long way from the Commander's recent HAP activities. Secretly tracking that submersible-trawler just outside Japanese territorial waters had brought her to the Admiral's attention. Tracking the boat had been a little challenging, since it had been surprisingly well cloaked for a commercial construction. Boarding the boat while still in the open ocean had been a bit dicey. It had been a great example of joint operations with the Navy. Few would ever know that story, of course. But the Japanese Government had just agreed to a new far-reaching fisheries treaty. *Well*, she thought, *that is the way that U.S. foreign policy is supposed to work in the 20s. The military plays an active but quiet role, while the U.S. pursues policies meant to ensure long term global stability including resource preservation. It is easy*, she realized, *to over emphasize the military arm.* The U.S. was deeply involved in international organizations (IOs) of all kinds. Many critics even claim that most IOs are puppets of the U.S. government. Whatever the truth, diplomacy and trade play very central roles in U.S. policy.

Maybe that was the way to begin her lecture. Her work in the Pacific was not unlike the lessons that the country had learned from the Millennium Wars — Proactive Engagement. *We must do whatever is needed **proactively** to guarantee global stability. We must not hesitate to act before small issues become big issues.*

A chill ran down the Commander's spine — a lot worse than the anticipation of boarding a submersible. Perhaps she had not understood until just this moment what the Admiral was **really** after — why he had interviewed her and why he was viewing her course. Now she began to pray that the yeoman was late — she needed a moment to think. *Why does the Admiral want to view my lecture?*

*Hmmm*, she wondered, *first, there's the rumor that Farmer is to be appointed to a White House policy position. Second, she had recently distinguished herself in a very delicate mission calling for finesse and force. Third, she had spent the last three months buried in archives reviewing the events leading to the New American Era in preparation for this course.*

*Blast! What an idiot she had been. She was under consideration to accompany the Admiral to the White House. It must be so. What a chance – a great opportunity for advancement and an even better opportunity to come to the attention of international business executives. She had taken a real chance staying with the Coast Guard after her six year obligation was up (four years for the Academy and two for standard national service), rather than taking one of the offers from business. This might be her personal pay-off. Her comm unit beeped. It was the yeoman. Well, she thought, it's showtime.*

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“Good morning Ladies and Gentlemen. My name is Commander Allen and this is Political-Military History. My office location, hours and comm-locator number can be found in your viewer directory. Those of you who are remote, the sync code for the viewer net for this course is PM-101-02-allen. I know several of you are scheduled to leave for counter-terrorist training with the FBI during finals week. See me and we can discuss whether you prefer an early test date or a viewer test.”

“For the next five weeks, this course is going to be straight lecture combined with appropriate viewer programming. After that, I will expect far more class interaction both in class and on the viewer net, which I will regularly join and review.”

“Today’s lecture will be a departure from traditional first day lectures. Let me tell you why. What you learned in school about the Millennium Wars was but part of the story. Significant events have remained untold for reasons of national security; really for reasons of national vulnerability. The Millennium Wars were, as you all know, a very close call for the U.S. Well, in this course you are going to learn how close it was. You will also learn how truly vital is the job you will be performing for the U.S.”

“In this lecture I will give you an overview of the last 20 years — a very personalized overview. I learned a lot of things I never knew while researching for this course, and I have gained a new perspective on our current political system and global role. I can summarize my findings with two points: (1) We should have been better prepared for the unexpected and must never let down our guard again, and (2) We must continue to pursue a policy agenda with a few clear priorities — we can’t afford to lose focus.”

“I begin my lecture in the Year 2000 with the Year 2000 computer problem — the Y2K bug. I can see by your faces that many of you have never even heard of this. Y2K was the result of a software short-cut that made computers and embedded chips think that the year 2000 should be read as 1900. That small problem caused computers all over the world to fail. At the time, the social and economic dislocations received plenty of attention. In hindsight, however, it really was not that bad. In fact, the real threat from Y2K — the threat that almost destroyed the USA — was never known or suspected at the time. From the Fall of 1999 through the Fall of 2000, Y2K-induced disruptions rippled over the globe. Many were never reported, because they were handled with little fanfare. Fortunately, whether by luck or clever on-the-spot innovation, problems typically cropped up one sector at a time and locale

by locale. Systems, like global telecommunications, seldom failed for more than brief periods. The problems remained on a scale that could be defined and fixed.”

“However, enemies of the USA took notice of the disruptions. The vulnerability of the advanced industrial economies to a computer problem that had been identified a decade in advance was noted. If the U.S. had had this much trouble with something they understood, how much damage would a surprise computer attack cause?”

“The attack was launched on Halloween, October 31, 2008. Enormously destructive computer viruses had infiltrated the computers, information systems and communications networks of the globe over the previous month. These viruses accomplished a near-total infection before activating worldwide at 8:00 p.m. Eastern Standard Time.”

“The immediate economic dislocations across the industrialized world were huge. Everywhere, computer systems and information networks collapsed. Virus protection programs failed. Electricity and gas shut down. Telephone and Internet systems failed, as did navigation systems, security systems, and many automated control devices. Within a month the global economy was headed into a depression with factories closing, distribution and logistics systems failing, the stock and bond markets unable to function, crime on a dramatic upswing, and fear setting in among the population.”

“On the other hand, much that our enemies had hoped for did not emerge. Backup systems kept hospitals, air traffic control, police, and other emergency systems running. The networks of most large financial institutions remained intact (for reasons I will explain in a minute). The military’s Command and Control systems were only partially affected, although the enemy thought differently. There was no serious political chaos in the world’s democracies. The date of the attack had been chosen to obstruct a bitterly contested U.S. election and cause a political crisis in America. But those not born to democracy always underestimate its resiliency. While the elections had to be postponed until paper balloting could be conducted, in most cases, previously elected officials just stayed on the job and, like the President, invited their recent opponents to take on important positions in new emergency bodies. The economy frayed badly, but the society held together.”

“At the time, no one knew who had done this. In fact, for several months there was considerable public debate that ranged from deliberate attack to complexity-induced system chaos. Conspiracy theories sprouted like weeds. But that debate only went on outside of the intelligence and information combat communities. They knew what had happened because, fortunately, their defensive preparations worked. They were stunned at what they knew. They were stunned at the level of their incompetence and arrogance. Thinking of themselves as the leading edge of information combat, they had always assumed no attack like this could be launched by another country without long-term detection. That such an attack could be launched by criminal organizations never occurred to them.”

“Actually, the attack had not been totally without warning. There had been multiple indications and warnings from analysts for over two years that some very unusual activities were going on under the

sponsorship of criminal organizations. Financial institutions, the apparent target, were warned. No one took the more extreme suggestions of an attack on the U.S. as plausible.”

“The U.S. government had once made much of “declaring war” on the drug cartels. Now those same enemies had struck back. Financed by global drug profits, and using the most advanced programming and technology that illicit money could buy, a conspiracy of Colombian drug lords and the Russian “mafia” took on the industrial powers that had declared them outlaws. After the attack was launched, they recruited other gangs for a criminal onslaught on the wealth of the world ranging from well-orchestrated looting and increased drug distribution to sophisticated extortion, fraud, and the overthrow of governments.”

“The next 18 months were an American nightmare. The economy fell into depression, unemployment shot up to 20 percent and social organizations could not keep up with the demand for their services. Crimes of all sorts surged as police were overwhelmed. National Guards were mobilized and, while effective, scenes of soldiers patrolling their streets made Americans uneasy. Violent crime got most of the news coverage, but fraud, embezzlement, and larceny were a terrible problem.”

“The rest of the globe was suffering as well, much of it in direct proportion to each nation’s reliance on computer networks. Europe and Japan suffered similarly to the U.S., while Russia simply collapsed into lawlessness. While the entire world felt the impact of depressed industrial economies, many nations had only modest direct effects from the computer failures. Among those were nations that saw a once in a lifetime opportunity to gain regional power while an immobilized U.S. could do nothing but watch.”

“Iraq, its army newly modernized, launched an attack into Saudi Arabia. Just as it was savoring a major victory, Iran attacked Iraq. The nearly indiscriminant use of chemical weapons decimated both sides. Within months, a bitter, hateful “peace” resulted from mutual exhaustion. By late 2009, both nations were so depleted that no one could assert power over the region. Oil production plummeted.”

“In December of 2009, North Korea saw its chance and, launching an “out-of-the-barracks” attack, swept into the South. U.S. and South Korean forces were caught by surprise and pushed back. However, with no pre-war logistics preparation, the North Koreans quickly outstripped their supply lines. By February, the North Koreans held Seoul and the allies controlled Suwon and a line to the Han River. Another stalemate set in at the cost of 15,000 U.S. and South Korean casualties.”

“Not to be outdone in political timing, the Serbian government launched an offensive in the summer of 2009 to reassert its “rightful” position in the Balkans. By the spring of 2010, Serbia and its Romanian allies dominated Bosnia, Slovenia, Southern Hungary, Northern Albania, Kosovo, and most of Macedonia.”

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*LA Times, January 12, 2009:  
Emergency Services Office Puts  
Death Toll At 1,000*

*The Mayor’s office has released the latest death and injury figures from the blackout months. Last night’s rioting and looting in Century City were carried out like a military operation. The police, fire fighting, National Guard, and civilian casualties from those incidents have raised the city total death toll since Halloween to 1,003 from all causes.*

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“Throughout the rest of 2010, the world was beset by political and civil instability, but most were minor compared with the earlier regional conflicts. In most cases, it turned out that, like the Iraqi, North Korean and Serbian actions, many of the wars and insurrections were fueled with Chinese arms and promises of trade and aid. Indeed, considerable evidence has emerged that the Chinese government had advanced knowledge of the computer virus attack and may have had some part to play in the original conspiracy.”

“While Americans fell back on the resources of their communities, the leadership of the U.S. government faced a horrible dilemma — a truly agonizing quandary that remains unknown to citizens in the 2020s. Within weeks, U.S. leaders knew who had attacked the U.S. and its allies. Within six months they had an effective software fix for the viruses that were incapacitating computer networks. But, it was not obvious what the U.S. government should do. So far the U.S. had been wrenched by economic problems but had suffered no physical threats – no terrorist bombs or biological agents. But how long would that last if our enemies saw us begin to recover? What kind of untold suffering might be unleashed on innocents while the U.S. marshaled its forces for retaliation?”

“The decision was taken not to *publicly* intervene in the computer repair effort as a cover while the U.S. secretly prepared its retaliation. Oh, some modest fixes were filtered out into the economy, usually giving credit to clever garage shop innovators. Furthermore, there *were* garage shop and corporate innovators who were coming up with effective repairs. For example, within a few months the telephone system began to work relatively well and power grids stayed up most of the time. Banking computers had been spared most of the trouble by earlier warnings. By March of 2009, the stock and bond markets were back in operation, but the trading floors looked more like the 1960s than the 2000s. The economy started a slow controlled recovery and by mid-2010, unemployment was down to 14 percent.”

“I think one could argue that the economy moved into recovery faster without massive government intervention. Many entrepreneurs saw huge market rewards for repairing the damage and numerous clever and effective fixes entered the marketplace quickly. The government was left free to concentrate on national security issues.”

“Meanwhile, the growth of totalitarian regimes and the continued threats of force and violence in the world could not be curtailed until the U.S. and its allies regrouped and prepared powerful strike forces. That would take time and would have to be done without overt publicity. The criminal organizations that had started this horror — well, that was another matter. The criminals were vulnerable because they believed their computer virus had been 100 percent effective. U.S. law enforcement agencies, supported by the information combat community, began secretly to investigate the databases and communications of the criminal organizations. By early 2010, the U.S. began to falsify its enemy’s records, financial dealings, and communications. Not only did a great deal of money make its way back into U.S. hands, but the gangs began to turn on each other.”

“The internecine warfare that soon erupted among the gangs reduced their criminal activities significantly. It was also the perfect cover. Allied Special Forces attacked the gangs’ headquarters in the



Fall of 2010 in what appeared to be an extension of the gang wars in progress. Without leadership and coordination, the gangs quickly fell apart and police were able to regain control of their communities. This allowed the National Guard to stand down and join active duty units in intensified combat training.”

“By mid-2011, several things were becoming apparent. First, the U.S. economy was making a rapid recovery. Unemployment was down to 10 percent, and the GDP growth rate was close to 1.25 percent. People had some confidence that stability was returning to their lives. Communications and power systems were working, crime was down, fuel was available (but very expensive), and trade was beginning to move. Airports and ports, nearly unused for two years, were operating at 50-60 percent capacity. Second, it was getting hard to hide the increasing operating tempos of the U.S. military, the amount of new equipment that was entering the U.S. inventory, or the conversion of civilian equipment to military needs. Third, the stalemate in the Gulf was loosening up and Iraq, now allied with Syria, was gaining the upper hand.”

“With four big advantages (the only working surveillance satellites, a GPS network that no one knew was working again, new chemical and biological defense equipment, and a secret treaty with Iran) the U.S. and the UK invaded Iraq through Saudi Arabia in November 2011. Despite Syrian capitulation in week one, it was not an easy victory. It took six weeks and thousands of Allied casualties before the surrender and occupation of Iraq was complete. Unfortunately, that was not the end of instability in the Middle East. Rather than dampen the revolutionary ardor of the region’s radical elements, the long war and Allied intervention gave it new energy. Anti-Sunni, anti-Shiite, anti-American, anti-Israeli, pro-Iraqi, every group you could name was hating, plotting and fighting one another. To this day in 2021, the U.S. and the UK maintain a very heavy naval presence in the region as a stabilizing force that seems to be as effective as such things ever are when no local political will toward peace exists.”

“Meanwhile, the North Koreans were in a weak position in the Summer of 2012. When they learned of U.S. forces preparing for an invasion, they played a desperate gamble. Looking to negotiate from strength they did not have, they launched five ballistic missiles fitted with chemical warheads. One fell into the ocean, one hit the ground near Long Beach, one air burst just south of San Diego, one over Yokohama, and one exploded on launch killing just about everyone in the launch complex. There were 20,000 U.S. and Mexican casualties with 3,000 deaths. 5,000 died in Yokohama and another 25,000 were injured. The President had a hard time resisting the cry to retaliate with nuclear weapons. The Allied ground offensive launched six weeks later met little resistance. North Korean requests for Chinese assistance went unanswered. The government capitulated three weeks later after a coup, but the war had cost the Allies 50,000 killed and wounded; civilian and military.”

“The Serbian issue did not require U.S. combat troops. A combined German-Polish Army invaded the Balkans during the Korean engagement and defeated most of the Serbian-Romanian Army after several months of classic combined arms warfare when the Serbians foolishly engaged in a set piece battle with the Germans. Germany and Poland still occupy those countries in 2021 and they have an ever-tightening grip on their economies, while they fight an interminable bloody guerilla war. The German and Polish military budgets have recently begun growing and, as most of you saw on the viewer yesterday, the

Germans have just announced the establishment of a new space program outside of the European Space Agency.”

“2008 to 2012 — it was a very dramatic four years. A criminal ‘world power’ rose up with an unanticipated technology attack and nearly laid low a superpower. That ‘world power’ is now gone, its members dead or in jail. The U.S. has lost its historic sense of invulnerability and quite a bit of its arrogance. Our economy and society were nearly ruined by a gang of criminals and we had over 125,000 casualties from the Millenium Wars, wars that could have been prevented if we had exercised some forethought, and some global leadership. If we had been more concerned with global stability, and if our policy priorities had been more focused, less diluted by attempts to do a little bit about every social need, we would not have suffered so cruelly.”

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*Ridgefield Park Register, July 4, 2014: Memorial Celebration At Town Square. At the memorial service commemorating the new statue for all those who died in the service of the U.S. during the Millennium Wars, Mayor White took time out to welcome several new families who had been relocated from the contaminated counties around San Diego. “There is no doubt, he said, that our new neighbors are just as much front-line soldiers as those who fought in the Armed Services.”*

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“The trauma of the Millenium Wars set the stage for what has been called The New American Era and that is where your reading assignment picks up for next class. You can find your assignments for the next three weeks on the viewer net. See you on Wednesday.”

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At some point during her lecture, CDR Allen had become certain that the Admiral would offer her the White House position. She knew she should make a courtesy call on him right now. But, also some time during the lecture, a profound sense of unease had imposed itself on her. She had been thinking of a White House position as an opportunity; now she was thinking of it as a responsibility. She needed time to reflect. She set her comm filter on “Command Only” and walked out the door and down to the underground memorial gardens deep in thought. She wished her husband was in town. Something this important concerned him, too. She could talk to him over the viewer, but it wasn’t the same. *Am I really the right person for a job of this importance?*

A lot was running through her mind, not all of it well ordered. America was really very different from the nation that began the millennium. The federal government had changed more than most things in the society. It is far more focused, far more streamlined than at any time in the past 75 years. President Simone set down the key goals very well in 2013 during her Inauguration Speech. History had proven that the stability and growth of the society depended on three cornerstones: first, a peaceful life flowing from a premier national defense establishment; second, economic growth and plenty founded on entrepreneurial spirit; and, third, a solid societal foundation founded on a government that actively guarantees the economic infrastructure upon which we all depend.

Today, those cornerstone needs are being translated into three pillars of national policy: (1) national defense, (2) national infrastructure, and (3) education. They are the priorities of national policy and the budget. While numerous other social needs do get funded (especially at the state and local level where



significant power still resides), it is those three that receive the lion's share of attention and priority at the federal level. It is something of a government joke these days concerning how many things seem to have become "infrastructure" in the last few years.

What we have today is a perspective on the roles of government that took the best from past political debates. First, that there is nothing to apologize for in a big government with big ideas and an aggressive agenda. Second, that government has limits, strict limits on how much it can accomplish and what tools work best. So, we have an American government that carefully defines the areas within which it will be active. Within those areas, the government is highly energetic with big programs, large goals, and significant budgets. Outside of the clearly defined goals, the government's only role is to promote public morale and entrepreneurial free and fair enterprise.

It is interesting how savvy the government has become concerning public morale and a sense of national purpose. It seems as if numerous "infrastructure projects" are chosen because they have a certain "national challenge appeal" — a mission to Mars, lunar colonization, or undersea communities for oceanographic research. That the government pursues these missions in partnership with global private industry is a testimony to "big government project" lessons of the past, if not to the significant budget implications.

The federal government has also grown lean like its priorities. Entire departments have merged and staffs are much smaller in both the Executive and Legislative branches. The good news is that legislation does get passed more quickly and efficiently and silly ideas tend to be ignored due to the press of time. The bad news is that committee chairs have enhanced power (compared to 20 years ago), and new innovative ideas sometimes get ignored. This has been balanced by an attentive voting public that, after the war years trauma, is highly intolerant of partisan bickering, obvious pork, and single issue politicians. Indeed, one unexpected outcome of the two year national service requirement — civilian, international or military — for all 18 year old U.S. residents is a citizenry far more attuned to its civic responsibilities.

Not everything works smoothly, of course. After all, we are still Americans and we love to argue. States' rights issues tend to get a lot of attention. The federal government tends to get its way on just about all infrastructure issues. Indeed, very little of the national infrastructure is under local authority anymore. But that just tends to make the state and local governments all the more protective of education policy. Because the states are doing a good job of promoting public education, the federal government tends to focus on higher and continuing education. But every election is still a wrestling match about the proper role of the federal government in education.

Pollution and environmental issues have become a top agenda item in the last few years. The war years and the immediate aftermath of economic rebuilding not only put environmental issues on the back burner, but those years contributed significantly to global pollution. It is now getting a lot worse and climate changes are effecting U.S. agriculture. While the U.S. has been tolerant of developing nations' needs to industrialize without overly burdensome "green" costs, that sentiment seems to be shifting as pollution worsens and developing nations improve their economies. Just yesterday some college professors testified before Congress that nothing is more clearly a matter of "infrastructure" than the

environment. The argument has merit. Pondering that, CDR Allen thought, *This will be a big deal in the next few years. If I am offered a White House position, I may well have to work on it.*

Not entirely switching subject, she thought, *I wonder if we will ever see a financially balanced budget in my lifetime? Probably not, but I think we are doing the right thing with our expenditures — a socially balanced budget. What counts in society is balance; we maintain a “balanced societal budget” that keeps the twin excesses of the past in tension. We will not build up social program after program regardless of cost. Nor will we cut needful programs for the sake of zero deficit.*

The budget may not be a problem for long. The economy is growing extremely well despite the deficit and our aging population. Indeed, many of our “retired” population are working part-time and vast numbers do community volunteer work that makes real economic contributions. Our efforts to become less vulnerable to future threats have brought numerous industries back to the U.S., but if anything, that has increased our trade. American companies trade across the industrial value chain today. They import and export designs, components, subassemblies and finished goods. Transportation, communications and information processing industries, as well as chemicals, financial services, health care, aerospace, alternative energy, and specialty materials are leading U.S. strengths.

Snapping out of her reverie, she thinks: *Jeez, I’m wandering all over the place. Get some focus, Allen. Do you want the job? Yes, if I can do it. How do you know if you can do it? If I agree with the policies and goals, then I can do the job. So what is the goal of the White House National Security Office? To help guarantee a peaceful and stable world by ensuring ever-ready armed force and superb military, economic, political, and technological intelligence. But more, it means working toward economic well being across the globe without carelessly exploiting people or resources.*

And, she thought, *it means we must plan and execute over extended time frames; it means we must maintain a long view and have some patience. I want this challenge. I think I should make an appointment to see the Admiral, now. Hmmm, patience may be needed in national policy, but that is sure not a virtue I have ever heard ascribed to Farmer. This is going to be an interesting tour.*

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*Le Monde*, April 21, 2020 in translation: Arrogant **American Coast Guard**. In what must be considered an arrogant and illegal unilateral action, the USCG Cutter *Bertholf* arrested innocent French fisherman today on the ludicrous charge of allegedly poaching in closed U.S. fishing grounds. Boarded just a few miles from the Port of Dakar, where hundreds of children are starving, the crew was arrested by the Captain claiming proof from overhead surveillance images taken a week before.

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## Scenario Characteristics Matrix

Scenario Drivers	Pax Americana
<b>Role of Federal Government</b>	Substantial
<b>U.S. Economic Vitality</b>	Strong
<b>Threats to U.S. Society</b>	Low
<b>Demand for Maritime Services</b>	High
<b>Global Economic Health and Stability</b>	<p>It is a healthy and growing global economy overall, though no one would call it “hot,” with only a few weak regions. The world economy is interdependent enough that business cycles tend to be linked across regions.</p> <p>The U.S. tends to dominate the strong and steady global free-trading system and the key economic institutions—World Bank, a reconstituted IMF, and global regulatory and standards bodies.</p>
<b>U.S. Society and Economy</b>	<p>The U.S. economy is strong and globally dominant, driven by high technology, defense, space, infrastructure investment, energy, chemicals, bio-genetics, “repatriated” manufacturing, and new services for an affluent and aging population.</p> <p>Pressures from a slowly increasing deficit and higher taxes mitigate growth somewhat, but these are considered minor within a new social philosophy that emphasizes a “balanced societal budget.”</p> <p>There is a strong sense of purpose and direction in society. Emerging out of the Millennium Wars, the new social ethic emphasizes balance among three cornerstones of stability: (1) national defense, (2) entrepreneurial spirit, and (3) a government active in the economic and social infrastructure.</p> <p>The American Community is resurgent and many of society's problems (drugs, crime, poverty, etc) are addressed at that level. The consequent resource needs have led to some state economic development policies that put neighboring states in bitter competition for investments.</p>

<div>Scenario</div> <div>Drivers</div>	<div>Pax Americana</div>
<b>NAFTA/Latin America</b>	<p>NAFTA has expanded throughout the Western Hemisphere but mostly as a launching point for more efficient and effective global and regional trade coordination. There are very few regional trade barriers and those that exist are falling as growth proceeds. The regional economy is strong, with private investment and infrastructure development driving growth. Most Latin American countries are striving for balanced economic growth. Some of the development decisions have been difficult, but the successes outweigh the problems.</p> <p>The U.S. tends to dominate regional trade and economic policy forums. These conferences and meetings also coordinate economic policies (especially infrastructure issues) with U.S. and regional defense policies.</p> <p>Some background resentment of the United States' domineering role prevents wholly enthusiastic cooperation. At the same time, solid long-term economic growth also mitigates anti-Americanism.</p>
<b>Cuba/Caribbean Nations</b>	<p>Cuba is the newest member of NAFTA, having joined in 2018 after a difficult ten years. The Castro brothers both died just as the Millennium Wars began and criminal cartels briefly controlled the island. Overthrown with military help from Caribbean nations and U.S. logistics support, the criminals have been replaced by a democratic government seeking good, but not too close, relations with the U.S. Havana is bidding for significant port investment. While the potential for Cuban emigration remains, the average Cuban's situation is not nearly so dire as to make rafting to the U.S. a palatable choice. Instead, most Cuban emigrants leave via air or seaworthy vessels. In addition, the flow of former émigrés back to Cuba from Southern Florida presently exceeds the number of émigrés from Cuba to the U.S.</p> <p>The Caribbean nations have once again become a tourist attraction, and are enjoying steady growth, in part because of the destruction of criminal organizations. The desire to emigrate to the U.S. is strong in some countries, such as Haiti and the Dominican Republic, but not so strong as to tempt swarms of boat people.</p>
<b>European Union (EU)</b>	<p>The European Union (EU) has stayed together, and the economy is growing, but at a slower pace than that of the U.S. The EU came out of the Millennium Wars with greater economic dislocations than the U.S. Further, growth has been hampered by an unwillingness to give up the historic social entitlements that have been so much a part of the European social contract.</p> <p>European economic strengths still lie in precision manufacturing, aerospace, chemicals, high-end consumer goods, and tourism. However, they have very stiff competition from the U.S. and other regions and there has been a tendency for merger between U.S. and EU companies leading to greater component and subassembly trade.</p> <p>The Eastern European (EE) workforce and the EE market have been important to EU economic growth policies. There is a renewed interest in trade with Russia, the Middle East and North Africa, but poorly maintained infrastructure in those regions inhibits development.</p> <p>NATO still exists. It played an important role in the Millennium Wars, but tensions are straining relations now. The U.S. does not hesitate to engage in the use of military units without allied consultation. Germany's activities in the Balkans and its renewed military build-up beyond agreed-upon NATO requirements are also causing stress.</p>

<div>Scenario</div> <div>Drivers</div>	Pax Americana
<b>Japan</b>	<p>Japan's political, economic and business reforms have been a patchwork of great successes (driven by aggressive reformers) and stunning defeats (caused by bureaucratic ineptitude and political cronyism).</p> <p>Suffering little damage in the Millennium Wars, Japan should have surged ahead. Instead, it moved from one coalition government to another, with each new government undoing the work — both good and bad — of the previous.</p> <p>While not a drag on the global economy, Japan has done little to stimulate regional growth. Indeed, its uneven performance has given a window of opportunity for Asian investments and trade to U.S., European, SE Asian and Latin American firms.</p> <p>Japan's primary trading partners are the U.S., Russia and China. The move of both Toyota and Honda to the U.S. was a terrible blow to Japan's economic morale. The Japanese now import almost as many autos as they export.</p>
<b>China</b>	<p>While the diplomatic world (and Beijing) maintains the fiction of "one China," since the Millennium Wars China has for all intents and purposes broken into two regions.</p> <p>There has been no civil war (yet) but the coastal provinces operate as a separate entity in global trade and their growth rates are back up to 7-8%. They are particularly strong trading partners with the U.S., Latin America, and SE Asia and are beginning to be involved in SE Asian banking. In very careful ways the U.S. nurtures their "independence," and growing relations with Taiwan are encouraged.</p> <p>The position toward the Chinese central government (and the northern provinces) is different (where growth is more like 4%). The Chinese government's role in the Millennium Wars hurt its position in the global community. Trade organizations give the Chinese Government observer status or probationary status only. Trade is generally restrictive and involves little technology.</p>
<b>India</b>	<p>Economic growth has been restricted by uncontrolled population increases and lack of meaningful political or economic reforms. There is significant domestic political tension.</p> <p>GDP growth is barely staying ahead of population growth. On the other hand, India continues to be the center of the Asian film industry and its software industry continues to be highly regarded and well connected with U.S. industry.</p> <p>Tensions with Pakistan have never been fully resolved. For both internal and border reasons, this is a potentially volatile part of the world.</p>

<div>Scenario</div> <div>Drivers</div>	Pax Americana
<b>Southeast Asia</b>	<p>Southeast Asia has taken a long time to recover from the late 1990s — early 2000s economic shocks due to the Millennium Wars and the withdrawal of the Japanese from regional trade and finance.</p> <p>Politically estranged from the Chinese government, economic growth has been fostered by U.S., European, coastal (and expatriate) Chinese investments and growing trade with the U.S. and Europe.</p> <p>Civil political stability in the region remains tenuous (many disillusioned middle-class citizens) as nations try to overcome the effects of the regional civil strife that accompanied the Millennium Wars.</p> <p>Development is proceeding moderately well, but is hampered by the destruction of so much infrastructure.</p>
<b>Russia</b>	<p>Russia is struggling (with some notable successes) to overcome the dislocations of the Millennium Wars and integrate its economy with that of Europe in particular and the globe in general.</p> <p>Political stability has been achieved with an authoritarian central government in Moscow, which still possesses nuclear weapons, balanced by strong provincial Dumas and a more professional and constitutional military.</p> <p>With the criminal organizations now finally crushed and stable economic growth on the horizon, Russians feel a bit more at peace with the world. Remembering their former glory, however, they often join those who resent U.S. preeminence.</p>
<b>Middle East</b>	<p>The Middle East is still a volatile, unpredictable region with uneven economic growth, growing resentment at the marginalization of the region, and significant religious movements that resent Western materialism and U.S. paternalism.</p> <p>Oil prices spiked during the Millennium Wars but now continue to decline as the U.S., Japan and Europe vigorously pursue alternative energy sources as significant national priorities.</p> <p>At the moment things are quiescent, thanks in part to Israeli-Palestinian cooperation and a massive U.S. and UK naval presence.</p>
<b>Africa</b>	<p>Africa continues to struggle with underdevelopment, but since it remained relatively peaceful during the Millennium Wars and was a source of U.S. and European raw materials, it is receiving trade concessions and investment from U.S. and European industry with government guarantees.</p> <p>All forms of infrastructure development are needed — public health, education, economic and political. The successful black-white governments of South Africa and Zimbabwe exert influence in the region and the “Mandela Way” of basic legal structures and reduced nepotism are beginning to replace tribalism.</p> <p>Of the entire world, Africans seem the least resentful of U.S. power and paternalism and the U.S. is responding with increased trade and investment.</p>



<div>Scenario</div> <div>Drivers</div>	<div>Pax Americana</div>
<b>Philosophy of U.S. Government in Society</b>	<p>In many ways there has been a resurrection of Kennedy-Johnson philosophy of a government of big plans. There is an ambitious, but targeted, social agenda (utilizing market forces when appropriate) focusing on infrastructure development, education and judicious economic intervention to correct market imbalances.</p> <p>There is a new budget philosophy called a “balanced societal budget” — a recognition that mindless focus on any one metric (whether it be social equality or a zero deficit budget) leads to disaster. The three pillars of policy are defense, infrastructure, and education. A willingness to pursue big projects extends to space and the ocean. The U.S. is sponsoring an international manned mission to Mars and a significant re-investment in oceanographic research and preservation.</p> <p>The Millennium Wars left a sense of clear purpose and renewed vigor and vigilance in the U.S. The U.S. is no longer ambiguous about its global role, which it sees as the preservation of peace and stability—a no tolerance policy toward regional bullies and terrorism.</p>
<b>Global Economic Integration</b>	<p>The U.S. actively promotes regional and global economic and military integration and is the power behind all important international institutions.</p> <p>The IMF, World Bank, and a host of regulatory and standards organizations are now the most important aspect of the UN.</p> <p>The U.S. is the force behind free trade and open markets. Its dominant economic and political position sometimes causes resentment since the U.S. is best positioned to take advantage of free trade.</p> <p>The U.S. government believes with conviction that economic well being across the globe (driven by integrated markets) will prevent another Millennium War. It acts in ways that it believes will improve living standards for all in the long run. Often this conflicts with shorter-term political goals in other nations and even within the U.S. (where communities and states have significant decision-making authority). Therefore, occasional resistance to U.S. global integration strategies occurs.</p> <p>Food availability is a constant concern. Arable land and distribution systems were destroyed during the wars. Both are making a slow comeback. Climate change is having an impact on growing patterns in 2020. Much of the world's population lives with just enough food, which makes successfully violating fishing regulations very profitable.</p>

<div>Scenario</div> <div>Drivers</div>	<div>Pax Americana</div>
<b>Maritime Commerce</b>	<p>There have been huge increases in commercial maritime traffic, globally. The world's largest producers of goods and services are doing well and trade is multi-directional.</p> <p>The U.S. economy is “balanced” — we both import and export raw materials, food, components, subassemblies, assembled goods, services, and technologies. We import more than we export, but it is not excessive.</p> <p>The entire U.S. transportation infrastructure continues to receive substantial federal government investment for modernization and security.</p> <p>The U.S. maritime infrastructure is robust in terms of commerce, defense, resource exploitation, and research. There is a tendency to favor large ports, but that is NOT taken to extremes since too few large ports lead to national vulnerability.</p> <p>Passenger ship traffic is booming with returning affluence. There is demand for leisure travel and for high-speed “water taxis” and commuter ferries in highly congested coastal areas. Ports are becoming congested and waterways traffic management is complex. Slow, awkward 1980s &amp; 1990s ships that take days to unload mingle with large, new, highly automated and maneuverable fast ships that off-load in hours.</p>
<b>Nature of and Changes in Maritime Jurisdiction</b>	<p>The U.S. embraces—and exerts considerable influence over—all maritime organizations and changes to the Law of the Sea, which we formally ratified and now enthusiastically endorse.</p> <p>The U.S. has taken on the role of preeminent maritime policeman when and where necessary, but prefers the role of maritime police coordinator in cooperation with other nations.</p> <p>Territorial limits and economic zones remain unchanged since the 1990s, but the U.S. enforcement policy is very vigorous. There are significant constraints on fishing along the U.S. coast. This is the cause of significant tension with nations that are highly dependent on fishing. Poaching is a high technology business.</p>
<b>Traditional Military Threats</b>	<p>Classic military force-on-force situations are rare. The U.S. vigorously pursues a non-proliferation policy in Weapons of Mass Destruction (WMD) and demonstrates complete willingness to crush regional hegemonic powers. The U.S. prefers to do this under UN, NATO, or SEATO auspices, but will go it alone (or with select allies) when needed.</p> <p>With the possible exception of Germany, there are no peer competitors for the U.S. (and none in the maritime theater). Many, however, are beginning to worry about German policies and plans in Europe.</p> <p>Ubiquitous global presence by the U.S. and nearly unassailable capabilities form the foundation of peace when combined with extraordinary anti-terrorism vigilance.</p> <p>The U.S. military is engaged all over the world: not just in defense/police missions, but nation-building, civil works projects, and disaster relief. There are constant military operations other than war for disaster relief, policing, training, etc.</p>

<div>Scenario</div> <div>Drivers</div>	Pax Americana
<b>Weapons of Mass Destruction (WMD)</b>	Relatively low rate of proliferation of WMD because of the war experience and U.S. surveillance vigilance. There is widespread acceptance of the need to sign non-proliferation treaties with inspectable and enforceable provisions.
<b>Weapons of Mass Disruption (WMd)</b>	WMd, especially cyber warfare, was the centerpiece of the attacks on the U.S. and allies during the Millennium Wars and have become a major global (not just U.S.) strategic priority for offense and defense. The U.S. is determined never to be caught by surprise in this arena again.
<b>Terrorism</b>	<p>There are occasional, sporadic incidents of global terrorism initiated by extremist groups who resent U.S. preeminence in the world. U.S. economic and political interests are generally the targets. These groups have a hard time gaining significant support. They remind people of the Millennium Wars and economic growth reduces the effectiveness of their propaganda.</p> <p>The U.S. spends significant time and resources on anti-terrorism programs, both domestically and in cooperation with other nations. The terrorist or non-traditional threats were the key reason CINCUS was retained after the war.</p> <p>The only active “terrorists” in domestic U.S. society are eco-terrorists who resent the fact that the ecology, while important in U.S. policy, is not among the top three priorities. This group has been marginalized by the recent trend toward viewing the environment as “infrastructure.”</p>
<b>Criminal Activity</b>	<p>The astonishing and surprising roles played by global criminal organizations in the Millennium Wars led to largely successful global efforts to eradicate them. The organizations that participated in the Millennium Wars are gone — Russian “Mafia,” South American and SE Asian drug lords.</p> <p>Criminal activity now tends to be instigated by small, high technology groups and white collar criminals engaging in corruption, embezzlement, cyber theft, etc.</p> <p>Drug abuse is still a problem, though much has shifted to drugs that can be made and distributed locally. The production or “supercharging” of legal and illegal performance enhancement drugs (both for physical and mental abilities) is becoming a serious issue.</p> <p>Most of the over-the-border drug problems are the shipment of the precursor chemicals for many illegal performance enhancement drugs that are in high demand in affluent communities. Heroin and cocaine demand huge prices but have relatively diminished markets.</p>
<b>Illegal Immigration into the U.S. (from where, how (land/sea))</b>	The status of illegal immigration is complex. While the U.S. is a magnet for immigration from those nations still struggling economically, much of the world is doing well enough to dampen large illegal migration efforts. While mass migrations are rare, those that occur tend to be very sophisticated. Air and land are still primary routes, but those that come by water tend to arrive by small boat and in “hi-tech” sensor-cloaked containers on merchant ships.

<div>Scenario</div> <div>Drivers</div>	<div>Pax Americana</div>
<b>Power and Influence of International Organizations</b>	<p>The UN is an important tool of American foreign policy. U.S. dominance focuses on economic, regulatory, and military institutions. There is some resentment across many countries to U.S. power. Basically, international organizations are important because the U.S. wants them to be important.</p> <p>The U.S. Congress still balks at decisions made by IOs that are against U.S. short-term interests. This occasionally causes political tensions that dissatisfied countries can manipulate.</p>
<b>State of American Educational System</b>	<p>Educational excellence is a cornerstone of U.S. policy. Experimentation is common and education has been influenced and changed by broad bandwidth network technology, especially at the continuing education level.</p> <p>Campuses are still the norm, but now classes can be taken at multiple schools simultaneously. The U.S. is the world leader in graduate education.</p> <p>The federal government subsidizes the cost of public education and accreditation is more uniform and reliable. While local control of public schools continues to be the official policy, it is the cause of significant political debate across the nation.</p> <p>A wide variety of vocational school opportunities are available (many are set up in conjunction with private corporations). Those who want skills can get them.</p>
<b>Global Information Infrastructure</b>	<p>Building an “information superhighway” is part of the U.S. government policy. U.S. policy sees electronic and “classic” infrastructure as mutually supportive. The development of a national broadband telecommunication system has been a long-standing policy: “We will provide the universal access backbone, the private sector will provide the applications.”</p> <p>The IT adoption rate is highest in the U.S. The U.S. tends to be the global “first adopter” in part because of the U.S. government commitment to maintain insurmountable technology lead over potential enemies.</p> <p>Rapid, government-funded development of sensor technologies, driven by defense and security priorities, and space and ocean exploration R&amp;D, filter into the communications systems, making “remote anything” seem truly possible in the not too distant future.</p>
<b>Environmentalism (state of environment, government policies, global warming, etc.)</b>	<p>Global environmental quality is under pressure from an expanding global economy and the pollution consequences of the Millennium Wars.</p> <p>As a concession to equal global development, the U.S. and Europe have backed off on strict air pollution regulations (until 2030) giving many developing countries a moratorium on meeting international environmental treaties. However, water pollution regimens are strictly enforced everywhere and the U.S. and Europe abide by air pollution regulations as well.</p> <p>The U.S. position on global allowances for air pollution may change soon, since climate shifts are beginning to adversely affect agricultural areas in the U.S.</p>

<div>Scenario</div> <div>Drivers</div>	<div>Pax Americana</div>
<b>Availability of Natural Resources — Fish Stocks and Seabed Resources (not environment)</b>	<p>As economic and population growth continues, there is a high demand for natural resources globally. But the U.S. is pushing resource conservation—especially via technology—in the face of looming shortages, environmental degradation, and a desire for reduced dependence on foreign resources.</p> <p>U.S. wealth and influence provide preferential access to natural resources. Access to deepwater resources is now being realized, although that would not be the case if the U.S. government did not subsidize early investments in deepwater mining technologies.</p> <p>The U.S. exerts vigorous control over fish stocks in the EEZ and pressures others to do the same. Bio-engineered foods substitute for waning fish supplies. Regulation of fish stocks, in general, is up. For the first time, stocks are showing signs of nascent recovery.</p>
<b>Workforce Demographics</b>	<p>The U.S. has a generally well educated, but aging, workforce as a result of investments in education and technology training from the lessons of the war and an ambitious policy agenda.</p> <p>Technological training and preparedness originally focused on defense missions, but is now becoming more generalized as corporations work with governments to set up technical training and continuing education.</p> <p>The expanding economy offers many opportunities for the retired to have part-time jobs and there is a general sense that everyone should work on something for the good of their communities and the country.</p> <p>Well-educated, high-tech foreign workers are in demand in the U.S. and immigration regulations or the Internet accommodate them.</p>
<b>Volunteerism</b>	<p>There is a powerful spirit of volunteerism in the nation that subtly pressures residents of every age group to contribute in some fashion, and most people are willing to do so. Volunteerism tends to center at the community level, but is also based in national programs.</p> <p>In the aftermath of the Millennium Wars the nation has instituted a two-year public service commitment applicable to all residents at age eighteen. This public service obligation can be met by service in military, community, national, or international programs.</p>

<div>Scenario</div> <div>Drivers</div>	<div>Pax Americana</div>
<b>Energy Availability and Alternatives</b>	<p>The aftermath of the war led the U.S. and Europe to pursue and subsidize alternative energy research and vigorous conservation programs. This has led to significant breakthroughs and commercialization of alternatives that have resulted in reduced demand for hydrocarbon based energy, especially imported oil.</p> <p>Fuel cells, better batteries, new nuclear power plant designs, more efficient generation and distribution technologies have been adopted, initially in North America, Europe, Japan, and coastal China. They are winning wider acceptance elsewhere when the economics (especially the economics of legacy infrastructure) make sense.</p> <p>Meanwhile, Northern China and other emerging countries continue to rely on traditional fuel sources, including petroleum and coal. New “scrubbers” are being installed that cut down on industrial emissions, but cross-border pollution and contributions to global warming remains sources of international political tension.</p>
<b>U.S. Fiscal Health and Priorities</b>	<p>Big, but effective, government is considered good and a new social policy of a “balanced societal budget” has reduced the focus on zero deficit spending. However, no one is willing to see a return to the 1980s deficits, so spending outside the “three pillars” — defense, infrastructure, and education — is very closely scrutinized.</p> <p>The growing economy helps, as do somewhat higher taxes and the volunteerism that has swept the nation. The biggest budget debate facing the nation is social security and medical safety nets for the poor.</p> <p>Strong employment (even in business cycle downturns) keeps medical costs in line. The Baby Boom (notwithstanding renewed social philosophies) demands that Social Security be fully funded.</p>
<b>State of Technology Investment</b>	<p>There is heavy, unapologetic federal government sponsorship of high-risk technology investments in defense, transportation, information infrastructure, biogenetics, sensors, aerospace, energy, and new manufacturing techniques.</p> <p>Private industry is cooperating financially in many programs and reaping benefits of federally financed primary research.</p> <p>This is not a “technology is great” environment. It is hard-nosed and practical. If it addresses one of the three pillars, it will probably get funded; otherwise, the investment better address practical needs of private industry because the private sector will have to provide the funding.</p>



<div>Scenario</div> <div>Drivers</div>	Pax Americana
<b>Changes in Government Decision-Making Processes</b>	<p>No fundamental changes; however, this is “substantial” government activism with a twist. The federal government focuses most of its activism on its “constitutional” responsibilities and the “three pillars.”</p> <p>States and communities have retained substantial authority in other areas (a holdover from the devolution efforts of the 1990s). Since the federal government is willing to provide funding for its priorities, it has subtle influence over many state and local decisions. Bloc grants are used to return money to the states.</p> <p>The key source of tension is in education policy. While the federal government, in principle, continues to support local control, the very high priority given education in Washington leads inevitably to conflicts. Most federal efforts involve higher education, continuing education, and the education infrastructure — physical, electronic, teacher quality, and accreditation. It is in the last area that issues of curriculum and local priorities occasionally clash with the federal government.</p> <p>Decision-makers are less dependent on pollsters: public confidence in the federal government, and public institutions generally, is high. Voters are very attentive to what their legislators are doing.</p> <p>The U.S. is heavily involved, and tends to dominate international institutions.</p>
<b>Government Restructuring</b>	<p>No significant restructuring. However, there is a strong tendency among voters to judge politicians by the efficiency and fairness of government. This, plus the war-years trend of non-partisan decision making, has produced voter intolerance for bickering and overt pork. Committee staffs have become smaller, but committee leaders are more powerful. “Outside expert” testimony tends to carry weight. Legislation tends to move quickly and many criticize the fact that if something seems to fit the “three pillars” it gets passed with too little scrutiny.</p> <p>The states and the federal government are still working out the boundaries of power. The “stuff” of politics at election time tends to revolve around the proper balance of state and federal controls. This is especially true in education but clashes can come, for example, when federal infrastructure projects seem to break local environmental laws.</p>
<b>Global Standards; Regulatory Harmonization</b>	<p>There is a high degree of global standardization, with the U.S. successfully advancing its technological and security agendas.</p> <p>This causes inevitable resentment when U.S.-promoted regulations seem to favor U.S. business or political interests, and the U.S. tries to be responsive except when the regulatory or standards issues involve a U.S. “three pillars” policy.</p>
<b>Leisure Time and Activities</b>	<p>People work hard and play hard at a range of activities fit for a re-emerging affluent, high-tech society: golf, sailing, power boating, new extreme sports, (e.g., glacier climbing in Antarctica, glacier spelunking, “a-day-in-orbit,” submarine tours)...and virtual everything.</p> <p>There is a large growth in tourist sightseeing across the globe. Americans are going everywhere in large numbers and vast numbers of tourists are coming to the U.S.</p>

<div>Scenario</div> <div>Drivers</div>	<div>Pax Americana</div>
<div>Privatization</div>	<div>Privatization is not ideological; it is only done when highly practical.</div> <div>Short of privatization, there is widespread outsourcing as all governments seek efficiency. For example, there is significant civilian contractual involvement in military support processes.</div>