

Originally published in The Wall Street Journal on January 3, 2023

The West Needs America's Leadership

How the U.S. can marshal its strengths—not only military but also moral, economic and diplomatic

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Russia's invasion of Ukraine punctured many assumptions about the future of the world and thus was a pivotal moment in history. America and the West can no longer maintain a false sense of security based on the illusion that dictatorships and oppressive nations won't use their economic and military powers to advance their aims—particularly against what they perceive as weak, incompetent and disorganized Western democracies. In a troubled world, we are reminded that national security is and always will be paramount, even if it seems to recede in tranquil times.

It should also lay to rest the idea that America can stand alone. U.S. leaders must always put America first, but global peace and order is a vital American interest. Only America has the full capability to lead and coalesce the Western world, though we must do so respectfully and in partnership with our allies. Without cohesiveness and unity with our allies, autocratic forces will divide and conquer the bickering West. America needs to lead with its strengths—not only military but also economic, diplomatic and moral. Here's what we can do:

- **Rededicate ourselves to the qualities and principles that made America great.** These principles are life, liberty, the pursuit of happiness and the idea that all people are created equal. Democracy and human freedom are inseparable from freedom of speech, freedom of religion and free enterprise. It would help to educate all Americans about the sacrifice of those who came before us for democracy at home and abroad.

We need to acknowledge the critical role that government plays—and we need government to be more competent and accountable. We must build stronger safety nets to care for the poor, the old and the disabled, and to cushion adjustment to economic change, while also maintaining economic dynamism, individual responsibility and the dignity of work. We must confront crises and failures of public policy by developing better policies and by dealing with realities. We can recognize the mistakes America has made without disparaging the nation.

We support global human rights and stand on the side of liberty, but we also have to be realistic about the compromises necessary to

accomplish long-term goals. Remember Franklin D. Roosevelt and Winston Churchill allied with Stalin against Hitler's imminent threat.

- **Develop a Marshall Plan for global energy and food security.** This will be critical both in keeping the Western alliances together and minimizing the global suffering caused by starvation. Global energy and food supply chains are precarious by their nature. And it should be self-evident that energy security and preventing climate change aren't contradictory: Secure and reliable oil and gas production is compatible with reducing CO2 over the long run, and is far better than burning more coal. It should also be self-evident that global food and energy security relies on realistic trade policy and American military strength.

- **Increase military spending, along with our allies, as much as necessary to protect the world.** Not only is America a bastion of freedom; it is still the arsenal of democracy, and economic sanctions are no substitute for an effective military. "We know only too well that war comes not when the forces of freedom are strong, but when they are weak," as Ronald Reagan said in 1980. Military strength needs to be combined and coordinated with strong diplomatic and economic aid for the developing world. Thoughtful policies would help many nations lift up their people, develop their human rights and join economic unions that are good for all involved.

- **Recover our economic dynamism.** A strong economy is the foundation for American power, and we haven't focused enough on economic growth. Between 2000 and 2020, real U.S. GDP grew at an average rate of only 1.7% a year. Had we grown at 3% instead, last year's gross domestic product per person would have been \$15,000 higher. That would help pay for much of what we need to do as a nation.

Economic growth will repair the fraying of the American dream, particularly if we share the wealth by improving education and wages for lower-paid citizens. There are many effective ways to do this, such as raising minimum wages and expanding the earned-income tax credit. We must also fix the immigration policies that are tearing us apart, dramatically reducing illegal immigration and dramatically increasing

legal immigration. Economic growth will reduce inflation, reduce the deficit, and make it easier to afford the strong military we need. We aren't going to have the economic growth we need with the legal, regulatory and bureaucratic system we have today.

Global trade will necessarily be restructured so that we don't rely on potential adversaries for critical goods and services. This will require more "industrial planning" than America is used to—and we must ensure it is properly done and is not used for political purposes. Yet America should also open its arms, through trade and aid, to all other nations. Most developing countries would prefer to align economically with the West if we help them solve their problems. We should develop a new strategic and economic framework to make ourselves their partner of choice.

- **Deal with China thoughtfully and without fear.** America still has an enormously strong hand—plenty of food, water and energy; peaceful neighbors; and what is still the most prosperous and dynamic economy the world has ever seen, with a per person GDP of over \$75,000 a year. We can have faith that our system will maintain the economic dynamism we need. China has done a great job lifting up its nation and bringing its GDP per person up to \$13,000 a year. Yet any fair assessment must recognize its challenges—not enough food, water and energy; a very complex geopolitical situation with tough neighbors; a lack of freedom that creates economic rigidity and malinvestment.

Whether you think it is a competitor or a potential adversary, we, along with our allies, should firmly negotiate with China (where my company and its predecessor firms have done business for more than a century). We should acknowledge that we have common interests in combating nuclear proliferation, climate change and terrorism. Tough but thoughtful negotiations over strategic, military and economic concerns—including unfair competition—should yield a better situation for all. If America leads well, China will be better off forming partnerships with a strong Western world than with Russia, Iran and other such nations.

Together, we can ensure America's leadership for the next 100 years.