**The Nation That Fell To Earth**

By Niall Ferguson

It's the year 2031--one generation removed from Sept. 11, 2001--and Americans are commemorating the 30th anniversary of the terrorist attacks on New York City and Washington. How well did America respond to that day, when viewed with the benefit of hindsight? How has history judged our leaders' actions? Here, a historian looks back on that distant event and explains how 9/11 would change America, and the world, in ways that few could have imagined.

Nineteen terrorists. Four hijacked aircraft. Nearly 3,000 victims. It all happened in little more than an hour, between a quarter to nine and 10 in the morning on Sept. 11, 2001. But the war that started that day was destined to last years, many years.

At first they called it the Global War on Terrorism. In time, historians rebranded it the Great War for Democracy.

It was a conflict that changed forever the face of the Middle East. It was a war that fundamentally altered the international balance of power. But it was far from clear that those shifts were favorable to the U.S. Some pessimists, with the benefit of hindsight, suggested that the years after 9/11 marked the beginning of the end of the American Century. But others maintained that it was the beginning of a different kind of American Century.

No question, 9/11 was an act of war. But was the U.S. reaction to it the right one? In 2006, five years after 9/11, the answer to that query still seemed unresolved. According to a TIME/Discovery Channel poll taken on the eve of the anniversary, nearly 70% of Americans believed the war against terrorism would not be won within 10 years. But looked at from the vantage point of 2031--three decades after the terrorist attacks on New York City and Washington--the debate is over. Thirty years later, the Great War for Democracy has been won. And not many people in 2006 would have predicted the winner.

I THE WAR FOR DEMOCRACY

The significance of a traumatic event like 9/11 changes with the passage of time. On the fifth anniversary of the attacks, memories were still fresh; to those who lived through that day, it was unfathomable that three decades later many Americans would have no memory at all of what happened back in 2001. As a 67-year-old writing in the year 2031--at an age that used to qualify me as a senior citizen before that term was banned as ageist, and before the standard retirement age was raised to 80--I can still remember 9/11 pretty clearly. But today 1 in every 3 Americans is under age 30. And so I had better explain why I think the attacks constituted the first battle in a War for Democracy.

It was a new-style democratic war from the very outset because the enemy chose as its targets not masses of troops or military installations, as in traditional war, but U.S. civiliansordinary people going about their business on planes, in tower blocks, in government offices. And it was democratic because the perpetrators took advantage of the very freedoms inherent in democracy to lay their murderous plans.

It was democratic too in the sense that the U.S. was able to wage a war of retaliation with minimal coercion of its own citizens. There was no draft, no censorship of the press and--a first--no economic squeeze to pay for the war. On the contrary, Americans were told it was their patriotic duty to carry on consuming.

"We're an empire now," a senior White House aide declared in 2004. But the U.S. doggedly remained a republic, to the disappointment of a few hawkish commentators and the relief of everyone else. Elections happened as usual. When torture was used against suspected terrorists, for example, the press howled. When suspects were detained without charge, the courts intervened. As Supreme Court Associate Justice Sandra Day O'Connor put it, "A state of war isn't a blank check for the President when it comes to the rights of the nation's citizens." To many Americans, indeed, the whole point of the war was to preserve their country's democratic institutions. And unlike its fighting partners in World War II, when the Soviet despot Joseph Stalin was a confederate, America's key allies in the Global War on Terrorism were also democracies.

Most significant, the war that began on Sept. 11, 2001, was democratic in a strategic sense, since the democratization of the greater Middle East became one of America's principal war aims. It was an aim inspired by the democratic-peace theory, which stated that democracies were less likely to go to war with one another than were other kinds of states and that therefore a world with more democracies would be a more peaceful world. That became President George W. Bush's central argument for the post-9/11 invasions of Afghanistan and Iraq. Bush summed up the strategy in his second Inaugural Address, in 2005: "The best hope for peace in our world is the expansion of freedom in all the world."

With all the vast resources of a hyperpower at the President's disposal, that was not a wholly unrealistic objective. But while Bush's analysis may have been accurate, the execution of it was fatally flawed. Far from reducing conflict in the Middle East, forcible democratization turned out to have just the opposite effect, unleashing violent centrifugal forces that were beyond American power to control. By focusing its efforts on rogue states, the U.S. ignored the fact that the terrorists' most important area of activity was not the Middle East but stable, prosperous, democratic Western Europe. And while a war against a rogue regime was as asymmetric as a turkey shoot, the same could not be said of a war against diffuse terrorist networks. It became fashionable in the years after 9/11 to speak of "Islamo-fascism." In reality, the enemy was more like communism in its heyday: international in its scope, revolutionary in its ambitions and adept at recruiting covert operatives in the West. The right tactic to defeat it was not conventional warfare but tedious intelligence work--monitoring telephone calls, tracking financial transactions, shadowing suspects, infiltrating cells.

Above all, Americans underestimated the difficulty of waging war effectively on the basis of democratic business as usual at home. The more normality was preserved in the U.S., the harder it became for ordinary people to understand why American soldiers were risking their lives in faraway countries. And yet the longer the war dragged on, the greater the strain on the U.S. economy.

For all those reasons, it was hardly surprising that, by the time of the fifth anniversary, many experts argued that the U.S. reaction to 9/11 had failed to eliminate the terrorist threat and instead had made the world a more dangerous place. Bush's defenders, meanwhile, insisted that the President's strategy was still the one that would ultimately win the war on terrorism. Only history could determine which side would be proved right.

II THE LAND THAT FELL TO EARTH

For a brief time on that bright, blue September morning, it seemed that the hidden vulnerability of the American colossus had been laid bare. The desperate decisions of some World Trade Center employees to leap to their deaths rather than burn in the flames, the heartrending phone calls of the doomed passengers on the fateful flights, the apocalyptic tsunami of dust that engulfed lower Manhattan as the Twin Towers imploded and fell--this was America's waking nightmare.

It was also a dream come true for America's enemies. Osama bin Laden, the terrorist leader behind the attacks, exulted at his triumph. "Praise be to God," he declared in a proclamation issued less than a month after 9/11. "What the United States tastes today is a very small thing compared to what we have tasted for tens of years."

It did not take long, however, for 9/11 to lose the look of a truly earth-shattering event. It was, after all, scarcely a revelation that radical Islamist organizations like al-Qaeda posed a threat to the U.S.; they had tried to blow up the World Trade Center once before. Nor did 9/11 cause the severe economic disruption its plotters had intended. The attacks were spectacular, as bin Laden had hoped. Yet for most people--save the relatives of those killed--life returned to normal in a surprisingly short time.

Moreover, the subsequent military onslaughts against the Taliban in Afghanistan and Saddam Hussein in Iraq seemed to reaffirm the irresistible extent of American hyperpower. Phrases like "full-spectrum dominance" and "shock and awe" entered the military parlance as the Pentagon struck back. The National Security Strategy of the United States, published in 2002, unabashedly asserted the right of the U.S. not merely to retaliate but also to act pre-emptively "against ... emerging threats before they are fully formed."

For the Bush Administration, 9/11 was as much an opportunity as a crisis. Bush had not been elected on the basis of his foreign policy expertise, but his gut instinct was to go beyond mere retaliation. The idea that the U.S. should respond to the attacks by fundamentally changing the status quo in the Middle East originated with the so-called neoconservatives whom Defense Secretary Donald Rumsfeld had gathered around him at the Pentagon. If Rumsfeld and Vice President Dick Cheney saw 9/11 as an opportunity to settle accounts with Saddam, the neocons had loftier ambitions. They saw a chance to achieve a political transformation of the Middle East. What nobler goal could there be for U.S. military might than a democratic revolution?

By the fall of 2003, just two years after the 9/11 attacks, doubts had begun to creep back in. The most striking manifestation of American miscalculation was the refusal of Iraqis to peacefully embrace the nascent democracy created for them by U.S. arms. Far from abating, violence in Iraq increased over time. Part of the problem was the insufficiency of U.S. boots on the ground. General Eric Shinseki turned out to have been right that "something on the order of several hundred thousand soldiers" would be needed to stabilize post-Saddam Iraq. Trying to do the job with around 135,000--roughly 1 American for every 210 Iraqis--exposed a part of the spectrum that the U.S. could not fully dominate: the Arab street. U.S. soldiers patrolling strife-torn cities could be killed or maimed by the simplest of improvised explosive devices. Here was a new and shocking symmetry in warfare.

To make matters worse, the public appetite for the war in Iraq faded long before a real victory was achieved. Just 12 months after the original invasion--even before the U.S. death toll in Iraq passed the thousand mark--support for the war had dropped below 50%. True, new evidence came to light of the dictator's crimes against his own people. True, opinion polls suggested that Iraqis overwhelmingly preferred democracy to Saddam. But U.S. voters did not see these as sufficient grounds for risking American lives. The Bush Administration's contentions that Saddam had links to al-Qaeda and possessed weapons of mass destruction proved groundless.

Almost as big a miscalculation was the military's failure to understand the nature of the threat to Iraq's security. At first it seemed as if the U.S.-led coalition was facing an insurgency led by Saddam loyalists, with the support of foreign terrorists linked to al-Qaeda. But increasingly what was happening in Iraq was a sectarian war between the Sunni minority and the Shi'ite majority. The country that Americans had set out to democratize had, on closer inspection, voted to break apart. A spiral of tit-for-tat massacres in ethnically mixed Baghdad and the surrounding provinces ensured that the disintegration would happen in the bloodiest possible way. By the summer of 2006, despite the successful formation of a democratically elected government in Baghdad, Iraqis were dying at a rate of more than 100 a day.

Afghanistan also turned out to be harder to control than to conquer. In the summer of 2006, fresh contingents of U.S. and British troops had to be deployed to reassert the authority of the democratic government in Kabul over outlying areas like Helmand. Whereas in Iraq the capital city was the main conflict zone, in Afghanistan the capital city was the only place under any kind of control.

The result was that by the time of the fifth anniversary of the 9/11 attacks, the U.S. military was distinctly overstretched. To maintain manpower levels, the Army was forced to increase its maximum enlistment age from 35 to 42. The Commander in Chief insisted that the U.S. would not withdraw from Iraq until its mission--the establishment of a stable democracy--was completed. But it seemed increasingly likely that when Americans finally went home, there would be no Iraq left to withdraw from--just three warring mini-states. As they bade farewell to the Green Zone, some Americans remembered the evacuation of Saigon in 1975, a generation earlier, which had sounded the death knell for South Vietnam.

Iraq's disintegration was the harbinger of a wider regional meltdown. The irony was that terrorism thrived more readily in the new Middle Eastern democracies than in the bad old dictatorships. It was no coincidence that, outside Iraq, the terrorist organizations causing the most trouble in the region were operating out of southern Lebanon and the Israeli-occupied Palestinian territories of Gaza and the West Bank. In all those places, elections had been held. Yet those who won them--Hizballah in Lebanon and Hamas in the occupied territories--were historically terrorist organizations.

Worse, by breaking up Iraq, the U.S. had unwittingly handed a belated victory in the earlier Iran-Iraq war to the fundamentalist regime in Tehran. No state stood to gain more from democracy in Iraq, since the country's Shi'ite majority felt close ties of kinship to Iran. And no state in the region was more explicitly committed to the destruction of America's ally Israel.

The decision of Iranian President Mahmoud Ahmadinejad to press ahead with Iran's secret nuclear-weapons program confronted the U.S. with an agonizing strategic dilemma. Iran made no secret of the fact that it was supplying Hizballah with the missiles that rained down on Israel in the summer of 2006. Iran was also hell-bent on acquiring weapons of mass destruction. Yet the essentially unilateral action that had been used against Iraq in 2003 was no longer possible against Iran. A U.S. Administration that had once confidently bypassed the U.N. found it had no option but to turn to the U.N. Security Council in the hope that international pressure could disarm Hizballah and keep Iran from going nuclear. The colossus that once bestrode the globe seemed to be stuck in the Middle Eastern sands--and unable to prevent the seemingly inevitable confrontation between Iran and Israel.

III ENEMIES WITHIN

In the Bush Administration's final years, its reputation touched bottom. Many Americans complained that they had the wrong President. For a time, Bush's approval ratings sank below Richard Nixon's and Jimmy Carter's worst.

Yet history has been a kinder judge of Bush's presidency. Although many analysts had predicted that terrorists would strike again on U.S. soil within five years, there was no sequel to 9/11 on Bush's watch. It was just his bad luck that success in counterterrorism grabbed few headlines, since plots stifled at conception are nonevents in news terms. Moreover, the key point of his national-security strategy turned out to be correct. It was just that pre-emption had been used against Iraq when it should have been saved for Iran.

Would another President have done better? That was the question posed by Christopher Hitchens in his best-selling biography Bush: A Study in Greatness, published in 2011, on the 10th anniversary of 9/11. Hitchens argued convincingly that neither Al Gore nor John Kerry would have been more successful than Bush in defusing the jihadist threat. "We have to get back to the place we were, where terrorists are not the focus of our lives but they're a nuisance," Kerry said in an interview in 2004, drawing a parallel with the containment of prostitution, illegal gambling and organized crime. But Islamist terrorism was a much more imminent threat than climate change (Gore's bugaboo) and a much more serious threat than illegal gambling. In the wake of 9/11, defeating the terrorists had to be America's No. 1 priority. Bush understood this. Had it not been for the Iraq debacle, he would be remembered as the Avenger of 9/11.

Yet not even Bush's defenders could explain away the fatal flaw in the U.S.'s post-9/11 strategy. In his State of the Union address in January 2002, less than five months after the terrorists had struck, Bush directed his fire against what he called an "axis of evil"--Iran, Iraq and North Korea--which he accused of sponsoring terrorism and "seeking weapons of mass destruction." Yet not one of those countries had been directly implicated in the 9/11 attacks.

In fact, nearly all the terrorists originated in countries that were closely allied or at least friendly with the U.S. Fifteen of the 19 identified hijackers were from Saudi Arabia, two were from the United Arab Emirates, one was from Lebanon, and the last was from Egypt. Moreover, they had drawn up their murderous plans not in the Middle East but in Europe and the U.S. itself--right at the heart of Western democracies. All the terrorists had been in the U.S. for months before 9/11, entering the country legally, traveling widely and taking flying lessons. They had obtained driver's licenses, rented apartments, opened bank accounts, made airline reservations online and even got speeding tickets.

Of course, much was done after 9/11--or, at least, much money was spent--to improve America's homeland security. Airline passengers said goodbye to their nail scissors. After 2006 they said goodbye to their hair gel. They got used to having their luggage searched and their bodies frisked. Western intelligence agencies stepped up their efforts to monitor and penetrate terrorist networks. And there were some major successes. In June 2006 Canadian police arrested suspected terrorists who had about 3 tons of ammonium nitrate in their possession. Two months later, British authorities were able to announce the disruption of a plot to blow up multiple transatlantic flights--which would have caused, in the words of the deputy commissioner of London's Metropolitan Police, "mass murder on an unimaginable scale."

Yet the terrorists also had their bloody successes, in Madrid in March 2004 and London in July 2005. What was particularly disturbing was the social background of those responsible for the atrocities--the successful and the foiled alike. Some of those responsible for bombing the London Underground, for example, were British born. Shehzad Tanweer grew up in Leeds and was a keen cricketer. His father owned a fish-and-chips shop. And it was not only the sons of prosperous immigrants who were being attracted to terrorism. Two of those arrested for their suspected role in the Heathrow bomb plot were Muslim converts. One of them was the son of a deceased Conservative Party employee with an impeccably British double-barreled surname, Stewart-Whyte.

The U.S. did not have an effective strategy for dealing with the penetration of Western Europe by radical Islamism. On the contrary, differences over policy in the Middle East had succeeded in driving a wedge between the U.S. and the most important continental European countries, Germany and France. British Prime Minister Tony Blair was unwavering in his support of U.S. strategy, but the British public came to regard Blair as an American poodle, and his Conservative successor David Cameron was far cooler toward Washington.

It was one of the great ironies of the war on terrorism that just five years after 9/11, many counterterrorism experts were convinced that the most likely source of another big attack on the U.S. was not the axis of evil but conceivably America's closest ally, Britain.

IV THE GREAT ASIAN DEPRESSION

Had another terrorist attack--or an Iran-Israel war--happened sooner, it might have made the difference in the 2008 presidential election. After all, a large part of John McCain's appeal as a presidential candidate was his--and his family's--distinguished record of military service. Many Republicans bitterly regretted that McCain had not been their candidate eight years before. "He might have been the greatest war leader we never had," his campaign manager said on Nov. 3, 2008, after McCain conceded defeat to Mark Warner, the former Governor of Virginia.

The Democratic candidate owed his victory, above all, to the return of the economy to the top of the political agenda. To most Americans, the key issue in 2008 was--as it had been when another Southern Democrat won the presidency 16 years previously--"the economy, stupid." Some experts argued that the economy had never stopped mattering. Bush won in 2000 because the dotcom bubble burst that year. He won in 2004 because his tax cuts and the easy-money policies of Federal Reserve Chairman Alan Greenspan had generated a sustained economic recovery. Unfortunately for the Republicans, that recovery could not last forever.

The economic slowdown of late 2006 was part of a wider crisis of globalization, as energy prices soared and the drive toward free trade lost momentum. With oil stuck above $70 per bbl. and the Doha round of trade negotiations defunct, growth was bound to slacken. But what made matters unexpectedly worse was miscalculations by the world's central bankers.

Greenspan's successor at the Fed, the academic economist Ben Bernanke, was in a quandary. Should he worry about growth or inflation? Inflation was creeping up, and yet the combination of higher interest rates and higher fuel prices threatened to depress consumption. Bernanke's apparent indecision unnerved the financial markets. By the time the slide in real estate prices signaled the onset of a full-blown recession, the Fed was badly behind the curve.

That the U.S. economy should slow was perhaps inevitable. In 2005 there were just 10.7 million Americans age 80 and older. By 2030 there were nearly 18 million--1 out of every 20 people. Continued advances in medical science meant that more and more people were living as long as a century--good news for the likes of media mogul Rupert Murdoch, who celebrated his 100th birthday in 2031. But the rising proportion of the population in retirement imposed an ever higher tax burden on those still working. It also placed a sustained strain on the U.S. balance of payments, as the country consistently imported more than it exported, financing the difference by selling securities to foreigners.

In the first decade of the 21st century, that arrangement worked well. The booming Chinese economy seemed ready to absorb any amount of U.S. debt, provided that America kept its market open to China's exports. High savings rates and low wages in China complemented the high indebtedness and high living standards enjoyed by Florida's elderly.

However, that Sino-American interdependence left the U.S. vulnerable to a crisis in China. When it came, the Chinese stock-market crash sent a shock wave through the entire Asian economy. Some blamed the powerful new Middle Eastern Shari'a-law banks, which had terminated their zero-interest-rate facilities for Shanghai hedge funds. Others saw the sinister hand of the Russian-controlled OGEC (Organization of Gas Exporting Countries), which had stunned energy importers in Asia by trebling natural gas prices. Either way, the impact was disastrous. Output collapsed. Unemployment soared. The Chinese banking system, which had never been entirely free of corruption, imploded.

A few hard-nosed foreign policy realists insisted that China's collapse was to the U.S.'s advantage. Some veteran cold warriors looked forward to the demise of the last communist regime in the world. To most Chinese, however, free elections were just a way for the party to pass the buck for its economic failure. To most Americans, the China crisis was just an addition to their existing economic woes, as Chinese investors frantically unloaded their U.S. assets.

V THE NEXT AMERICAN CENTURY

In 1941 the publisher of this magazine called on readers to help make the postwar era "the first great American Century." There had certainly been an American Half-Century, culminating in the collapse of the Soviet Union in 1991. But the post--cold war phase of hyperpower could not last forever. In the years after 9/11, the U.S.--though still the world's dominant nation--faced multiple and growing challenges.

They included not just the continued activity of the Islamic terrorist network. In the turbulent years after 9/11, new powers arose to challenge American might. Iran--thanks to raw demography, the reduction of U.S. troops in Iraq and advances in its nuclear program--emerged as the dominant power in the Middle East. Despite the trauma of financial crisis and depression, China became the new hegemon of East Asia. And Russia used its oil riches and nuclear leverage to restore its dominance over Eastern Europe, rolling back the frontier of the European Union. Although all adopted the outward forms of democracy, none of those three powers had much interest in advancing individual liberty and the rule of law, without which elections are a sham. All three had an interest in weakening America.

With the rise of these rivals came one benefit: as time passed, the once hated Great Satan was no longer everybody's favorite whipping boy. Since the U.S. presence in the Middle East had wound down after 2008, it was no longer obvious why Islamist terrorists would expend their energies attacking American cities. That was why, by the 30th anniversary of 9/11, many younger Americans looked back on that event as a strange aberration.

Yet reports of America's decline proved to be premature. In 2012 President Warner's successor surprised the foes of the U.S. with a bold reinvention of America. The reform of Medicare and Social Security, combined with a radical overhaul of the federal tax system, had quite dramatic consequences. Growth surged. So did productivity.

Americans stopped investing exclusively in real estate and got back to the serious business of technological innovation. Congress passed a low-cost, universal health-care system and a new federal sales tax, which allowed a drastic reduction in income tax without the huge deficits that had plagued the Bush years.

In old-technology terms, it was true, things had not turned out well for the U.S. after 9/11. The project to democratize the Middle East ended poorly. The U.S. lost its influence over the world's most oil-rich region. Terrorist networks thrived in Europe. Iran, China and Russia formed a new anti-American trio. Yet the new technology of the 2010s and '20s did much to negate those threats.

The adoption of fuel-cell engines by the U.S. automobile industry, combined with a new generation of ultrasafe nuclear power plants, effectively ended America's century-long addiction to oil. The application of nanotechnology to homeland security allowed 24/7 surveillance of Islamist suspects by minuscule drones and invisible implants.

And so the Great War of Democracy ended--not with the catastrophic bang that so many had feared but with the imperceptible hum of a technological revolution. "We tried to give the Muslim world a political upgrade," said U.S. President Jimmy McCain, son of the former Senator and a veteran of the Iraq war, on the 30th anniversary of the 9/11 attacks. "I guess we failed. So instead we gave ourselves an economic upgrade. I guess we succeeded."

The war that began on Sept. 11, 2001, is now over. Back in 2006 there were those who feared that the U.S. might lose that war. Today, 25 years later, we can see they were wrong. The American Century is alive--and kicking.