

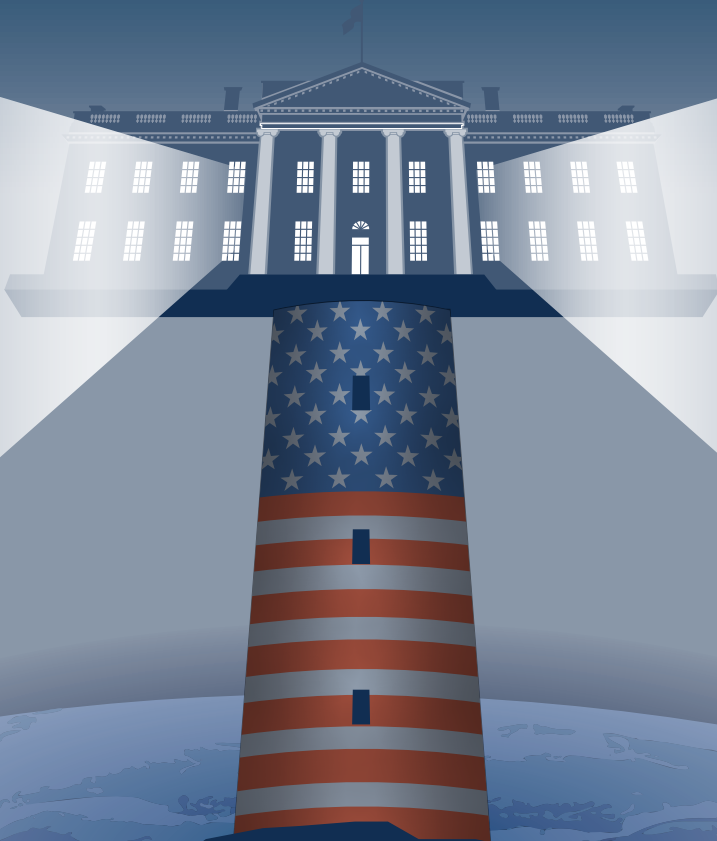
THE FUTURE OF CONSERVATIVE INTERNATIONALISM



Volume V

A Collection of Essays from the
Reagan Institute Strategy Group

Convened in Lake Tahoe, Nevada in June 2024



Edited by Thomas Kenna and Reed Kessler



REAGAN INSTITUTE STRATEGY GROUP

The Reagan Institute Strategy Group is committed to a core set of beliefs based on the timeless vision and principles of President Reagan: that American leadership, including military strength and economic engagement, is the best guarantor of peace, security, and prosperity; that America’s national success is inextricably linked to the that of the free world; and that American values are universal, as freedom and human dignity are the birthright of all peoples regardless of their country of birth.

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“[A]ll of us will be turning to the concerns that will determine the course of America in the next four years. . . In thinking about these questions, many Americans seem to be wondering, searching. . . feeling frustrated and perhaps even a little afraid. Many of us are unhappy about our worsening economic problems, about the constant crisis atmosphere in our foreign policy, about our diminishing prestige around the globe, about the weakness in our economy and national security that jeopardizes world peace, about our lack of strong, straight-forward leadership. . . I believe we can embark on a new age of reform in this country and an era of national renewal.”

- President Reagan’s 1980 Election Eve Address, “A Vision for America”

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The views expressed here are those of each paper’s author alone and do not necessarily reflect those of their current or former organizations or the Ronald Reagan Institute.

Introduction

Roger Zakheim & Rachel Hoff

Five years ago, the Reagan Institute Strategy Group (RISG) first convened in a very different world. It was before any of us had ever heard of COVID and prior to Russia's 2022 invasion of Ukraine and Hamas' 2023 attack on Israel. And yet, the core principle of RISG during the intervening years of upheaval and turmoil has been constant: America's role in the world is indispensable to preserving the free, open, and peaceful political and economic system that provides the foundation for how countries interact.

Increased global chaos and conflict only demonstrate the need for American leadership. The Reagan Institute's public opinion polling shows that the American people understand that: 77% of Americans believe the United States has a moral obligation to stand up for human rights and democracy around the world whenever possible; 78% believe U.S. leadership is essential for promoting trade; and 86% believe a strong U.S. military is essential to maintaining peace and prosperity at home and abroad.¹

The Reagan Institute is dedicated to adapting President Reagan's timeless principles to the challenges we face today. That is why each summer, the Institute gathers a group of leading foreign policy and national security thinkers and practitioners to discuss and debate the way forward. The essays collected here reflect the discussions that took place at the June 2024 RISG summer retreat in Lake Tahoe, Nevada.

A shared set of beliefs guides members of our group in our deliberations: that American leadership, including military strength and economic engagement, is the best guarantor of peace, security, and prosperity; that America's national success is inextricably linked to that of the free world; and that American values are universal, as freedom and human dignity are the birthright of all peoples regardless of their country of birth.

Our goal is to chart a course for applying these values from our 40th president to the contemporary challenges of today's complex world. Any set of policy ideas is valuable only insofar as it is politically viable. As America approaches an important presidential election, we need fresh thinking based on timeless principles. Our hope is that the following essays will serve as the start of a conversation about an approach to foreign policy that will promote a world where peace, freedom, and opportunity will flourish—but is also responsive to the shifting political and security environment.



MEMORANDUM

TO: Donald Trump

FROM: Matthew Kroenig

DATE: May 20, 2024

RE: An America First National Security Strategy

This is a memo with recommendations for your next America First National Security Strategy. This memo will draw on your actions and statements to present a clear vision for a successful second-term National Security Strategy.

Global Strategy

The United States is a powerful country with worldwide interests. These interests are threatened when hostile dictatorships, armed with or pursuing nuclear weapons, attack or threaten their neighbors and attempt to dominate their regions. Your strong leadership brought peace and prosperity to the American people.

But, you have said, "Biden is weak...and leading the world straight into World War III."¹ His foreign policy has resulted in two major wars in Europe and the Middle East, and a weakened position relative to China. "Remember: this war in Israel, just like the war in Ukraine, would have never started if [you were] in the White House...But very soon, [you] will be back, and once again demanding peace through strength."²

Defense Strategy

To pursue peace through strength, you will need to rebuild our depleted military. You presided over the largest defense budget in history. Under President Biden, the United States is essentially cutting America's defense budget after inflation. You should undertake a

¹Ronald Reagan Institute, 2024 Summer Survey, www.reaganfoundation.org/summersurvey.

massive military buildup to five percent of U.S. GDP and rebuild our defense industrial base. You should field a “top of the pack” nuclear force,³ following the recommendations of the Congressional Commission on the Strategic Posture of the United States. You should also build state-of-the-art missile defenses, including theater defenses and, for the first time, the “greatest (Iron) Dome of them all” to defend the U.S. homeland against coercive attacks from China and Russia.⁴

China and the Indo-Pacific

China is the most capable adversary the United States has ever faced, and it presents a comprehensive, systemic, military, economic, technological, and ideological threat. You correctly declared great power competition with China the greatest threat facing the country.

Unfortunately, Biden is weakening our position in relation to China. He says he wants to “responsibly manage the competition” with China.⁵ You do not “manage” competitions. You win them. You should vow to win the new Cold War with China.

China is threatening to attack its neighbors, including Taiwan. In response, Biden is speaking loudly and carrying a tiny stick. He has said four times that he will defend Taiwan, but he is not building the military to do that. You should also vow to deter and, if necessary, defeat China, but, unlike Biden, you should build a military designed to back that up.

China continues to cheat on international trade and steal intellectual property from the United States. You should impose high tariffs on China, especially in sensitive national security areas, and secure U.S. supply chains by reshoring and friendshoring trade and investment back to the United States and our close allies and partners.

You strengthened America’s alliances in the Indo-Pacific, including by reviving the Quad framework among the United States, Japan, India, and Australia. You should continue to strengthen alliances and partnerships in the region and deepen links among European and Asian allies in new frameworks such as NATO-IP4.

Xi is very ideological and claims that China’s communist system is better than the U.S. model. America has a lot of problems, to be sure, but after you begin making America great again, you should demonstrate to him and the world that American freedom is the best system ever invented for generating wealth and power.

Biden says that we need to cooperate with China to solve shared global challenges like climate change and global public health, but

this view is misguided. Climate change is not an existential threat; it is a problem to be managed. Moreover, China is a bad actor in these areas. China is the world’s largest greenhouse gas emitter, and it is a leader in green technology mostly because it wants to dominate 21st century energy resources. Its failure to report COVID-19 led to a global pandemic, and Beijing still refuses to allow an investigation into the origins of COVID-19, making a future outbreak more likely. Instead of prioritizing cooperation with China on climate change, you should increase energy production and slash regulations to regain U.S. energy independence.

Border security also affects competition with China. China is supplying fentanyl to the United States, which killed 112,000 Americans in 2023 alone.⁶ Moreover, last year, 24,000 Chinese military-age men illegally crossed the border.⁷ Most of them are economic migrants, but what if even one percent was sent by the Chinese Communist Party? We need to close the border for both economic and national security reasons.

You made North Korea a priority, but Biden finds the problem too difficult and places it on the back burner. Meanwhile, North Korea’s nuclear and missile threat to the United States continues to grow. You should restore a “maximum pressure”⁸ campaign on North Korea to force Kim Jong Un to the table to negotiate denuclearization. Meanwhile, you should restore a strong deterrent against the serious nuclear and missile threat that exists here and now.

Russia and Europe

Stability in Europe is important to the peace and prosperity of all Americans. Europe is America’s number one trade and investment partner, and Americans fought two world wars to restore stability to the continent.

There was peace in Europe while you were president. Putin attacked Georgia under George W. Bush. He attacked Ukraine under Obama. Then he further invaded Ukraine under Biden. He did not attack other countries when you were president. This is in part because you were much tougher on Putin than you receive credit for. You sent lethal aid to Ukraine for the first time. You killed hundreds of Russian mercenaries on the ground in Syria. You increased America’s military force posture in Poland—and so on. You should continue that strong approach in your second term.

But Biden’s weakness invited Putin’s attack. Biden said that a “minor incursion” against Ukraine would be OK,⁹ and he gave Putin a green light by removing the threat of military force from the table and promising only weak sanctions. Now, Biden has no strategy for ending

the war in Ukraine, and he is needlessly limiting weapons to Ukraine because he is overly afraid of escalation with Russia. He says he wants to fight this war in Ukraine “as long as it takes.”¹⁰ But Americans do not want another long war with no clear endgame.

We need to stop Putin and, as you said, for “everybody to stop dying.”¹¹ This will include telling Putin that if he does not wind down the war, “we’re going to give [Zelenskyy] a lot. We’re going to give [Ukraine] more than they ever got if we have to.”¹² A fuller description of such a strategy for Ukraine can be found in a piece I published with Stephen Hadley in *The Wall Street Journal* in February.

To defend Europe, European countries (and Canada) are going to need to do much more. But we cannot trust Germany to look after America’s interests in Europe. So, America will continue to lead in Europe, but Europe (and Canada) will need to pay their fair share. Under your leadership, European countries began spending much more on defense, but you should raise the bar and insist that all NATO countries spend three percent of GDP on defense and that European countries fulfill at least half of Europe’s overall defense requirements.

Iran and the Middle East

Your Middle East policy was successful. You wiped ISIS off the battlefield, contained Iran with the maximum pressure campaign, and achieved a historic Middle East peace with the Abraham Accords.

Biden is squandering that successful legacy. He foolishly tried to negotiate a nuclear deal with Iran by easing sanctions and appeasing Iran’s Supreme Leader. In response, Iran pocketed the cash, ramped up its nuclear program, re-armed, and supported terrorism through the region. Iran is now closer than ever to a nuclear weapon. Tehran is backing terrorist attacks throughout the region, which have killed Americans. Further, Iran launched hundreds of missiles and drones at Israel, but Biden refuses to confront Tehran because he is afraid of escalation with Iran. Biden now threatens to cut off arms to Israel.

In contrast, you should fully back Israel in its goal of eliminating Hamas in Gaza. With your support, they need to, as you said, “finish what they started” and “get it over fast.”¹³

You should restore a maximum pressure campaign against Iran with much tougher sanctions to drive their oil exports down to zero. And you should be very clear that if they ever try to build nuclear weapons or attack Americans, they will, as you said, “suffer consequences the likes of which few throughout history have ever suffered before.”¹⁴

You should then use the peace and stability this provides to expand on the Abraham Accords to bring Saudi Arabia and other countries into the arrangement, increasing opportunities for the United States and the region.

Conclusion

The great Ronald Reagan made history by winning the first Cold War. By following the strategy outlined above, you can counter America’s rivals, prevail over China, and go down in history as the president who made America great again and won the Second Cold War.

¹⁰“President Biden Defiant after Debate Fallout as Democrats Discuss next Steps,” NBCNews.com, July 6, 2024, <https://www.nbcnews.com/nightly-news/video/president-biden-defiant-after-debate-fallout-as-democrats-discuss-next-steps-214337605676>.

¹¹Donald Trump. 2024. “Crooked Joe Biden, whether he knows it or not, just said he will withhold weapons from Israel as they fight to eradicate Hamas Terrorists in Gaza.” Truth Social, May 9, 2024. <https://truthsocial.com/@realDonaldTrump/posts/112409261714456293>

¹²Trump wants to make sure U.S. nuclear arsenal at “top of the pack” | Reuters, February 24, 2017, <https://www.reuters.com/article/us-usa-trump-exclusive/trump-wants-to-make-sure-u-s-nuclear-arsenal-at-top-of-the-pack-idUSKBN1622IF/>.

¹³“Former President Donald Trump Holds Rally in Racine, Wisconsin,” C-SPAN, June 18, 2024, <https://www.c-span.org/video/?536426-1%2Fpresident-donald-trump-holds-rally-racine-wisconsin>.

¹⁴Remarks by President Biden before the 78th Session of the United Nations General Assembly.” The White House, September 19, 2023, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/09/19/remarks-by-president-biden-before-the-78th-session-of-the-united-nations-general-assembly-new-york-ny/#:~:text=We%20seek%20to%20responsibly%20manage,does%20not%20tip%20into%20conflict>.

¹⁵Brian Mann, Aneri Pattani, and Martha Bebinger, “In 2023 Fentanyl Overdoses Ravaged the U.S. And Fueled a New Culture War Fight,” NPR, December 28, 2023, <http://www.npr.org/2023/12/28/1220881380/overdose-fentanyl-drugs-addiction>.

¹⁶Eileen Sullivan, “Growing Numbers of Chinese Migrants Are Crossing the Southern Border,” The New York Times, November 24, 2023, <https://www.nytimes.com/2023/11/24/us/politics/china-migrants-us-border.html>.

¹⁷Office of the Spokesperson, “Maximum Pressure Campaign on the Regime in Iran,” United States Department of State, April 4, 2019, <https://2017-2021.state.gov/maximum-pressure-campaign-on-the-regime-in-iran/>.

¹⁸Donald Trump (@realDonaldTrump), “Crooked Joe Biden, whether he knows it or not, just said he will withhold weapons from Israel as they fight to eradicate Hamas Terrorists in Gaza.”, Truth Social, May 9, 2024, <https://truthsocial.com/@realDonaldTrump/posts/112409261714456293>.

¹⁹Remarks by President Biden on Supporting Ukraine, Defending Democratic Values, and Taking Action to Address Global Challenges,” The White House, July 12, 2023, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/07/12/remarks-by-president-biden-on-supporting-ukraine-defending-democratic-values-and-taking-action-to-address-global-challenges-vilnius-lithuania/#:~:text=Our%20commitment%20to%20Ukraine%20will,to%3A%20sovereignty%2C%20territorial%20integrity>.

²⁰Jack Forrest, “Trump Won’t Commit to Backing Ukraine in War with Russia” CNN, May 11, 2023, <https://www.cnn.com/2023/05/10/politics/ukraine-russia-putin-trump-town-hall/index.html>.

²¹Anders Hagstrom, “Trump Describes How He Could Solve Russia-Ukraine Conflict in 24 Hours,” Fox News, July 16, 2023, <https://www.foxnews.com/politics/trump-describes-how-he-could-solve-russia-ukraine-conflict-24-hours>.

²²Hugh Hewitt, “Former President Donald Trump on Israel’s War, 2024 and Much More,” The Hugh Hewitt Show, April 4, 2024, <https://hughhewitt.com/former-president-donald-trump-on-israels-war-2024-and-much-more>.

²³Donald Trump, X post, July 22, 2018. <https://x.com/realDonaldTrump/status/102123452626609666>.



MEMORANDUM

TO: The President

FROM: Paul Lettow

DATE: June 25, 2024

RE: Foreign Policy Choices

- I. You will hear loud voices, especially on the right, state that this is a time of scarcity, of extreme resource constraints, and that we must make hard choices in foreign policy. Typically, they mean that we must essentially abandon existing U.S. security commitments.
- U.S. defense spending as a percentage of Gross Domestic Product is at a near-record low for the post-World War II era.¹ It is currently about three percent. That is the same as during the late 1990s, the “holiday from history” between the Cold War and then 9/11 and the return of great power competition. It is lower than in 1979 (4.5 percent), during Jimmy Carter’s presidency, following post-Vietnam and détente-caused cutbacks. Immediately after both the late 1970s and the late 1990s, defense spending shot up in response to foreign policy crises and our unpreparedness to meet them.
 - The same holds true for U.S. defense spending as a percentage of total federal outlays—that is, of total federal spending. It is now 13 percent.² That is lower than it was in the late 1990s under Clinton (16 percent) or in the mid-late 1970s under Carter (22-23 percent), both periods of defense atrophy. In comparison, defense spending amounted to between 50-70 percent of total federal outlays during the 1950s, which was seen at the time as a moderate, sustainable level of defense spending after the upsurge in defense expenditures under Truman during the Korean War; and between 20-30 percent during the Reagan and George H. W. Bush years in the 1980s and early 1990s.

- We are better off increasing defense spending to a steady, sustainable level that meets national security needs, rather than waiting for another crisis—for which we are unprepared—to occur, and then having the pendulum swing wildly to the other side.
 - We do face fiscal constraints. They are caused by entitlements—Social Security, Medicare, and Medicaid. (And, relatedly, interest on the federal debt.) These programs are unsustainable as currently implemented. Social Security and critical aspects of Medicare will be insolvent in a decade, which will cause an economic and political crisis. If you think the electorate is volatile and angry now, wait until retirees’ Social Security and Medicare are cut overnight by 20-40 percent. When that disaster occurs, they will be looking to cast blame and will lash out.
 - Making small adjustments to entitlements is relatively easy and painless, if undertaken now. Only one of the three finalists in the presidential primaries this cycle—Trump, Haley, and Biden—acknowledged and endorsed this. That her supporters are now seen as determinative of the November election should be cause for reflection.
 - You ought to say clearly to the American people that defense spending that is adequate to meet our strategic challenges now will prevent enormous losses of blood and treasure later. And that we do in fact have a fiscal problem, but defense spending is not it.
- II. You will hear loud voices, especially on the right, state that we must focus on the pacing threat—the People’s Republic of China—almost exclusively, and essentially abandon Europe and the Middle East, leaving them to tend to their own security.
- Europe, Asia, and the Middle East are the three most important regions economically and geopolitically. The United States has an enduring interest in making sure that none of them is dominated or destabilized by a hostile power or group of hostile powers, and in ensuring that the United States is able to move goods, things, and people freely between and among them. That enables the American people to trade with and have access to the most economically vital regions and thus makes possible economic growth and prosperity here at home.
 - We do not need to wonder what would happen if we effectively turn our back on one or two of those regions. Ignoring or wishing away gathering threats in Europe led to World War I, and ignoring or wishing away gathering threats in both Europe and Asia led to World War II. The USSR dominating half of the European continent caused the Cold War. The Truman Administration pursued a more

or less solely Europe-focused strategy in the immediate aftermath of World War II. The free world then lost China to the communists, and following the U.S. Secretary of State declaring Korea outside of a stated U.S. defense perimeter, communist North Korea invaded South Korea, leading to U.S. combat involvement in the Korean War (which began from a disadvantageous military position). During the Carter Administration, some perceptive officials within government complained early on that the United States was ignoring threats to the Middle East. They were proven correct when Iran fell to the mullahs, the Soviets invaded Afghanistan and made threats to the Persian Gulf, and the region ultimately swamped the administration's earlier priorities.

- There are few ironclad rules of history. One, from about 1890 on, is that all three of these regions are vital to U.S. interests; none can be ignored; and American leadership, attention, and some degree of presence and resources is necessary to avoid later disaster that requires the United States to fight in the region—and from a disadvantageous geopolitical position, at that.
- On Russia: Its dictator is a KGB agent, who operated as an instrument of oppression for the Soviet Empire in East Germany. That is his background and who he is. He hates the West generally and America specifically, and he wants to stick it to us. He has formed a *de facto* alliance with the People's Republic of China (PRC). There is no détente with him, and we ought not attempt to cut a deal with him or ignore him, leaving him to his own devices in order for us to try to focus on the PRC. That will only backfire, creating a disaster in Europe and ultimately distracting us from the PRC as we then have to put out fires in Europe.
 - o Because Putin's motives and *modus operandi* are directly contrary to America's security and economic interests, he must be opposed. Democrats used to be the chief offenders of this strategic necessity, as exemplified by Obama and the "reset," but at least they have learned. Wishing away Putin's threat to U.S. interests is now largely the province of Republicans. That is mostly because of the idiosyncratic views and inclinations of Trump, and the desire of some number of Republicans in Congress to try to follow and ingratiate themselves to him and those in the public who support him (for now).
 - o We ought to support Ukraine to the hilt—while avoiding the introduction of any U.S. forces into combat there—to make Putin's war painful and costly to him and to avoid the possibility of his successfully invading and conquering a Western-oriented democracy in Europe. That is about as straightforward a

calculation of U.S. national interests as one could possibly have. Those who cast aside that calculation of national interest to pursue base and transient political advantage court disaster, and, perhaps sooner rather than later, political embarrassment and backlash.

- o Saying "why would we defend Ukraine's borders when we don't defend our own" is akin to far-left slogans that we should "fund schools, not bombs," or that we cannot criticize or oppose tyranny anywhere in the world when there is any injustice at home. Our effectively open border and untrammelled illegal immigration are a crisis and a disaster. We cannot keep going as we are; the public knows it, has known it, and is in the process of forcing change. The U.S. government must enforce the law at the border and stop illegal immigration. Putin invaded an independent, Western-oriented, democratic country in Europe, and U.S. interests lie in supporting Ukraine's determined effort to resist. The U.S. government simultaneously needs to deliver the mail, collect taxes, do its best to ensure clean food, drugs, air, and water, run national parks, pursue a space program, etc. None of those prevents us from supporting Ukraine. Adopting the approach and language of the hard left—sophistry intended to obfuscate that one's preferred foreign policy is contrary to U.S. national interests—is foolish and corrosive.
- On the Middle East: Iran and Islamic terrorism (with overlap between them) pose threats to American national interests in the region and beyond and lie at the heart of problems with energy supplies for our allies and friends; shipping between and among continents; and, of course, Israel. All of that will get worse, dramatically and quickly, if we effectively turn away from the region. The Middle East is the swing or pivot region between Europe and Asia. Its position as a source of energy resources and the nexus of essential shipping routes ensures its central importance. Iran knows all of that well and constantly tries to throw it into chaos, and thus harm America's interests. The budding understandings exemplified by the Abraham Accords offer promise for the region to tend more and more to confronting its own challenges. But we are far from there yet, and America's leadership and watchful eye remain indispensable to avoiding the worst.
 - o It is good in itself to have a relatively light U.S. military footprint throughout the Middle East, as light as necessary to prevent domination or destabilization of the region by hostile forces, or major terrorist attacks. But some presence and support are necessary. We may well find that out the hard way again if terrorists operating in and around Afghanistan strike here or against one of our allies, in the absence of what had at last become

a relatively small and sustainable force there before Biden's 2021 pullout.

- The PRC is the biggest threat to U.S. interests and should be our first priority. But turning our back on our strategic interests in Europe and the Middle East, and the challenges to them, would only backfire.
- Efforts to attack those who favor a Peace-through-Strength approach by calling them “warmongers” and “neocons” are Orwellian. The question is how to secure America's interests and prevent war. That is best, and perhaps only, achieved by an approach similar to that of Eisenhower and Reagan. They understood and spoke clearly against our adversaries pursuing interests directly at odds with our own; prioritized strong and sustainable U.S. national defense; and worked with allies to pursue U.S. interests in the regions key to our own security and economic well-being. As a result, actual use of U.S. forces in combat were conspicuous by their rarity under Eisenhower and Reagan.

III. You will hear loud voices, especially on the right, state that in competing with the PRC, we should focus almost exclusively on Taiwan.

- Deterring an attack by the PRC on Taiwan is critical and should be our first priority. But the competition with the PRC is playing out in multiple theaters and domains. That is certainly how the Chinese Communists perceive and pursue it. Focusing exclusively on Taiwan is defensive, reactive, and far too narrow: we should also shore up our vulnerabilities economically, technologically, and in the cyber domain—all of which also affect our ability to deter an attack on Taiwan. That includes, among other things, a far greater U.S. economic disentangling/decoupling from the PRC than has been pursued to date.
- And we must comprehend—and then exploit ruthlessly and comprehensively—our comparative advantages and strengths. They may be more numerous and important than we currently consider, and would in all events distract and weaken the PRC from an attempt on Taiwan.
- Finally, there is a fundamental unreality in the debates about an exclusive focus on Taiwan: Trump's own interest in and commitment to a defense of Taiwan is, at best, shaky and uncertain. What he has demonstrated is an obsession with a trade deal with the PRC, and anger at it for harming his 2020 reelection bid because of COVID-19 and the ensuing economic damage.



MEMORANDUM

TO: Donald Trump

FROM: Gabriel Scheinmann

DATE: Fall 2024

RE: National Security Priorities

When you enter office for your second term, the world will look very different than when you began your first term. Our borders are not secure. Europe is at war, the Middle East is on fire, and Asia is on a knife's edge. In Afghanistan, we lost our first war in half-a-century. China, Russia, Iran, and North Korea are forming a near-contiguous entente stretching across the Eurasian continent. This entente already wields greater power, controls twice the territory, possesses access to significantly more resources, and exhibits greater cooperation than the Axis Powers did during World War II. Its central element, China, seeks to displace the United States as the dominant global power and collapse the American order.

This memorandum will suggest major course corrections to key national security threats.

Restore American Sovereignty

The first and most urgent task is to regain control over our own borders. Our open southern and porous coastal borders are national security vulnerabilities exploited by our adversaries. Under President Biden, 10 million people have entered the country illegally, enforcement actions have tripled,¹ fentanyl—most of its precursors originating from China—is killing 75,000 Americans annually,² and Chinese migrants are the fastest growing group illegally crossing our borders.³

You should build and maintain physical barriers, deploy advanced surveillance and detection technology, increase manpower, and use

¹Fiscal Year 2025 Historical Tables, Table 6.1—Composition of Outlays: 1940-2029^o, Office of Management and Budget, <https://www.whitehouse.gov/omb/budget/historical-tables/>.

²Fiscal Year 2025 Historical Tables, Table 6.1—Composition of Outlays: 1940-2029^o, Office of Management and Budget, <https://www.whitehouse.gov/omb/budget/historical-tables/>.

all executive and legislative powers to deter illegal migration. You should enact policies that incentivize and compel governments to stem the flow of migrants and drugs northward from Central and South America. These policies will also reduce Chinese leverage over our economy, our communities, and our law-enforcement.

The Trump Trillion

Hard power is essential for American security, but our defense budget is at a post-World War II low both as a percentage of our federal budget and as a percentage of GDP.⁴ Inflation, Congressional dysfunction, and Department of Defense bureaucracy further diminish its effectiveness. The Navy and Air Force are shrinking while China's true defense budget approaches parity with our own.⁵ You do not want to be remembered as the president who let China surpass us militarily.

To address this, you must prioritize a generational investment in national defense. First, you should gradually increase the base defense budget up to Cold War-like levels by supporting the detailed plan put forward by incoming-Senate Armed Services Chairman Senator Roger Wicker. Second, your first signature legislation should be the Transformative Resources Utilization for Military Power (TRUMP) Act, which would allocate \$1 trillion over five years to build enormous quantities of antiship and anti-aircraft missiles, ships, and aircraft. It would surpass the Reagan defense buildup, fast-charge the defense industrial base, and create over one million manufacturing jobs.⁶ The TRUMP Act is crucial for deterring Chinese aggression and averting a potential global conflict. Munitions could be produced faster and should be expedited. Capital investments would take longer but could still alter near-term Chinese decision-making if Beijing recognizes the closing advantage of prolonged American production capacity.

A Fund for the Free World

The United States should seek high leverage opportunities to degrade the military power of our adversaries. Russia's war in Ukraine offers a blueprint for addressing multiple engagements concurrently by equipping allies with military resources to pursue victory independently. You should launch the Initiative for Vital Alliances and Neutralizing Key Adversaries (IVANKA). Publicly offering to equip willing partners would enhance our strategic flexibility and capitalize on our strategic advantage: strong allies. An arms race for allies is one we can win because we have both far more arms and far more allies than China, Russia, or Iran. By the time you assume office, America's \$100 billion in military aid to Ukraine will have contributed to ~750,000 Russian casualties without direct U.S. intervention.⁷ Put differently, in the last three years, the United States has suffered more casualties and

daily direct combat in the Middle East as a result of pulling its support for counter-Iran coalition than it has in Europe where it is anchoring the counter-Russia coalition.

Funding the defense of the free world is a cost-imposition strategy on our adversaries and a cost-saving strategy for our defense industrial base. You should direct the Department of Defense to shift our defense planning concept to a 1+2 force: fielding a one-war force but also maintaining the capacity to fund and support our allies to win two other wars.⁸

A Contest for Supremacy

China's ambition to displace us as the world's leading power, championing its Leninist-Nationalist ideology, poses the greatest national security threat since World War II. Your administration must define this challenge to the American people and our allies: this is not merely a great power competition, but an ideological contest for supremacy that endangers the American order and our way of life.⁹

First, urgent action is needed to restore the balance of power against China. During the time it may take for the substantial effects of the TRUMP Act and the IVANKA to be felt, deterrence by punishment strategies may be necessary until the balance of power shifts in our favor.

Second, to win a Cold War against China, the United States must stop treating it as a partner. From climate change to global public health, from non-proliferation to trade, we do not share interests or have common goals. Holding China accountable for COVID-19 and its status as the largest carbon emitter could rally international coalition support.

Third, you should authorize measures and deployments that put Beijing on the defensive. It is imprudent to stake all American interests on defending Taiwan alone, considering China's broad global threat. Abandoning or drawing down forces from other positions would play into Beijing's hands, enabling its expansion without resistance. You should harden and disperse U.S. and allied forces across the First Island Chain but also build new partnerships and positions across the Northern Indian Ocean that complicate its military build-up.

Finally, you should enact policies that diminish Chinese leverage over our political decision-making while enhancing our leverage over theirs. We have allowed ourselves to be compromised by Chinese influence even as we hold far greater natural advantages, in particular in trade and energy markets, and a better strategic position.

Diluting Chinese control over key economic sectors, diversifying our supply chains, and ejecting Chinese influence in our vital institutions of higher education and media are imperative. You should also launch the CCP Active Measures Working Group to both disclose and unroot CCP influence in our country.

Say No to a Russian JCPOA, Say Yes to Maximum Pressure

Russia persistently undermines the United States across various fronts, remaining a formidable and cunning adversary that interprets attempts to reset relations as weakness. You should avoid becoming entrapped in a Russian version of the Iran deal, whereby Russia receives up-front, irreversible, and tangible benefits in exchange for future, temporary, and abstract concessions.

To counter Russian power effectively, you should initiate a strategy akin to the “maximum pressure” strategy against Iran. The United States should bolster Ukrainian military capabilities and aim for a complete halt of Russian energy exports to Europe, benefiting American energy exports and eliminating the trade deficit with Europe. Supporting Ukraine against Russia has inflicted significant costs on Moscow without direct military involvement: ~500,000 casualties to date,¹⁰ energy exports to Europe reduced to one-sixth of its pre-war totals,¹¹ and an economy now projected to slide to 15th in the world by the end of your term.¹²

Maximum pressure on Russia creates a dilemma for China: increase its support to Russia, exploit its weakness for its own gain, or abandon it entirely. Encouraging closer cooperation between Russia and China creates more opportunities for exploitation, helps de-leverage our economy from China’s influence, and buys time for our military rebuilding efforts. Over the medium and longer term, the Russian market cannot meet China’s export-driven needs. You would also be wise to emphasize the Chinese secession of “Russian Manchuria” to Russia in the mid-nineteenth century.

A Coalition of the Compelled

The United States should establish and lead an Arab-Israeli coalition to curb Iranian regional influence and prevent an Iranian nuclear weapons capability. This can be achieved with minimal direct military involvement, provided our allies are assured of our military and diplomatic support and coordination. You should not only reinstate the maximum pressure strategy, but also make clear that you support efforts to degrade and forestall Iranian nuclear weapons progress. You should approach the failing counter-Houthi campaign much like you did the struggling counter-ISIS campaign: make it an early priority, target any Iranian asset that is providing support, and go on the offensive.

By rolling back Iranian power, the United States can unlock a global strategy that complicates the geopolitical positioning of both China and Russia. A neutralized Iran would weaken Russian influence in the Middle East and Europe while also bolstering our leverage over Chinese energy security. By expanding American energy production and exports, you can help Europe, our Asian allies, and India reduce reliance on Russian supplies. The United States must possess the capability of disrupting the sea lines of communication between the Arabian Peninsula and China. An opportunity exists to build a far wider coalition for a comprehensive pressure strategy against Iran than ever before.

Conclusion

The hour is getting late. Sacrifice will be necessary to ensure our way of life prevails. You must make a serious investment in our military capabilities while simultaneously employing high leverage strategies that frustrate our adversaries, strengthen our allies, and buy time.

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³ Wenxin Fan, “Chinese Migrants Rush to Find Way to U.S. Border before Doors Close,” Wall Street Journal, August 4, 2024. <https://www.wsj.com/world/china/chinese-migrants-rush-to-find-way-to-u-s-border-before-doors-close-82d54871>.

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⁵ Raphael S. Cohen, “Ukraine and the New Two War Construct,” War on the Rocks, January 5, 2023. <https://warontherocks.com/2023/01/ukraine-and-the-new-two-war-construct/>.

⁶ Mackenzie Eaglen, “Keeping up with the Pacing Threat: Unveiling the True Size of Beijing’s Military Spending,” American Enterprise Institute, April 29, 2024. <https://www.aei.org/research-products/report/keeping-up-with-the-pacing-threat-unveiling-the-true-size-of-beijings-military-spending/>.

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¹⁰ “GDP, Current Prices Billions of U.S. Dollars,” IMF. Accessed August 8, 2024. <https://www.imf.org/external/datamapper/NGDPD@WEO/OEMDC/ADVEC/WEOWorld?year=2028>.

¹¹ Ben McWilliams, “The European Union-Russia Energy Divorce: State of Play,” Bruegel, July 3, 2024. <https://www.bruegel.org/analysis/european-union-russia-energy-divorce-state-play#:~:text=Table%20provides%20an%20overview,to%204%20percent%20in%202023.>

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Securing the Border is a National Security and Regional Foreign Policy Imperative

Connor Pfeiffer

The current humanitarian and security crisis at the U.S.-Mexico border is without precedent in American history. Millions of migrants are making a dangerous trek to the border from as far away as South America, passing through as many as nine or 10 countries before entering the United States illegally. This crisis has been a boon to transnational criminal organizations that profit from human smuggling, exploit and enlist migrants to advance their illicit activities, and strain the resources of the United States and other governments in the region while trafficking people and drugs.

Policy decisions by the Biden-Harris Administration have created significant pull factors driving an out-of-control crisis that is bringing millions of people into the country for an indefinite period. And, unlike past surges to the U.S. border, the current crisis has ballooned into a problem affecting the entire Western Hemisphere, with migrants coming from around the world to make their way to the United States.

The next administration must make border security and addressing the associated regional crisis a top priority. Summits and joint statements without concrete results will no longer suffice. According to the 2024 Reagan Institute Summer Survey, 90 percent of Republicans and 75 percent of Independents say that illegal immigration matters somewhat or a great deal for U.S. security and prosperity.¹ A failure to address both push and pull factors will not only perpetuate the unsustainable crisis at the border, but also continue to undermine U.S. influence and credibility in our own hemisphere and threaten political support for other national security priorities.

A Migrant and Fentanyl Surge

Three factors make the current crisis unique from past surges of illegal immigration—the rapid pace at which migrants have entered the country, the sheer number of migrants able to stay because of a broken asylum process and immigration system, and the expansion of the crisis beyond Mexico and Central America. Below is an overview of key elements of the border crisis and the accompanying fentanyl epidemic.

- Record Border Encounters: Since President Biden and Vice President Harris took office in January 2021, there have been nearly 10 million known illegal border crossings at the southwest border, including 8.1 million migrant encounters and at least 1.8 million known “gotaways”, or migrants who are known to have crossed the border illegally but evaded apprehension by U.S. Customs and Border Protection (CBP).² CBP is on track to have its third consecutive fiscal year with more than two million migrant encounters at the southwest border.³ For context, there had never been a year surpassing two million migrant encounters before fiscal year 2022.
- Catch and Release: This crisis stands out from the surge in border crossings during the 1990s and early 2000s. Over the 17-year period between 1990 and 2007, the number of illegal immigrants in the United States increased by 8.7 million, a majority of which were Mexican nationals.⁴ Meanwhile, the first 38 months of the Biden-Harris Administration saw at least 5.1 million migrants who crossed the border illegally reach the interior of the United States—3.3 million migrants who were released from CBP custody with a Notice to Appear (NTA) in immigration court or temporary status under another program, and 1.8 million known “gotaways.”⁵ In the first six months of fiscal year 2024, CBP released an average of 158,000 migrants into the country each month.⁶ On the current trajectory, in only four years, the Biden-Harris Administration will have apprehended and released five million migrants into the country by Inauguration Day 2025, 15 times more than under the Trump Administration.⁷
- Broken Asylum Process: Nearly 90 percent of illegal border crossers now turn themselves in or are apprehended by CBP.⁸ That is because many migrants arriving at the border are doing so to make an asylum claim. This phenomenon is not driven by a raft of refugees reaching the United States to avoid persecution but, rather, by incentives created by U.S. asylum law and Biden-Harris Administration policies that allow migrants to enter the country despite asylum claims that are unlikely to succeed. Under U.S. law, a refugee is someone who is unable or unwilling to return to or seek

the protection of their country “because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.”⁹ For example, a member of the opposition in Nicaragua fleeing the Ortega regime would likely qualify, while a farmer who left Guatemala because of a drought would not. The Biden-Harris Administration ended the Trump Administration’s “Remain in Mexico” policy, which required migrants to wait in Mexico while their asylum claims were considered, and has significantly expanded the use of NTAs instead of detention and expedited removal.¹⁰ Consequently, migrants know that if they claim asylum, there is a significant chance that they will be released with a court notice instead of being deported or repatriated to their home country. The possibility of staying in the United States despite apprehension by CBP has encouraged migrants who are unlikely to qualify for refugee status to make the long and difficult journey to the border.

- **Overwhelmed Immigration Courts:** The current backlog in the U.S. immigration court system is 3.7 million cases, including nearly 1.4 million asylum cases.¹¹ The average wait time for an asylum hearing is almost four years.¹² This backlog and the corresponding delays provide even more incentive for migrants to come to the border because NTAs effectively function as a four-plus year entry pass to the United States.
- **Regional Problem:** Historically, most migrants arriving at the southwest border were Mexican nationals. In the 2010s, the Northern Triangle (El Salvador, Guatemala, and Honduras) was the epicenter of the migration crisis. Fiscal year 2023 was the first time ever that most encounters were migrants from outside of Mexico and the Northern Triangle. With growing numbers of Colombians, Cubans, Ecuadorians, Haitians, and Venezuelans making the journey to the U.S.-Mexico border, this has become a hemisphere-wide crisis.
- **National Security Vulnerabilities:** In fiscal year 2024, U.S. Border Patrol has encountered migrants from at least 99 different countries around the world.¹³ Given the proliferation of NTAs that release migrants into the interior of the United States and the difficulty of vetting millions of migrants from so many different countries, this is a serious national security vulnerability. On June 11, the Department of Homeland Security (DHS) and the Federal Bureau of Investigation (FBI) arrested eight Tajik nationals with alleged ties to ISIS-K.¹⁴ The eight migrants had crossed the border illegally in 2023 and were released by CBP after being “fully vetted” during processing.¹⁵ The arrival in the past two years of more than 50,000 Chinese nationals has also raised questions as to what extent an insecure land border is a liability in the strategic competition with Beijing.¹⁶

- **Fentanyl Epidemic:** In addition to migration, the southwest border has been the epicenter for fentanyl trafficking. This has been a major contributor to the synthetic opioid overdose crisis that has killed at least 222,000 Americans since 2021.¹⁷ Seizures of fentanyl at the southwest border have skyrocketed since 2019. In fiscal year 2023, CBP seized 26,700 pounds of fentanyl at the border, which is the equivalent of six billion potentially lethal doses.¹⁸ This is also an underestimate of the true amount of fentanyl flowing across the border—a CBP official told Congress in 2023 that around 25 percent of the fentanyl coming across the border likely avoids seizure.¹⁹

Growing Foreign Policy Challenge

The failure of U.S. leaders to secure the border and disincentivize illegal immigration is creating a growing foreign policy challenge in the Western Hemisphere. The path of disruption caused by the border crisis stretches nearly 6,000 miles by land from Peru to the U.S. border. Migrants are journeying through as many as 10 countries, and for many, this journey includes crossing the dangerous jungle in the Darién Gap between Colombia and Panama.

Most of the countries affected by the flow of migrants are important U.S. partners. Every country on the land route except Ecuador has a free trade agreement with the United States.²⁰ Since 2014, these 10 countries have received more than \$20 billion in U.S. foreign assistance to address security challenges, strengthen institutions, and support development and economic investments.²¹ The chaos and resource burden created by migrant flows undermine those investments by American taxpayers in their Latin American neighbors.

The region has also seen growing Chinese activity and investment, creating competition where U.S. influence and economic ties have traditionally been strong. In Mexico, the recent surge in Chinese investment and influence risks creating a political and economic crisis with Washington ahead of the 2026 sunset review of the U.S.-Mexico-Canada free trade agreement (USMCA).²² With the exception of Guatemala, which continues to recognize Taiwan, countries such as Honduras, Nicaragua, and Panama have expanded their ties with China in recent years, shifting their diplomatic recognition to Beijing, signing memoranda of understanding on infrastructure projects, and undertaking negotiations for free trade agreements.²³

Additionally, the situation in Mexico is a critical piece of the regional puzzle. The worsening security situation there facilitates both the flow of migrants to the border and fentanyl trafficking. A former commander of U.S. Northern Command has stated that 30 to 35 percent of Mexico is controlled by transnational criminal organizations, such

as the *Cártel de Jalisco Nueva Generación* and *Cártel de Sinaloa*.²⁴ The country has also seen significant violence during President Andrés Manuel López Obrador's (AMLO) *sexenio*, with more than 170,000 murders in the last six years and at least 112,000 Mexicans missing.²⁵ Under the Biden Administration, migration has dominated the bilateral agenda without significant results while security ties with AMLO's government have deteriorated.²⁶ President-elect Claudia Sheinbaum, who is a protégé of AMLO, will take office on October 1. While Sheinbaum has not indicated that her security policy will significantly differ from that of her predecessor, the next U.S. administration should put pressure on Mexico to make demonstrable gains against the cartels with U.S. assistance.²⁷

Agenda Items for the Next Administration

Our country will be an attractive destination for immigrants so long as America remains an economic powerhouse and a beacon for freedom. The situation at the border, however, is a humanitarian crisis that encourages migrants to take significant risks and put themselves in danger because of a belief that reaching the border will mean they can stay in the United States. This is neither sustainable nor tenable.

While President Biden has taken several actions this year that attempt to address the border crisis before the presidential election, they will not solve these problems. The new "emergency border circumstances" authority, which allows DHS to restrict asylum claims and remove illegal immigrants apprehended between ports of entry if daily encounters exceed 2,500, still maintains 1,450 appointments per day (529,250 annualized) for migrants to make claims for asylum and the Administration's parole programs through the CBP One app.²⁸ More than 95 percent of migrants with CBP One appointments are reportedly let into the country with NTAs.²⁹ The emergency authority also ends if encounters fall below an average of 1,500 per day (547,500 annualized), normalizing more than one million border encounters per year when combined with the CBP One appointments.

Tackling the problems described will require a executive action and diplomacy in the near term combined with legislation to surge additional resources to the border and update the U.S. asylum process. The agenda items below should be top priorities for the next administration.

- **Operational Control of the Southwest Border:** Congress must give CBP the resources it needs to establish operational control of the border. This will require more manpower, building hundreds of miles of new border wall, and technology deployment to monitor more remote areas, in addition to upgrading screening

infrastructure at ports of entry. These steps will not only reduce the number of successful "gotaways," but will also increase drug interdictions and disrupt smuggling routes.

- **Restore Remain in Mexico:** Remain in Mexico is an important tool to make the difficult journey to the U.S. border less attractive by no longer making a verbal asylum claim after an illegal border crossing a ticket to enter the interior of the United States. The next administration can restore this policy through executive action.
- **Secure Closer Cooperation with Mexico on Migration:** Mexico can reduce pressure on the U.S. border by strengthening enforcement on its border with Guatemala and improving its asylum and work permit system. Mexico is an attractive destination for economic migrants because many parts of the country have a labor shortage driven by growing nearshoring investment by U.S. and Western companies.³⁰ While AMLO has used migration enforcement as a tool to pressure the United States, reaching a wide-ranging agreement with his successor could have significant short-term benefits for border security and U.S. economic interests in Mexico.³¹
- **Provide Additional Resources to DHS and EOIR:** In tandem with securing the border and restoring Remain in Mexico, DHS and the Executive Office for Immigration Review need additional resources to expand detention capacity and reduce the immigration court backlog.³² More detention capacity means DHS can prioritize removal of inadmissible migrants instead of issuing NTAs, while hiring more immigration judges to reduce the immigration court backlog and establish expedited asylum proceedings will reduce pull factors driving the current crisis.
- **Reform the Asylum Process:** Asylum is a status granted based on persecution of a protected class and an inability or unwillingness of someone's government to protect them—not based on a desire to come to the United States for a better life. Congress should elevate the standard in the initial asylum screening interview to ensure only asylum claims that are likely to succeed and could not have been addressed in other countries of transit move forward. There should also be an expedited process for interviewing and adjudicating the claims of asylum applicants and removing those who are not eligible. Our asylum system was never intended to become a gateway for so many migrants to enter the country while waiting for an interview or hearing. Fixing the asylum system will ensure that refugees in need of protection can access these protections while more quickly rejecting ineligible claims.

- **Negotiate New Asylum Cooperation Agreements:** During the Trump Administration, the United States signed asylum cooperative agreements with El Salvador, Guatemala, and Honduras that would have required migrants traveling through those countries to claim asylum there or face potential removal once they reached the U.S. border.³³ During the first month of the Biden-Harris administration, however, Secretary of State Antony Blinken terminated those agreements.³⁴ The next administration should negotiate new asylum cooperative agreements with U.S. partners in the Western Hemisphere.
- **Restrict Presidential Parole Authority:** President Biden has abused a discretionary parole authority in U.S. immigration law to release more than 1.6 million migrants into the interior of the country in fiscal years 2022 and 2023 alone.³⁵ The authority is meant to be used “only on a case-by-case basis for urgent humanitarian reasons or significant public benefit.”³⁶ Congress should change the law to prevent further abuses of this authority.
- **Focus More Foreign Policy Resources and Attention on the Western Hemisphere:** Over the long term, reducing illegal immigration to the southwest border will require improving the security, political, and economic situation in the Western Hemisphere. Past efforts have failed because U.S. attention and resources are drawn elsewhere in the world. The next administration has an opportunity to work with Congress to break that cycle and forge stronger partnerships in the hemisphere amid strategic competition with China through a regional strategy that:
 - utilizes our influence and economic leverage in Central and South America to cut off the flow of migrants north, giving partners in places like Mexico and Panama the resources and tools they need to process and deport migrants before they reach our border;
 - ends the Pentagon’s perennial neglect of U.S. Southern Command to enhance U.S. presence in the region;
 - trains, equips, and supports partner forces to degrade the cartels in a sustained way;
 - reclaims American economic leadership in Latin America by offering competitive alternatives to Chinese investment, improving existing trade agreements as President Trump did with USMCA, and developing the conditions for more American investment that creates jobs at home.³⁷

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³ “Southwest Land Border Encounters.”

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¹⁷ “U.S. Overdose Deaths Decrease in 2023, First Time Since 2018,” U.S. Centers for Disease Control and Prevention, May 15, 2024, https://www.cdc.gov/nchs/pressroom/nchs_press_releases/2024/20240515.htm; “U.S. Overdose Deaths in 2021 Increased Half as Much as in 2020 – But Are Still Up 15%,” CDC, May 11, 2022, https://www.cdc.gov/nchs/pressroom/nchs_press_releases/2022/202205.htm.

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³⁴ “Suspending and Terminating the Asylum Cooperative Agreements with the Governments El Salvador, Guatemala, and Honduras,” U.S. Department of State, February 6, 2021, <https://www.state.gov/suspending-and-terminating-the-asylum-cooperative-agreements-with-the-governments-el-salvador-guatemala-and-honduras/>.

³⁵ “Graham: Biden Abusing Immigration Parole To Implement An Open Borders Policy,” U.S. Senator Lindsey Graham, January 17, 2024, <https://www.lgraham.senate.gov/public/index.cfm/press-releases?id=787DA105-C7F0-43D0-BEBC-5A0AFD5656D9>.

³⁶ 8 U.S.C. § 1182(d)(5)(A).

³⁷ Richard Goldberg and Connor Pfeiffer, “Post-Biden, we must secure the border to address the looming national security threat,” New York Post, June 28, 2024, <https://nypost.com/2024/06/28/opinion/post-biden-we-must-secure-the-border-to-address-looming-national-security-threat/>.



Ukraine, NATO, and the Future of Transatlantic Relations

Peter Rough

Putin's Way of War

"I am convinced that the future of Russia is fully European," said French President Emmanuel Macron from his Mediterranean summer residence after hosting Russian President Vladimir Putin there in August 2019. "We believe in a Europe which stretches from Lisbon to Vladivostok."¹

To be fair, Macron is not alone in having been deceived. Putin has made a career of hoodwinking Westerners. Conservatives seduced by the romance of Russian nationalism, businesses addicted to cheap Russian energy, intellectuals enamored of the high culture of Moscow and St. Petersburg, progressives determined to build a better world: the Russian President has made marks of them all.

By the time Putin's admirers discover they have been targets—if this realization hits them at all—the Kremlin finds a new Western quarry and begins the cycle anew. Putin pockets unilateral concessions from the West with one hand and thrusts his dagger at the European order with the other.

Russia accomplished its decade-long military modernization, for example, by raiding the West's technology base in plain sight.² And while the North Atlantic Treaty Organization (NATO) put careful constraints on its own military deployments in Russia's "near abroad," Putin established anti-access/area denial bubbles from Tartus in the Eastern Mediterranean to Crimea in the Black Sea and Kaliningrad in Northern Europe—all funded by energy sales to the West.

Putin often disguises his stratagems with creeping incrementalism, like a man boiling a frog alive by imperceptibly increasing the temperature

of the water in which it sits. When not executed gradually, his ruses require quick, dramatic successes that give off an impression of inevitability. In this fashion, Putin's thunder run on Kyiv in February 2022 was meant to impress upon the world that Ukraine was nothing more than an artificial creation.

To Putin's chagrin, the war in Ukraine has fit neither the incremental nor the blitzkrieg mold. Instead, Ukraine has exposed Putin's methods for all the world to see. Thanks to Ukraine's tenacity, the West is now fully awake to Putin's irredentist brutality. Macron no longer talks about cooperating with Russia but muses aloud about deploying French troops to defend Ukraine.³

Still, NATO has yet to launch a new Russia reflection process since at least the Warsaw Summit of 2016, despite dramatic changes to the European security landscape including increasing Sino-Russian cooperation.⁴ Perhaps this is because of the sheer enormity of the challenge. As one White House official put it during a roundtable attended by this author in May, "Is containment of Russia even possible given its relationship with China?"

Having squandered Western goodwill and revealed his intentions in Ukraine, Putin is now betting that the West will resign itself to his designs. In this context, Sino-Russian alignment is not a secret he works to disguise, but a *fait accompli* he parades in the open as a demonstration of strength. When General Christopher Cavoli, NATO's Supreme Allied Commander, told the U.S. House Armed Services Committee in April that Russia had lost over 2,000 tanks and 315,000 soldiers in Ukraine but was "reconstituting that force far faster than our initial estimates suggested," it led some to ask whether stopping Russia in Ukraine was even possible.⁵

Putin has worked assiduously to position himself as the indispensable man—the only firefighter in position to extinguish the blaze he has just ignited. As the Swedish analyst Fredrik Löjdquist observed to this author, Putin constructs his war narratives to maneuver the West into the position of supplicant. From February to October 2022, only Putin could forestall the nuclear war that he alone was threatening. In spring and summer 2023, only Putin could contain the fissiparous forces of Yevgeny Prigozhin, which Putin himself had conjured to life. Now, many in the West believe that engaging with Putin may be necessary to end a stalemated war of his own creation. The West burnishes Putin's status while simultaneously denouncing him.

Ominously, Russia is also proliferating key technologies to Iran, North Korea, and Belarus. By supplying Tehran or Pyongyang with everything from S-300 air defenses and anti-stealth radars to drone systems and

satellite technologies that also advance Iran's ICBM program, Russia is leveling up the technology base of the anti-American axis—and getting the White House's attention in the process.⁶ If Moscow takes further steps, such as delivering Su-35 air superiority fighters and S-400 air defenses to Iran or North Korea, its defense partnerships with Tehran and Pyongyang will constitute the most significant and rapid military upgrades of two anti-American regimes in modern history. Putin has also completed an outright takeover of the security sector in Belarus, where he has deployed Iskander missiles, conducted tactical nuclear weapons drills, and dispatched Wagner Group instructors to train the Belarusian military.⁷ The distance from Brest, in Belarus, to Warsaw, Poland, is a little more than 100 miles.

For now, Russia is unlikely to engage in large-scale conventional war with the West, especially since NATO continues to flex its muscles through exercises like Steadfast Defender and BALTOPS.⁸ Yet the degradation of Putin's land-forces in Ukraine raises the likelihood that he engages in high-end nuclear saber-rattling and low-end hybrid attacks over the next several years. From misinformation campaigns to illicit funding operations, Moscow has modernized the active measures playbook it has been using for years.⁹

Putin continues to load his revolver with one bullet after another in anticipation of a showdown. When negotiations on Ukraine commence—and that day will eventually come—Putin will place his gun at the center of the table, point it directly at the West, and demand that the world accept his terms.

What's at Stake

The peace and prosperity of Europe remains a vital national security interest of the United States. The continent provides two-thirds, or about \$3.4 trillion, of total foreign direct investment (FDI) in the United States, while the United States has over \$4 trillion in FDI stock invested in Europe, some 60 percent of total U.S. assets abroad.¹⁰ Those numbers are only set to grow.

The trading relationship between the United States and Europe also remains the world's largest, with annual two-way trade reaching approximately \$2 trillion in total volume.¹¹ Europe may be an innovation laggard, likely to fall behind the Americas and Asia in the coming decades, but for the foreseeable future it will remain one of three major power centers of the global economy. So long as that is the case, the United States will work to maintain a favorable balance of power in Europe informed by the lessons of the last century.

Today, Europe is the United States' forward operating base on the Eurasian landmass, from which Washington can project power into

Africa, against Russia, and throughout the Middle East. The U.S.-built European order offers advantages for the United States in regions far beyond its reach. If the United States and China come to blows in the South China Sea, Washington would expect Europe to join it in an economic campaign against Beijing—occasional comments by some Europeans notwithstanding—lest European inaction undermine the United States' transatlantic commitment.¹²

The prospect of Europe joining the United States in an economic campaign against China surely factors into Beijing's near-term calculations of war and peace. China's economy is riddled with structural deficiencies. As Europeans have repeatedly told this author, officials in Beijing complain regularly that the United States has begun to counterbalance China before China has grown strong. A Chinese attack on Taiwan would spawn a coalition of the world's advanced economies, including Europe, which would only exacerbate Beijing's economic woes. Chinese President Xi Jinping would need to risk his global ambitions for a high-stakes Taiwan operation with no guarantee of success. History is full of leaders who have taken such gambles, but Europe's ability to shape calculations in the Taiwan Strait while the continent remains an economic power cannot be dismissed out of hand.

Ukraine and NATO

This is one reason why Western support for Ukraine in its war against Russia carries a significance that transcends that conflict. By backing Ukraine, NATO protects the European order without deploying Cold War-era levels of U.S. forces on the continent. Ukraine also serves as the case study that Chinese leaders will examine most closely to infer how the West might respond to an attack on Taiwan. Whatever interlude may exist between Russia's full-scale attack on Ukraine and China's possible invasion of Taiwan gives the West time to begin military production lines that otherwise would not exist.

Ukraine is now on the military defensive. Summer 2024 has been harrowing for the country, as Russia applies increasing pressure. During this time of hardship, the fighting near Kharkiv illustrates why the United States should lift the restrictions it has placed on how Ukraine is allowed to use U.S. armaments. Kharkiv sits only a few dozen miles from the Russian border, yet until recently, Ukraine's forces have been restricted from using Western-supplied weapons against formations inside Russia.¹³ After the United States and its partners reversed this policy, Ukraine's battlefield fortunes improved. It is past time for President Joe Biden's administration to end its tepid approach to security assistance, which dates to even before Russia began its full-scale invasion.

Absent outright conquest of Ukraine, which remains Putin's preferred path to victory, the Kremlin's strategy seems clear: weaken Ukraine by choking its access to the outside world, especially its Black Sea coastline, before absorbing it as a rump state into the Russian Federation. Unsurprisingly, Ukraine's war aims are the exact opposite: preserve commercial operations, especially at the port of Odesa, and beat back the Russian occupation as far as possible, including in Crimea.

The war's front lines may ebb and flow, and a ceasefire may even interrupt the fighting, but the only real path to Ukraine's long-term security is NATO membership. The bilateral security agreements Western countries are now negotiating with Ukraine can serve as a temporary bridge to Euro-Atlantic integration, but they cannot be the last step, as it would be near impossible to equip Ukraine to a level where it enjoys an edge over Russia akin to what Israel enjoys in the Middle East or South Korea possesses over North Korea.¹⁴ Moreover, Israel possesses nuclear weapons—a fact not lost on Ukraine—while South Korea benefits from America's extended nuclear deterrent. Instead, Kyiv will be mostly disappointed by this summer's Washington Summit, where NATO will not extend an invitation to join the alliance. This leaves Ukraine in a state of limbo, fighting for its existence.

U.S. Policy Considerations

Of course, Putin will attempt to counterprogram the Washington Summit. While one can only guess what he has up his sleeve in the coming months, the United States should seek to preempt his moves.

To this end, NATO should deploy forces along the Poland-Belarus border to give authorities in Minsk a pretext to keep their own troops in garrison rather than support a renewed attack on Ukraine. This would also send a signal to Beijing.

If tightening sanctions on Russia is not possible in an election year, then the United States should at least explore how to catalyze greater capital flight from Russia.¹⁵ Similarly, if the Biden Administration will not overhaul its energy policy, it should at least reconsider its moratorium on liquid natural gas exports and launch an initiative to encourage Russian defense clients like India to consider alternate suppliers.¹⁶ Both moves would weaken Russia's economy.

Other opportunities abound. The accession of Finland and Sweden to NATO flips the script in Northern Europe. In the span of two years, NATO has turned the Russian exclave of Kaliningrad into a liability for the Kremlin and the Gulf of Finland near St. Petersburg into alliance waters. Russia is off-balance, and NATO should not allow it to regain its footing.

Russia's underperformance in Ukraine has also created a moment of opportunity in the post-Soviet states. In the Caucasus, Washington is supplanting Moscow as a mediator between Azerbaijan and Armenia. In Central Asia, the United States can exacerbate friction between Russia and its security partners such as Kazakhstan.¹⁷ In Georgia, Washington missed an opportunity for early sanctions against Bidzina Ivanishvili's government over a foreign funding law, and instead belatedly issued a milquetoast reprimand before ratcheting up the pressure. This fall, the next opportunity arises for the United States to roll back Russian influence when Moldova holds presidential elections and a referendum on European Union membership.¹⁸

The United States leads its 30 treaty allies across the continent by forging a common strategic outlook and assigning missions and roles. Yet none of this is meaningful if the alliance lacks troops and warfighting capabilities. More than two years after Russia's full-scale invasion, Europe has made progress, but it still suffers from gaps in air enablers, air defenses, naval forces, munitions, and other key capabilities. Its recruitment woes mirror those in the United States.¹⁹

No matter who occupies the White House next year, the United States must convince Europe to turn pledges into commitments and those commitments into capabilities. Washington should exert sustained pressure on its European allies to go beyond their Wales Pledges. The days of cultivating Russia or fantasizing about wedging strategies that separate Moscow from Beijing are over. It is time for the West to push back on Russian aggression, signal to China that the costs of war are high and invest in its own military strength.

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¹⁸ "U.S. Military Posture and National Security Challenges in Europe," U.S. House Armed Services Committee, April 10, 2024, <https://armedservices.house.gov/hearings/full-committee-hearing-us-military-posture-and-national-security-challenges-europe-0>.

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²⁵ Jamil Anderlini and Clea Caulcutt, "Europe must resist pressure to become 'America's followers,' says Macron," POLITICO, April 9, 2023, <https://www.politico.eu/article/emmanuel-macron-china-america-pressure-interview/>.

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How the War Ends Matters—and Not Just for Ukraine

A Response by Daniel Fata

Peter Rough does an excellent job outlining the challenges associated with Vladimir Putin’s war of aggression against Ukraine in his piece, “Ukraine, NATO, and the Future of Transatlantic Relations.” He accurately captures how Putin thinks, as well as what the United States and its allies must continue to do to keep their eyes wide open while trying to stymie Russia’s ability to defeat Ukraine and give Moscow’s partners in crime the ability to wreak similar havoc in their own regions.

Having recently spent time at NATO headquarters and in allied capitals discussing the war with officials, it remains clear that the 32 nations that now comprise the alliance work hard to show a face of unity toward Russia. However, real divisions exist between different parts of the alliance on defense spending, whether to “contain” or “constrain” Russia, and how to lethally assist Ukraine.

NATO’s upcoming anniversary summit will be an occasion focused more on its first 75 years’ worth of accomplishments (i.e. “0-75”) than on its next 25 years of existence (i.e. “76-100”). The fact that NATO will not extend a membership invitation to Ukraine, let alone further define the process and timeline for when such an invitation might be extended, shows that Moscow holds a lot more sway over allied governments than some leaders want to admit publicly.

As many have said, how the Russia-Ukraine war ends matters. It is not just about who controls Ukraine, but whether countries such as China, North Korea, Iran, and others will feel emboldened to challenge the status quo around the globe. Presuming NATO leadership truly believes the premise that Moscow cannot be allowed to claim victory, then the alliance must pull out all the stops to help Ukraine achieve this outcome

as expeditiously as possible. The damage done to Kyiv’s momentum by the American delay in passing a wartime supplemental to provide Ukraine’s military with the armaments and psychological support it needed is palpable—but hopefully not irreversible.

While the allies should be focused on helping Ukraine prevail, it is worth acknowledging that there are factors at play in NATO capitals and among experts on both sides of the Atlantic that may well influence how much of a victory Kyiv will be allowed to take credit for—and, conversely, how much defeat Moscow will be forced to accept. In other words, the war is getting in the way of Europe’s relations with Russia.

The war has caused strains between some Western European nations and their Eastern European counterparts. Of course, the war has paused (but not likely ended) many lines of economic effort between Europe and Russia. There remain those in Europe—within NATO, the EU, and in allied capitals—that want to see the war end as soon as possible so they can resume relations with Russia.

For two decades, the nations of Central and Eastern Europe warned that normal relations with Russia should not exist, and that Putin could not be trusted because he harbored designs on their territory. Many in Western Europe did not accept this argument, and it led to open tensions between the two halves of Europe. Unfortunately, despite Putin’s actions in Georgia, Ukraine, and elsewhere, there remain divisions within Europe (and likely in the United States) about how to not “punish” Putin (the most notable being whether to use frozen Russian assets to rebuild Ukraine).

No one with any sense of conviction can predict how long Putin will continue to rule Russia, let alone know who may succeed him, and how that succession will occur, such as a coup d’état, election, or some other means. Since the end of the Cold War, there have been efforts, both direct and Track II, to try and determine whether Russia’s future is in the West. Olive branches have been extended. At some points, the possibility of pulling Russia into the transatlantic community seemed more achievable than others. For many reasons that require no additional explanation, the idea of courting Russia while Putin is in control is no longer possible.

However, there are those who are looking beyond a Putin-controlled Russia and are considering what might be the art of the possible. It will take a generation at least to correct the brainwashing that has occurred within Russian society through Moscow’s deliberate efforts misrepresenting the West. To some, inflicting too much pain on Russia once the war in Ukraine ends invokes a “Versailles-like” similarity upon the vanquished World War I Germany, which is resulting in quiet discussions about the risks of losing Russia forever.

This mindset only becomes more problematic when one considers the Moscow-Beijing dynamic of wanting to weaken the West economically, militarily, and politically out of a shared sense of grievance that they are being targeted and held down from achieving great power status. China's efforts to support Russia's war machine in Ukraine are not only worrisome but destabilizing for Ukraine, Eastern Europe, Central Asia, and the Caucasus. Russia's willingness to provide unlimited energy reserves to China demonstrates great strategic shortsightedness, as Beijing likely has increased designs on the vast openness of Russian territory to further consolidate its power and influence on the Eurasian landmass.

China's role in playing both sides in the Russia-Ukraine conflict is increasingly worrisome. Ukrainian President Volodymyr Zelenskyy has repeatedly requested publicly and privately that Beijing stop supporting Russia's war machine against Ukraine. At the same time, Beijing is the largest buyer of Ukrainian grain, providing Zelenskyy's government and Ukraine's farmers with much-needed capital.

Chinese leader Xi Jinping is also closely watching the debates in Washington and various European capitals as to whether there will be funding to support Ukraine's massive and ever-growing national reconstruction bill. As he has done in South America, South Asia, and Sub-Saharan Africa, Xi seems poised to offer a financial lifeline (and everything that goes along with it) to help Zelenskyy, and possibly his successor, rebuild the war-torn country.

If Ukraine is able to "win" but Putin is not punished (for the reasons listed above) and Xi is allowed to rebuild Ukraine even in part, Europe and the United States will not have helped secure the victory the West needed in this war. Moscow and Beijing will take from their efforts that they have prevailed because the West was too scared or divided to challenge Putin, and it was too self-focused to spend the money to rebuild Ukraine. Let there be no mistake: this is a winning outcome for both Putin and Xi. Both leaders have actively worked to sow misinformation, chaos, distrust, and discontent among the over one billion citizens of the United States, Canada, and Europe. For the better part of two decades, these leaders and their government apparatuses have sought to divide voters in the free world among themselves and discredit the democratic ideal of representative government.

We must remain focused on what matters: providing Ukraine with whatever it takes to help them "win" as soon as possible over Russia. At the same time, we must be actively thinking about how to rebuild Ukraine and ensure it has a fighting chance of survival as a nation and as a people. This means obligating monies and arms to the cause and making politically courageous decisions to support such outcomes in the June 2024 European parliamentary elections, the NATO Summit, and the

post-November 2024 U.S. presidential elections. Russia and China cannot be allowed to strengthen any additional footholds in Europe, nor should we be under any illusions that either of them wants to work with the West to secure peace. How this war ends matters not just for Ukraine but for all of those who seek to defend the cause of liberty and justice around the world.



Transatlantic Shift: NATO, Ukraine, and the Future of Transatlantic Relations

A Response by Tim Morrison

When the heads of state of NATO member states convene in Washington this summer for the 75th anniversary of the most successful military alliance since FDR and Churchill, much will be on their minds. Congratulations will be in order: 75 years—the diamond anniversary. This anniversary was by no means certain at its founding in that same city.

At the Wales Summit in 2014—when NATO was 65 years young and 28 members strong—three members were meeting the commitment to spend at least two percent of their GDP on defense.¹ Ten years later and with 32 members, the alliance now includes 20 members at two percent (despite two years of proxy war between NATO-backed Ukraine and Vladimir Putin’s Russia).

Peter Rough rightly focuses on Putin’s methodical campaign to challenge NATO and the West today, in Ukraine and elsewhere. And he focuses on a key element of the alliance—or “Axis”—that is rising in support of Putin’s campaign. He points out that Russia has been proliferating key technologies to Iran, North Korea, and even Belarus. This is a key point in his paper that merits more focus given what it portends for the larger forces at play now in Ukraine—and perhaps in the near future in the Taiwan Strait.

NATO was founded to keep Russia out, the United States in, and Germany down. Is its purpose as clear today? Can it defeat Russian aggression in Europe? If it cannot do that, what will it do in the face of aggression by Xi Jinping, who will likely not act alone or in one theater?

NATO, led by the United States, failed to deter Russia from invading Ukraine in 2022, despite promises of crippling economic sanctions. At every step of this latest conflict, Putin has wielded his nuclear saber to deter necessary U.S. and NATO actions to reinforce Ukraine. Is this why Xi’s China is running in its own nuclear arms race today?

NATO has armed Ukraine and done so commendably in some cases—but often too little, too late. Russia may still win in Ukraine as a result.

Russia has also largely been able to insulate its economy from sanctions, and its energy revenue appears to be almost untouched over more than two years of conflict and punishment—the U.S. Department of Defense itself is still a customer of Russia, buying its energy to power U.S. bases in Europe.^{2,3} One has to wonder what Putin thinks when he sees his energy supplying Ramstein and Aviano and sees a Ukraine Defense Contact Group meeting in Brussels making an announcement about a new security assistance package for Kyiv. The intelligence reporting must be fascinating.

Energy, like military force, is a key tool of global competition; it is traded on a global market. Having a vote in that market, whether with domestic energy or security assistance and guarantees, is a key enabler for the U.S.-led West in the Middle East’s decision making, or in Europe’s.

It will continue to grow more important. Withdrawal from those theaters in the name of the first island chain grows less sensible (not more) given what we are learning from our experience in Ukraine. Senator John McCain called Russia a mafia-run gas station with nuclear weapons.

As the war has dragged on, Europe, to its credit, has made some progress in cutting its reliance on Russian energy. But China has backfilled with the Power of Siberia 2 pipeline, jumping crude oil imports and tens of billions of cubic meters of natural gas per year. Russia is increasingly Xi’s gas station to fuel Putin’s war in Ukraine, fielding North Korean shells and Iranian ballistic missiles and drones. China has played the situation masterfully, helping to satisfy its energy needs with Russian energy at a discounted rate.⁴

But Beijing has provided Russia real, hard currency to insulate its economy—and military—from what sanctions the NATO-led West has imposed. Indeed, Russia has almost completely reconstituted its military, according to one senior State Department official.⁵ It has not done this alone. But NATO and the West have not reacted as rhetoric would suggest.

North Korea is producing millions of shells for Russia’s army in Ukraine, shipping them in more than 10,000 shipping containers—this is not a low-profile or clandestine effort.⁶ And then there is Iran, already home

to the most prolific short- and medium-range ballistic program in the world, which has been providing munitions and armed unmanned aerial vehicles (UAVs) to support Russia's campaign in Ukraine.^{7,8}

And then there is China. Recently, during the "Worldwide Threats" hearing before the Senate Armed Services Committee, the Director of National Intelligence (DNI) spoke about China's burgeoning support for Russia's war effort:

"China's provision of dual use components and material to Russia's defense industry is one of several factors that tilted the momentum on the battlefield in Ukraine in Moscow's favor, while also accelerating a reconstitution of Russia's military strength after their extraordinarily costly invasion."⁹

These include dual-use drone and rocket technology, satellite imagery, and machine tools needed for its defense production.

Arming Russia in Ukraine was a red line China was not to cross without dire consequences. Sounds a lot like the original threat by the United States and the West to Russia not to re-invade Ukraine in February 2022. Is the West at risk of creating a parallel between Russia-Ukraine and China-Taiwan?

A recent issue of *The Atlantic* referred to an "Axis of Autocracy" and stated that that axis is on the march. Our friend, Matt Pottinger, calls it an "Axis of Chaos."^{10,11} That describes the present situation as well as anything I have come across.

NATO has added new allies, and those allies themselves have real military capability. But the United States has a defense budget proposal this year that appears to show one percent growth—but in reality, as anyone who buys eggs and milk knows, that budget is actually down about 2.5 percent in real terms over the Fiscal Year 2024 budget that was passed last year.

A colleague of ours, Seth Jones at the Center for Strategic and International Studies (CSIS), just released a new report that describes how the Chinese Communist Party (CCP) has put its defense industrial base on a war footing. Earlier this past spring, one of the key facilities in the United States for making the 155mm artillery shell for the U.S. Army and the armies of many friends abroad—built in 1908—caught fire.¹³ Likewise, nearly every class of new ship under development and construction by the U.S. Navy is now late.¹⁴ Our defense industrial base and acquisition system is unable to keep up with China's military modernization because of Ukraine: they are unable to keep up with even Russia's because the Axis of Chaos is on war footing and we are not.

Why do we think the same Axis of Chaos that is out-building us in Ukraine will allow us to prioritize one theater over the other in the next phase of the present conflict to reshape the world America and NATO built 75 years ago? Why do we think losing in Ukraine will not be the spark that lights the match of conflict in the Taiwan Strait? These are the questions that the North Atlantic Council should confront this summer in Washington.

Rough makes clear in his paper that Putin has a plan. We know Xi has a plan. Do the West's leaders have a plan to stop them?

⁷ "Wales Summit Declaration," North Atlantic Treaty Organization, September 5, 2014, https://www.nato.int/cps/en/natohq/official_texts_112964.htm.

⁸ "Russian Oil and Gas Budget Revenues More than Doubled in October," Reuters, November 3, 2023, <https://www.reuters.com/business/energy/russian-oil-gas-budget-revenues-more-than-doubled-october-2023-11-03/>.

⁹ David Roza, "DOD Still Has No Plan to Stop Using Russian Gas in Europe," Air & Space Forces Magazine, April 17, 2024, <https://www.airandspaceforces.com/dod-russian-gas-in-europe/>.

¹⁰ "Russia's Tighter Energy Ties with China since Ukraine War," Reuters, March 20, 2023, <https://www.reuters.com/world/russias-tighter-energy-ties-with-china-since-ukraine-war-2023-03-20/>.

¹¹ Noah Robertson, "Russian military 'almost completely reconstituted,' US official says," Defense News, April 3, 2024, <https://www.defensenews.com/pentagon/2024/04/03/russian-military-almost-completely-reconstituted-us-official-says/>.

¹² "North Korea Has Sent 6,700 Containers of Munitions to Russia, South Korea Says," Reuters, February 27, 2024, <https://www.reuters.com/world/north-korea-has-sent-6700-containers-munitions-russia-south-korea-says-2024-02-27/>.

¹³ Emil Avdaliani, "Iran and Russia Enter a New Level of Military Cooperation" Stimson Center, March 6, 2024, <https://www.stimson.org/2024/iran-and-russia-enter-a-new-level-of-military-cooperation/>.

¹⁴ Morteza Nikoubazl, "Iran's Powerful Missile and Drone Arsenal," EL PAÍS English, April 14, 2024, <https://english.elpais.com/international/2024-04-14/irans-powerful-missile-and-drone-arsenal.html>.

¹⁵ Owen Hayes, "In Ukraine war, China is helping tilt momentum in Russia's favor, top U.S. spy says," NBC News, May 2, 2024, <https://www.nbcnews.com/politics/national-security/china-helping-russia-momentum-ukraine-war-top-us-spy-rcna150437>.

¹⁶ Caroline Mimbs Nyce, "The Atlantic Daily: The New Axis of Autocracy," *The Atlantic*, November 15, 2021, <https://www.theatlantic.com/newsletters/archive/2021/11/modern-autocrats/620719/>.

¹⁷ John H. Cochrane, "The Axis of Chaos, With Matt Pottinger," Hoover Institution, May 31, 2024, <https://www.hoover.org/research/axis-chaos-matt-pottinger>.

¹⁸ Seth G. Jones and Alexander Palmer, "China Outpacing U.S. Defense Industrial Base," CSIS, March 6, 2024, <https://www.csis.org/analysis/china-outpacing-us-defense-industrial-base>.

¹⁹ Maggie Zaleski, "No injuries reported after fire at Scranton Army Ammunition Plant," WNEP-TV, April 15, 2024, <https://www.wnep.com/article/news/local/lackawanna-county/no-injuries-after-fire-at-scranton-army-ammunition-plant-downtown-investigation-general-dynamics/523-3244ec2d-cf8e-46fc-a7dc-d13f7eca7e1f>.

²⁰ Megan Eckstein, "US Navy ship programs face years-long delays amid labor, supply woes," Defense News, April 2, 2024, <https://www.defensenews.com/naval/2024/04/02/us-navy-ship-programs-face-years-long-delays-amid-labor-supply-woes/>.



On Inconvenient Truths and Strategic Distance: Advancing American Leadership in an Era of U.S.-China Conflict

Dale Swartz

This is the fifth anniversary of the Reagan Institute Strategy Group. It has become something of a tradition to include an essay that chastises Washington for not doing enough to address the challenge of a rising China. In year five, I suggest we reset the frame to address the new confluence of forces facing the United States. It is no longer diagnostic to talk about the “rise of China.” Beijing under the leadership of the Chinese Communist Party (CCP) has *arrived* as a peer superpower that has both the capacity and intent to assert global dominance across all major vectors of national power.

By now, the ambition of Beijing under President Xi Jinping to remake the world is clear. He wants to disband Washington’s network of alliances and purge what he sees as “Western” values from international bodies. He wants to knock the U.S. dollar off its pedestal and release America’s hold over a range of critical technologies. In his new multipolar order, global institutions would be underpinned by Chinese notions of common security and economic development, Chinese values of state-determined political or human rights, and Chinese technology. China will no longer have to fight for leadership because it will have solidified its place at the center of a redefined international order.¹

This vision runs counter to American (and Western) ideals and foreign policy priorities. The superpower competition that sits behind it is, and likely will remain, the greatest threat to the American-led international order since World War II. The world has firmly entered a perilous era of great power conflict. Regardless of your historical paradigm of choice (the Cold War, the Concert of Europe, or the Thucydides trap), reinvigorated American leadership is crucial for global stability. Conservative

internationalist principles remain as important as ever. History has shown the dangers of American isolationism. When the United States turns inward, it creates a power vacuum that leads to instability, conflict, and the rise of rival powers. We are seeing this play out in real time in Ukraine and Israel. Beijing and Moscow are happily stepping into the breach.

The good news is that we have a range of levers and strategies to compete successfully and still have room to hold our own, despite being 20 years late.² I argue that this first requires confronting four “inconvenient truths” about competition with China and changing the paradigm to the idea of *strategic distance*.

Four inconvenient truths that will shape competition

Rewriting the Indo-Pacific narrative starts with an honest conversation outside of Beltway policymaking circles about timeline: the Chinese “pacing challenge” is both urgent and enduring.

First, *Beijing’s economic growth engine is sputtering, and we are less likely to see enduring economic growth going forward—but this does not mean Washington can “wait out” Chinese economic decline.* The narrative of “peak China” is tempting in its simplicity but fails to adequately capture the economic reality shaping China’s future. Beijing will have to cope with a range of structural challenges (e.g., unfavorable demographics, high debt load, poor productivity, sclerotic state-level corporate growth in many sectors, and overreliance on an export-led industrial policy misaligned with Chinese consumption).³ Some thoughtful commentators have shown the striking parallels between China’s current situation and that of Japan before its 1990s “lost decade.”⁴

These trends are worth noting. Yet even if China’s GDP never surpasses that of the United States (as is now more likely the case⁵), its economic influence and sheer size will ensure it retains plenty of capacity to drive its will. Moreover, China’s capacity for adaptation and innovation should not be underestimated. The country’s transition towards innovation-driven growth with a new class of high-tech national champions, coupled with its vast domestic market and expanding middle class, ensures continued economic dynamism. This focus on high-value manufacturing and technological advancement, as evidenced by its strides in artificial intelligence and renewable energy, will solidify its role as an economic powerhouse. Some decoupling has taken place—and some degree of geoeconomic diversification is desirable to drive American competitive advantage and domestic resilience—but China remains deeply integrated into the global economy through trade, investment, and infrastructure. This will underwrite its continued relevance as a leading global power.

Military (*platforms, alliances, tech enablement*): By all indications, U.S.-China strategic distance continues to erode on this dimension, suggesting that overmatch may be impossible and even remaining at parity could be a challenge. Potential policy implications include:

- Start with a credible military deterrent across domains. A step change in military investment (platforms, interoperability, training) will be required to deter a full range of China conflict scenarios—not just one time but for a generation. In a war against China, U.S. forces could run out of critical munitions in a week.¹⁰ Filling the production and military tech gap suggests an implied “run rate” of five percent defense spending as a share of U.S. GDP.
- Washington will need all its allies to maximize strategic distance. Beijing desperately wants to frame this as the United States versus China alone. America’s network of alliances in the Indo-Pacific is crucial for deterring aggression and maintaining regional stability. By strengthening these partnerships and working together to counter China’s military and economic expansion, the United States can ensure a free and open Indo-Pacific.

Economic (*GDP growth, balance of trade, currency/payments*): This factor may be a potential bright spot, where U.S.-China strategic distance increases (based on continued growth, productivity gains and financial leadership). Potential policy implications include:

- Full economic decoupling is neither feasible nor desired, but the United States will need to bolster its economic resilience. This involves reducing reliance on China for critical supply chains, diversifying manufacturing bases, and promoting domestic production of essential goods. The goal is to mitigate vulnerabilities stemming from overdependence on China while minimizing the risk of a full-scale trade war. Strategic distance also requires strengthening domestic resilience by investing in strategic infrastructure, STEM education, and workforce development. A strong and prosperous domestic economy is essential to withstand external pressures and compete effectively on the global stage.
- Double down on leadership in financial markets by countering Chinese and Russian efforts to dethrone the dollar, encouraging the development of “patriotic” public/private capital that advances U.S. industrial and innovation goals (even if at a diminished rate of return), and placing greater restrictions on “adversarial” capital (which runs counter), such as by expanding outbound investment screening.

Technological (*R&D and tech leadership, advanced manufacturing*): U.S.-China tech competition is likely to remain a hard-fought battleground for decades and could prove decisive as the engine behind leap-ahead

advances in the other domains (e.g., economic productivity acceleration and military innovation). Potential policy implications include:

- Accelerate American innovation.¹¹ Tilt technological investments toward R&D and advanced manufacturing in critical industries, building capacity for leap-ahead capabilities in key discriminators (e.g., AI, quantum, biotech, advanced materials) and ensure that America owns the tech platform standards for the next generation. Re-tune the U.S. government’s R&D enterprise (and annual \$200B+ investments) to ensure alignment with those objectives and accountability to return on investment.
- Create and expand pathways for the best and brightest globally to learn, work, and thrive in the United States and become citizens. Build a talent bench in the U.S. government that is fluent across all the key levers of strategic distance (military, economic, technological, ideological) and is well-equipped to make decisions and guide investments across these areas seamlessly.

Ideological (*diplomatic strength, perception, rule of law, soft power*): Washington is steadily losing ground on this dimension, which could challenge the task of building global talent and alliance networks. Potential policy implications include:

- Invest in American diplomacy to build deeper partnerships in the non-aligned world (particularly in the Global South) and counter Chinese malign influence.

Looking in the mirror: Key questions to grapple with as we move forward

U.S.-China competition, while enduring, does not have to be zero-sum. A focus on sustaining American strategic distance could create a unifying, positive message for the American people while investing in leap-ahead capabilities that will have multiplier effects throughout the U.S. economy. We have all the tools and the pieces of the right strategy, but we now need clear, sustained messaging and a commitment to implement the strategy over a generation or longer.

This will not be easy or happen overnight, and it will require us to grapple with some critical questions as a nation:

1. Can we refashion key policy tools without mimicking the Chinese approach? (e.g., thoughtful industrial policy that tips the scales without picking winners/losers or designating national champions, or government-supported R&D that preserves the animal spirits of private sector innovation)

2. How can we design this campaign as a 21st century national project (akin to the Space Race) that hardens political will and popular support across the political spectrum, and over the longer term?
3. What are the hard choices on government investment in a constrained fiscal environment?
4. How do we build government capacity to support these aims while preventing the continued creep of the administrative state and regulatory overreach?
5. How will we strengthen and support American democracy and rule of law to boost ideological leadership?



Playing to Win: Indo-Pacific Strategy and Partnerships to Deter China

A Response by Dustin Walker

*And oftentimes, to win us to our harm,
The instruments of darkness tell us truths,
Win us with honest trifles, to betray's
In deepest consequence.*

Macbeth, Act 1, Scene 3

President Biden should have heeded Banquo’s warning for Macbeth. Last September, he downplayed China’s threat to Taiwan, saying, “I think China has a difficult economic problem right now...I don’t think it’s going to cause China to invade Taiwan. And matter of fact, the opposite: it probably doesn’t have the same capacity that it had before.”¹

President Biden’s indulgence of the “Peak China” trifle revealed either naivete or a dangerous penchant for wishful thinking—a willingness or desire to believe that China’s military threat is exaggerated, that economic struggles might lead Beijing to be inwardly focused or more receptive to dialogue, and that the United States can afford to put China on the backburner and focus elsewhere. To wit, two months later, President Biden sought to use his meeting with Chairman Xi Jinping not to press America’s advantage, but to enable the White House to “instead focus its energy on Israel, Ukraine and the upcoming reelection campaign.”²

As I warned in a previous paper for the Reagan Institute Strategy Group, for all the talk of a strong bipartisan consensus on China, “the preeminence of the Indo-Pacific in American foreign policy is precarious—never more so than when events elsewhere around the world inevitably demand our attention.”³

¹ Xi Jinping, “Implementing the Guiding Principles of the Central Conference on Work Relating to Foreign Affairs and Breaking New Ground in Major-Country Diplomacy with Chinese Characteristics,” Speech, https://www.fmprc.gov.cn/eng/wjfb/wjbx/jh/202405/t20240527_11312292.html.

² Note: The Biden Administration advocated for a concept of “integrated deterrence,” rooted in nuclear deterrence theory but expanded to encompass whole-of-government efforts, by managing strategic competition, building de-escalatory off-ramps, offer opportunities for cooperation, and preparing for all possibilities. Others can opine on the efficacy of this strategy, but it has largely failed to catch on outside a small number of policy and force planners in Washington.

³ Zongyuan Zou Liu, “China’s Real Economic Crisis: Why Beijing Won’t Give Up on a Failing Model,” *Foreign Affairs* 103, no. 5 (August 6, 2024), <https://www.foreignaffairs.com/china/chinas-real-economic-crisis-zongyuan-liu>.

⁴ J. Stewart Black and Allen J. Morrison, “Can China Avoid a Growth Crisis?,” *Harvard Business Review*, September 2019, <https://hbr.org/2019/09/can-china-avoid-a-growth-crisis>.

⁵ *The Economist*, “When Will China’s GDP Overtake America’s?,” June 7, 2023, Chart, June 7, 2023, <https://www.economist.com/graphic-detail/2023/06/07/when-will-chinas-gdp-overtake-americas>.

⁶ Ian Clay and Robert Atkinson, “Wake Up, America: China is Overtaking the United States in Innovation Capacity,” *Information Technology and Innovation Foundation (ITIF)*, January 23, 2023.

⁷ Sujai Shivakumar, Charles Wessner, and Thomas Howell, “Balancing the Ledger: Export Controls on US China Technology to China,” *CSIS*, February 21, 2024.

⁸ Rush Doshi, “The Long Game: China’s Grand Strategy to Displace American Order,” Oxford University Press, August 2, 2021.

⁹ Note: Not to be confused with “strategic depth” – this distance is metaphorical, not geographic!

¹⁰ Seth Jones, “Empty Bins in a Wartime Environment: The Challenges to the U.S. Defense Industrial Base,” *CSIS*, January 23, 2023.

¹¹ Note: For more ideas on this topic, see the Reagan Institute’s 2024 National Security Innovation Base Report Card, where the author served as an Advisory Board member and co-author.

In a welcome contrast, Dale Swartz's paper offers a clear warning about the scale and scope of the long-term challenge ahead—and the need for sustained urgency and focus. China's economy will remain one of the world's largest and most influential. In spite of U.S. and allied restrictions, China will remain a formidable competitor in advanced technology. China's military threat is not limited to Taiwan, but instead extends across the Indo-Pacific and increasingly into other theaters. And China remains fundamentally antagonistic to U.S. leadership in the international system. While Swartz offers broad guiding principles for U.S. strategy to compete with China, this paper explains the implications of these four "inconvenient truths" specifically for defense.

Peak China

"Peak China" is an honest trifle, one that confuses more than it clarifies. Yes, China's economy has major structural challenges. China's economy is smaller relative to the U.S. economy than it was three years ago. Once thought an inevitable milestone, it is no longer clear China's economy will ever surpass the United States.

But the more salient realities are these: despite recent setbacks, China's economy is still larger relative to the United States than the Soviet Union's ever was. Its industrial capacity dwarfs that of the United States, which is evident in the People's Liberation Army's (PLA) quantitative advantages in key platforms and weapons. And perhaps most importantly, China is preparing its economy for war. It is boosting energy security to overcome maritime interdiction in wartime, eliminating supply chain vulnerabilities, and reducing exposure to foreign exchange reserves, among other steps. As a former J-2 at U.S. Indo-Pacific Command has assessed, "Xi seems to have studied the sanctions playbook the West used against Russia over Ukraine and subsequently initiated long-lead protective measures to batten down the hatches of China's economy to resist similar pressure [The choices he is making today leading to domestic wealth destruction portend his willingness to countenance even greater wealth destruction on a global scale."⁴

Tech Innovator, Not Imitator

It is another honest trifle that China has copied Western technology and stolen data and designs for American weapons like the F-35. This is partly why many in defense circles still assume China has a talent for reverse engineering but not for genuine innovation. As a result, the United States remains at risk of underestimating the increasing quality of China's military and its ability to develop and field advanced technology. The Pentagon has assessed that China already has qualitative advantages in shipbuilding, land-based conventional ballistic and cruise missiles, and integrated air defense.⁵ Its more recent assessments find China is making

progress "fielding modern indigenous systems." The Office of Naval Intelligence assesses new PLA Navy ships are increasingly comparable to U.S. ships. And American officials express "surprise" at the pace of China's hypersonic weapons program.⁶

The Department of Defense (DOD) must prepare itself to compete with a PLA that enjoys significant quantitative advantages and is increasingly closing the qualitative gap with the U.S. military.

It needs to abandon its post-Cold War investment bias for quality over quantity, which is rooted in a dangerously outdated assumption that the United States enjoys an immutable qualitative advantage over its adversaries. And it needs to grow the defense budget to prevent a false choice between research and development (R&D) and procurement spending. DOD needs more of the former to preserve and expand its qualitative advantages. It needs more of the latter to field capability at scale, especially given the prospect of protracted conflict.

Taiwan Myopia

The DOD should continue to focus on Taiwan as the pressing scenario for its defense planning purposes. With interagency partners, it should also continue to boost Taiwan's ability to defend itself. But Swartz is right to point out the limits of a strategy exclusively focused on the prospect of war in the Taiwan Strait.

China threatens not just to invade Taiwan but to subvert its political system into capitulation. For all its military preparations, Beijing would still prefer to win without fighting. While the United States should prepare for the real prospect of war, it also needs to improve its ability to respond credibly to the Chinese below the threshold of conflict. That is not only true with respect to Taiwan, but in the South China Sea and beyond. Failure to do so could lead allies and partners to lose confidence in U.S. security guarantees.

China's military threat is not limited to Taiwan. At present, China is engaged in illegal, coercive, aggressive, and deceptive behavior against the Philippines. Escalation is a real possibility for which the United States seems ill-prepared, especially given the local military balance in the South China Sea. Over the long term, as its force capacity and power projection capability both grow, China's military threat will extend more broadly across the Indo-Pacific (e.g., the Indian Ocean and Central Pacific) and, increasingly, globally.

Finally, Taiwan is not necessarily a galvanizing issue with allies and partners, especially in Southeast Asia. Rather than focusing on Taiwan or China, U.S. strategy should focus on demonstrating to allies and partners

that the United States shares their security and economic interests as they conceive them.

Anti-American Antagonism

Hopes that China would integrate itself into a U.S.-led international system have largely faded. Chairman Xi has made clear he intends to displace *and* replace the United States as the world's leading superpower by 2049. U.S. defense strategy accounts for these facts but has yet to come to grips with China's leadership of an increasingly connected axis of anti-American states that includes Russia, Iran, and North Korea. The possibility of simultaneous conflict is increasingly real—as is the possibility that China could proliferate advanced military technology to other U.S. adversaries.

Are we ready for the long-term challenge of China as a peer rival? Here are some questions we must answer to know:

- We are in a long-term competition with China. What is our objective in this competition?
- We are right to prioritize China. Are we any closer to politically sustainable and resource-efficient alternatives to securing America's enduring interests in Europe and the Middle East?
- We need more from allies and partners. Are we prepared for them to exercise greater agency in Europe and the Middle East?
- We need more defense spending. How do we invest in defense in a fiscally sustainable way?
- We need leap-ahead capabilities to achieve “strategic distance.” How do we get better about placing our technological bets?



Playing to Win: Indo-Pacific Strategy and Partnerships to Deter China

A Response by Katie Wheelbarger

Dale Swartz's Reaganesque optimism in the face of the daunting China challenge is surely appropriate for this Reagan Institute venue. With confidence and hope, he notes that “we have all the tools to compete and win in the new era of strategic competition.” Plus, with an organizing concept of “strategic distance,” he argues we can harness U.S. military, diplomatic, technological, and ideological tools to counter this century-long challenge. But is this optimism so warranted? Can we act with appropriate urgency?

Reviewing a few embedded assumptions and conclusions in his piece provides an opportunity to further review the nature and urgency of the challenge.

- Is competition with China primarily a century-long challenge—or is China already part of a present and perhaps expanding global conflict?

The idea of “strategic distance” is intended to shape the bipartisan energy to confront an antagonistic China. Like the 2022 National Defense Strategy, the concept recognizes competition with China as an enduring, multi-generational challenge requiring use of all U.S. tools. Indeed, if Beijing has the power to displace Washington, our network of alliances, the international institutions we lead, and the global economy underpinned by the U.S. dollar, it is understandable to be focused on this threat while having a relatively higher risk tolerance for other regional challenges.

On the other hand, the current wars in Europe and the Middle East illustrate that U.S. policymakers are not afforded the luxury of ignoring

¹ “Remarks by President Biden in a Press Conference,” The White House, September 10, 2023, <https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/09/10/remarks-by-president-biden-in-a-press-conference-2/>.

² Pheleim Kine, Jonathan Lemire, and Gavin Bade, “Biden seeks to calm relationship with Xi amid global crises,” Politico, November 14, 2023, <https://www.politico.com/news/2023/11/14/biden-xi-meeting-preview-00127026>.

³ Dustin Walker, “Balance in the Indo-Pacific: Defining the U.S. Approach: A Response from Dustin Walker,” The Ronald Reagan Presidential Foundation & Institute, July 8, 2022, <https://www.reaganfoundation.org/reagan-institute/publications/balance-in-the-indo-pacific-defining-the-us-approach-a-response-from-dustin-walker/>.

⁴ Mike Studeman, “China Is Battering Down for the Gathering Storm over Taiwan,” War on the Rocks, April 17, 2024, <https://warontherocks.com/2024/04/china-is-battering-down-for-the-gathering-storm-over-taiwan/>.

⁵ Office of the Secretary of Defense, “Annual Report to Congress: Military and Security Developments Involving the People's Republic of China 2020,” 2020, <https://media.defense.gov/2020/Sep/01/2002488689/-1/-1/1/2020-DOD-CHINA-MILITARY-%20POWER-REPORT-FINAL.PDF>.

⁶ “China Surprises U.S. With Hypersonic Missile Test, FT Reports,” Reuters, October 17, 2021, <https://www.reuters.com/world/china-surprises-us-with-hypersonic-missile-test-ft-reports-2021-10-17/>.

crises that loom outside the Indo-Pacific. These conflicts not only impact U.S. economic and security interests directly, but they also provide China the opportunity to oppose us indirectly through collaboration and support to other rogue nations.

The Russian invasion of Ukraine in particular has been a catalyst of greater Russia-China cooperation. It has been reported that U.S. officials confirmed China provided Russia with cruise missiles and drone engines and is helping Russia improve Moscow's satellite and space-based capabilities.¹ Similarly, cooperation among Russia, China, Iran, and North Korea suggests that viewing China competition as the singular threat may not be the best lens for the United States and our allies to appreciate and adapt to the dynamic international system.² A metric that compares our competition with China in five- or ten year increments similarly risks undervaluing the scope of the present global challenge.

- Is the U.S. preoccupation with a Taiwan scenario ‘myopic’?

Much has been written about the “Davidson window” as the potential 2027 timeline for China to take military action against Taiwan.³ Such dire warnings helped drive some important decision-making and resourcing for U.S. capabilities, infrastructure, and support to partners and allies in the region. Similarly, the nature of the Taiwan challenge also allowed U.S. defense officials to adjust to an asymmetric fight in the Indo-Pacific. Even with the increased attention, though, the resourcing to support Taiwan has been frustratingly slow, with authorities and appropriations only provided relatively recently, most specifically with the recently passed National Security Supplemental.⁴

The urgency of that potential scenario encouraged U.S. policy makers to increase our presence in the region, buttress our allies and partners, improve global resilience in the semiconductor and microelectronics industry, and focus on China's military modernization.⁵ Thus, while it is certainly true that China's activities across the theater are broader than a Taiwan scenario, it may not be in our interest to jettison that focus while it is finally resulting in change.

- Is “strategic distance” both a useful organizing concept for policy makers as well as an effective communications tool?

While the notion of “strategic distance” has the benefit of organizing our thinking about available policy tools, the use of the term arguably creates a false impression that the United States can create a safe distance from the threat. The isolationist thread that runs through our history is encouraged by our geographic location and our relatively safe neighborhood. Thus, an organizing concept that advances the idea of distance from the threat may have the unintended effect of amplifying

the isolationist instincts in many Americans and not effectively communicate the urgency and ubiquitousness of the threat.

The Defense Enterprise

Swartz concludes with several appropriate questions to spawn discussion: how can we craft an industrial policy, provide for a sufficient defense budget, and develop a technology investment plan with an apathetic/isolationist public and an American democracy needing renewal? Policymakers perhaps reentering government service may be most interested in understanding not only the domain of activity but what specific actions ought to be taken to shore up our position.

One of Swartz's key recommendations is to maintain a credible military deterrent across domains. That surely requires, at a minimum, (1) an increase in key capabilities and capacity and (2) more rapid adoption at scale of advanced technologies. Many leaders—including those within the DOD, Congress, and the Planning, Programming, Budgeting, and Execution (PPBE) Commission—have highlighted that the current defense enterprise is neither designed nor incentivized to do either, much less both at the same time. While pilot projects and marginal process changes have been proposed and sometimes implemented, we cannot assume that our system is able to respond to advancing threats—even with increased spending.

After the Ukraine conflict, many in the Washington ecosystem were hopeful that the apparent urgency and capacity required for modern warfare would force needed change in the defense enterprise. And yet, capacity increases are lagged by contract negotiation timelines, supply chain woes, risk aversion, continued debate about long-term demand, and capability tradeoffs. Today, we have institutions that reflect learned behavior from the past 60 years and are designed for maximizing cost efficiencies at the expense of time. Fundamentally, leaders around the world have noted the increased value of time: they want military capability and advanced technology faster.⁶

U.S. Secretary of Defense Lloyd Austin's introductory note to his 2022 National Defense Strategy stated firmly that “[i]n these times, business as usual at the Department is not acceptable.”⁷ Unfortunately, despite our best intentions, the inertia of the defense enterprise means we are doing exactly that. If the China threat is as large, global, and present as evidence suggests, U.S. leaders must not only talk about doing things differently, but they must force the system to do so.

¹Demetri Sevastopulo, Guy Chazam, and Sam Jones, “US Says China is Supplying Missile and Drone engines to Russia,” *Financial Times*, April 12, 2024, <https://www.ft.com/content/ecd934b6-8a91-4b78-a360-9111771f9b1>.

²Andrea Kendall-Taylor and Richard Fontaine, “The Axis of Upheaval,” *Foreign Affairs*, April 23, 2024, <https://www.foreignaffairs.com/china/axis-upheaval-russia-iran-north-korea-taylor-fontaine>.

³Noah Robinson, “How DC became obsessed with a potential 2027 Chinese invasion of Taiwan,” May 7, 2024, <https://www.defensenews.com/pentagon/2024/05/07/how-dc-became-obsessed-with-a-potential-2027-chinese-invasion-of-taiwan/>.

⁴Valerie Insinna, “House Approves \$95 Billion Defense Supplemental with Aid for Ukraine, Israel, Taiwan,” *Breaking Defense*, April 20, 2024, <https://breakingdefense.com/2024/04/house-approves-95-billion-defense-supplemental-with-aid-for-ukraine-israel-taiwan/>.

⁵Noah Robertson, “Money, Weapons and Secret Meetings: What the Pentagon is Doing to Arm Taiwan,” *Defense News*, May 30, 2024, <https://www.defensenews.com/pentagon/2024/05/30/money-weapons-and-secret-meetings-what-the-pentagon-is-doing-to-arm-taiwan/>.

⁶Stacie Pettyjohn and Hannah Dennis, “The Pentagon Isn't Buying Enough Ammo,” *Center for a New American Security*, May 21, 2024, <https://www.cnas.org/publications/commentary/the-pentagon-isnt-buying-enough-ammo>.

⁷“2022 National Defense Strategy of the United States of America” (U.S. Department of Defense, 2022).



U.S. Policy in the Middle East Amid Great Power Competition'

Michael Singh

By the end of the 2010s, two points of broad foreign policy consensus prevailed among Republicans and Democrats: The United States should not fight any more wars like Iraq, and the United States must shift to a focus on the Indo-Pacific given the threatening implications of China's rise and demonstrated desire for hegemony in Asia. Both points seemed to imply a diminished U.S. commitment to the Middle East.

Now, however, this consensus has evolved. American policymakers have arrived at the conclusion that strategic competition with China and Russia is global in scope, and the Middle East has a key role to play in it. That great power competition should draw the United States into—rather than out of—the Middle East is no historical anomaly. America was deeply engaged in the Middle East long before the Iraq War and the Global War on Terror. This engagement came not despite but because of the need to counter our great power competitor, the Soviet Union, which American policymakers worried might dominate the region's resources and exert undue influence over its governance.

Today, America's competitors are once again contending for Middle Eastern influence. What's more, unlike during the Cold War, the Middle East in turn is influencing events well beyond its boundaries. In 2015, Russia engaged in its most significant intervention abroad since the end of the Soviet Union, fortifying the regime of Syrian President Bashar al-Assad in an effort to thwart stated U.S. aims there and prove Russia's value and fidelity to its regional partners. While Russia has had to pull back to an extent due to its misbegotten war in Ukraine, the investment it made a decade ago continues to pay off, as its regional partnerships have offered key relief from Western efforts to squeeze Moscow economically and politically.

China, for its part, has continued to increase its engagement in the Middle East. Whereas for many years China's interest in the Middle East was primarily economic, Beijing's ambitions there have mounted in lockstep with its global aspirations. While China continues its energetic economic diplomacy in the region, it no longer views the Middle East primarily through the lens of parochial interests or even the connectivity-focused "Belt and Road Initiative," the primary vehicle for the westward expansion of Chinese economic, political, and military influence. Today, China views the Middle East primarily through the lens of U.S.-China competition, prioritizing actions that undermine the United States and reinforce its own global prestige. Of particular concern in Washington is China's increasing security engagement in the region, consisting of arms sales, an expanding military footprint, technology cooperation, and investment in dual-use critical infrastructure (such as ports)—actions which have put relations with key U.S. partners such as Israel, Turkey, and the UAE under strain.²

Beijing has long sought to supplement its economic and security influence in the region with diplomatic sway to safeguard its investments, to compete with the United States, and to project an image of China as a global power capable of the sort of diplomacy that had long been the province of other powers. That diplomacy—consisting of convening conferences and summits, dispatching special envoys, and marketing regional membership in organizations such as BRICS and the Shanghai Cooperation Organization (SCO)—for many years amounted to little actual influence. However, in March 2023, Beijing helped to broker the resumption of diplomatic ties between Iran and Saudi Arabia, which it touted as a triumph and as a sign that China was poised to eclipse the United States as a regional mediator. While Beijing's actual role in that agreement does not seem to have extended beyond serving as host, and while it has struggled to follow up with further accomplishments, this event should serve as a signal to Washington of China's determination to wield political influence in the Middle East and its ability to leverage its relationships to do so.

For several years now, U.S. partners have responded to the rekindling of great power competition in the Middle East by hedging their bets. This appears to derive from three motivations: first, a desire to maintain good relations with Russia and China and to advance in areas, such as the development of clean energy technology, where Beijing and Moscow simply offer more attractive capabilities than does Washington; second, a genuine concern regarding U.S. diffidence; and third, a desire to play great powers off of one another to maximize benefits. Regional powers have resisted decisive alignment with either Washington or Beijing, choosing "omni-alignment" instead. They are affiliating both with U.S.-dominated regional and international groupings as well as those led

by China, such as BRICS, SCO, and others. Indeed, several of them see themselves as rising global powers in their own right—Saudi Arabia in particular.

While Western capitals have paid more attention to Russian and Chinese designs in the Middle East in recent years, few anticipated the influence the Middle East would have beyond its borders. Regional states have played a pivotal role in the Ukraine conflict. Saudi Arabia, the UAE, and other regional oil producers have coordinated their oil production with Russia via the OPEC-Plus grouping, helping to shield Moscow from the effects of international sanctions. Dubai and other locales have provided a safe haven for Russian nationals and capital amid a Western campaign of isolation. Turkey has played a vital role in adjudicating access to the Black Sea and has sold arms to Ukraine, even as it has maintained cordial relations with Moscow.

The other Mideast state that has played a key and altogether negative role in Ukraine is Iran, through the sale of drones that have helped Moscow to wreak havoc across Ukraine, and possible pending sale of ballistic missiles. This is just one way in which Iran has increasingly aligned itself with Russia and China, abandoning its long-held aspiration to reengage with the West and instead becoming a dependent of and junior partner to Moscow and Beijing in confronting Western pressure and seeking to overturn the U.S.-led international order. The full implications of Iran's strategic machinations have yet to be realized: it is unclear, for example, what Tehran might receive from Moscow and Beijing as reward, or how Iran's regional rivals will change their views of Russia and China as a result.

The Middle East has proven that it is not simply a destination, but that it is a key player in global events. There is every reason to believe that this would hold just as true during a conflict over Taiwan. Such a conflict will involve not just ships, aircraft, and missiles, but energy supplies—which flow in massive volumes from the Middle East to both China and U.S. allies such as Taiwan and Japan—maritime chokepoints such as the Strait of Hormuz and the Suez Canal, and financial markets, where Gulf energy giants like Saudi Arabia, Qatar, and the UAE have far more influence than most partners elsewhere. Such a conflict would also play out in the meeting chambers of international and multilateral institutions and in the court of global public opinion, which Beijing has of late invested significant effort to winning over.

Fortunately, American policy has yielded progress in the past decade. After years of efforts to convince them, U.S. partners in the region are beginning to apprehend the threat posed by Chinese aspirations and methods of doing business, though they continue to view U.S.-China competition, rather than China itself, as the bigger challenge. Israel's

previously cozy relationship with Beijing has been undermined, likely irretrievably, by Beijing's cynical anti-Israel and even anti-Semitic behavior during the Gaza conflict. Saudi Arabia, the UAE, and other U.S. partners increasingly accept that while Washington is not asking them to broadly choose between the United States and China, in certain key domains such as defense and critical technology, a choice must indeed be made. And for the most part, they have made their preference for the United States clear. This is surely the result in part of Russia and China's own behavior, with the former exhausting itself in Ukraine and the latter demonstrating its fickleness and unreliability by, for example, abdicating any responsibility for safeguarding Red Sea shipping lanes amid Houthi bombardment.

However, the progress the United States has made in adapting its partnerships for a new strategic environment is also partially the result of resisting the siren song of regional withdrawal. Whatever its superficial charms, a policy of withdrawal would run counter to American self-interest. The United States is no declining great power like the Soviet Union in the 1980s or the United Kingdom in the 1950s; if we retreat, it will be mere abdication, not strategic necessity. Key U.S. interests remain at stake in the region. Foremost among these remains the flow of energy. The United States may no longer depend on Middle Eastern supplies, but it remains vital to U.S. allies, especially those in the Indo-Pacific. These allies' dependence on just a few sources of oil has in fact increased as a result of Western policy toward Iran and Russia, in turn more deeply commingling their security with that of U.S. partners in the Gulf.

Furthermore, the region remains a major source of nuclear and other weapons of mass destruction (WMD) proliferation threats. And when it comes to terrorism—the national security issue that U.S. citizens continue to care most about, even if U.S. strategists would prefer to move on from it—the Middle East remains central. While America's chief terrorist threat, both purportedly Islamic and otherwise, is domestic, Middle East-based groups continue to plot attacks on the United States and inspire or guide domestic actors to do the same.

Finally, it is not just energy that flows through the Middle East; a significant portion of global commerce passes through regional waterways, which, as recent events demonstrate, are subject to belligerent closure. While the Houthis' effective closure of the Red Sea to commercial shipping has not yet dramatically affected global commerce, it has increased the risk of regional conflict, negatively affected regional economies, undermined the credibility of Western leadership, and should serve as a warning of the ease with which hostile actors could close other maritime chokepoints. Beijing's absence from the international effort to reopen this waterway, and its apparent contentment to safeguard only its own vessels, should serve as a warning to Washington and others. Just as in

the previous decade Russia cynically used refugee flows from Syria to roil Europe, American policymakers should expect that China will use increased influence in the Middle East first and foremost to undercut U.S. interests rather than to advance shared or communal aims.

The Way Forward

The relevant debate about U.S. strategy in the Middle East is not whether we should stay or go. While this question worries our partners and preoccupies grand strategists divorced from the daily realities of policymaking, there is no question that the United States will remain engaged in the Middle East, and indeed will continue to be the foremost external power in the region. Nor is the broad outline of an American strategy in the Middle East in an era of great power competition a matter of great controversy—successive administrations have now pursued a policy that aims to advance U.S. interests at a lower level of resources by building partner capacity and strengthening links between those partners, while maintaining a sustainable forward-deployed troop presence to stabilize the region and aid in global power projection.

The key challenge the United States faces in the Middle East is how to balance these efforts with the need to address lingering and emerging regional threats, such as the Israeli-Palestinian conflict, the multifaceted challenge posed by Iran but especially its pursuit of nuclear weapons, and the ever-present risk of the reemergence of ISIS. Managing these threats is inextricably linked to successfully pursuing the agenda laid out above, insofar as doing so affects our partners' willingness and ability to engage with us on other matters, and insofar as these threats are amplified by our rivals, who have an interest in ensuring that Washington is not left free to pursue our aims unfettered. This underscores a vital point that the current U.S. administration has neglected: strategies are competitive and must anticipate our adversaries seeking to obstruct our plans.

Finally, Washington must view states of the region as partners in addressing both regional and global challenges, rather than simply as the objects of U.S. policy. Perhaps the most important pillar of U.S. policy in the Middle East in recent years has been to enlist regional partners—especially wealthy Gulf Arab states who have a capacity to invest nimbly around the world in a way the United States does not—in tackling global challenges. And we should look to coordinate with and enlist the help of partners outside the region, including India, Japan, South Korea, and Europe, both to shoulder a greater share of the burden of confronting regional challenges, but also to better counter rivals and offer greater value to regional states of an alignment with a U.S.-led global bloc. Indeed, there is an argument to be made that we should not adopt regional strategies at all, but whenever possible organize U.S. policy around discrete challenges and opportunities, assembling

international coalitions as needed and acting across geographies as required. U.S. military facilities in the Gulf are closer to Taiwan than are U.S. bases in Hawaii, and any future conflict is unlikely to respect either our bureaucratic silos or preexisting notions of the world's regional divisions.

¹ Note: This paper updates the author's 2019 paper for the Reagan Institute Strategy Group, "US Policy in the Middle East Amid Great Power Competition."

² Note: For more on China's military engagement in the Middle East, see Grant Rumley, "China's Security Presence in the Middle East: Redlines and Guidelines for the United States," The Washington Institute for Near East Policy, October 2022; PolicyNote123Rumley.pdf (washingtoninstitute.org)



Iran on the March: Restoring Deterrence and Stability in the Middle East

A Response by Richard Goldberg

In a world where American adversaries across the globe are deepening their strategic partnerships to undermine U.S. power and influence, Michael Singh correctly highlights the need to integrate America's Middle East policy into an overarching U.S. grand strategy.

China today is in a stronger position in the Middle East than ever before, due in large part to President Biden's Iran appeasement. Iranian oil flows freely to China at levels not seen since the Iran nuclear deal era. Relaxing pressure on both Iran and the Houthis has increased the threat to U.S.-aligned shipping in the Red Sea.

The Saudi Royal Court's sense of abandonment, sustained political warfare against Crown Prince Mohammed bin Salman, and an upending of the core thesis of the Abraham Accords drove Saudi Arabia deeper into the arms of the Chinese—with Riyadh now pursuing a hedge strategy against the United States (a hedge that will remain no matter what bilateral executive agreement the White House unveils in the coming weeks).

Both countries now refuse to admit what is blatantly obvious: the doctrine of "oil-for-security" has ended. China seeks to fill the vacuum—offering to broker regional security to guarantee its Persian Gulf-based energy supply in a future conflict. This has significant implications for U.S. contingency planning.

Moscow, too, is more than pleased to see an environment of relaxed sanctions against Iran and Syria. Sanctions relief for either regime is

sanctions relief for Russia. Biden's refusal to snap back UN sanctions on Iran has legitimized Russian imports of Iranian drones (and perhaps soon ballistic missiles). Support for a multi-billion-dollar Russian-operated civil nuclear expansion in Iran props up Rosatom—undermining efforts to squeeze off revenue to Putin and slow the Chinese nuclear forces build-up.

A far more obvious point for both China and Russia: to the extent to which Iran can foment anti-American chaos—whether in the Middle East or closer to home—American resources must be diverted. We delude ourselves into believing Beijing and Moscow share an American and European commitment to preventing Iran from developing nuclear weapons. The mere threat of Iranian nuclear threshold status already deters Washington policymakers from taking bolder action to counter Tehran's malign activities. A nuclear-armed Iran allied with China alongside a Saudi Arabia-turned-Switzerland (or worse, full CCP partner) would dramatically alter American response options in any future war with China.

There is also the matter of how financial and energy sanctions work—something lost on many "grand strategists" in the national security space. When Iran partners with China, Russia, Venezuela, Cuba, or North Korea, sanctions relief for one is sanctions relief for all. Sanctions evasion is like water: it will find the hole and leak. Domestic energy policy is also deeply intertwined with our sanctions policies. Economic statecraft requires policymaking with a view of the full picture, which may require restructuring the way we make policy to avoid contradictory decisions made in silos.

Meanwhile, Middle East-based threats are taking advantage of America's top national security vulnerability: an open border. Iran already operates in the Western Hemisphere, both through Islamic Revolutionary Guard Corps (IRGC) activities in Venezuela and Hezbollah operations in the Tri-Border Area. Given Hezbollah's close partnership with the Mexican drug cartels and Border Patrol statistics showing Iranian nationals being stopped at the Southern Border, we should understand the Iranian threat has penetrated the homeland as deeply as the United Kingdom and Canada (where officials in both countries acknowledge vibrant IRGC networks exist).

Recent cases of Middle Eastern nationals coming across our border illegally and attempting to gain access to military facilities should raise further alarm. With our law enforcement and intelligence officials warning of global jihadist radicalization, a reconstituted Hamas network across the United States, and the terror threats brewing inside Afghanistan, we must prioritize Western Hemisphere policy and

counterterrorism early in the new administration. The latter should include a full-court press to end Qatar, Turkey, and Lebanon's double-game, while soberly assessing available options to degrade Al-Qaeda and ISIS-K.

Iran's pursuit of nuclear weapons and sponsorship of terrorism are strategic threats to the United States in their own rights, of course. Tehran's recent launch of 120 ballistic missiles against Israel within the broader context of an active intercontinental ballistic missile program and increased missile cooperation with Russia should redouble our determination both to prevent Iran from crossing the nuclear threshold and to defend our east coast from future long-range threats. The notion of doing any deal with a regime that actively plots to assassinate former U.S. officials and takes other Americans hostage is unconscionable—and provides both China and Russia a dangerous roadmap to follow.

We should also be honest that appeasement toward Iran funds and fuels the fires across the Middle East that prevent us from focusing more on the Indo-Pacific. Every dollar we give Iran praying it will not develop nuclear weapons subsidizes a terrorist organization that will attack American interests or those of our allies. Those who argue for increased allied burden sharing to address the Iranian threat cannot simultaneously advocate policies that put those allies in existential danger.

President Biden's Iran policy, combined with a reopening of the financial spigots for the UN Relief and Works Agency and other funding to Gaza, ultimately led to the October 7 massacre and the ensuing Iranian multi-front war. His decision to remove the Houthis from the foreign terrorist organization list, withdraw air defense assets from Saudi Arabia, and ignore direct attacks on Abu Dhabi, Riyadh, and Jeddah pushed the Gulf Arabs into an Iran deal of their own that strengthened Tehran and made the Israeli-Palestinian conflict the center of attention—a guaranteed way to halt regional integration.

A stronger Israel and Israel-allied Saudi Arabia working together to roll back Iran (and its strategic partners) throughout the Middle East requires a U.S. posture that squeezes rather than builds up Tehran. That leads naturally to a revived and improved maximum pressure campaign on Iran, which would deny Tehran much-needed resources and empower our allies to go back on offense. The 2022-2023 national uprising in Iran, which exposed the regime's fundamentally unstable nature, reminds us that a pressure campaign can also force Tehran to spend more time and money inside its borders than outside.

We cannot, however, dismiss the advances in Iran's nuclear realm these past three years—and we know Iran will continue to use nuclear extortion to undermine America's political will to exert pressure.

Moreover, a new underground Iranian enrichment facility will likely be completed in the next two years, which will complicate future American and Israeli military options. With Israel staring down a war with Hezbollah and Iran walking toward the nuclear finish line, limited but effective American or Israeli military action against the Iranian nuclear program will be needed sooner rather than later. The status quo is a recipe for continued instability and distraction.

A strong pivot back to pressure on Iran and the swift elimination of its most dangerous threat would give us the greatest chance to stabilize the Middle East and keep our attention on other critical challenges: empowering allies to deepen their security cooperation and regional responsibilities, turning regional partners toward the United States and away from China, maintaining strategic leverage over China in a future conflict, and cutting off oxygen to Iran's terror proxies.



Nuclear Iran Is an American Choice

A Response by Aaron MacLean

Michael Singh's piece on the evolving consensus regarding America's Middle East policy says many important and also many true things, in particular regarding his focus on how the region is inseparable from conflicts in Europe and potential conflicts in Asia. His closing observation that "U.S. military facilities in the Gulf are closer to Taiwan than is the U.S. base at Pearl Harbor-Hickam" belongs to a family of observations no less critical for being such plain facts.

Understanding the region in the context of great power competition is a necessary analytic exercise, but it comes with built-in risks. We might identify, as Singh does, important points of consensus regarding the role the region plays with regard to China and Russia, but we should be careful not to elide significant points of disagreement regarding Middle East policy—or flirt with the notion that the region on some level does not really exist. (In the words of Singh's piece, "...any future conflict is unlikely to respect either our bureaucratic siloes or preexisting notions of the world's regional divisions.") Those who live in the region certainly see themselves as locked in contests waged primarily with their neighbors, and they look to external powers asking not only what they can do for us, but also what we can do for them. Local players' willingness to serve as instruments of the American interest trans-regionally is tied to our willingness to advance their interests at home. We de-emphasize that truism at our own peril.

It is certainly tempting to argue that the Middle East, from the American strategic perspective, does not or ought not exist. The region is the scene of a generational strategic failure of American statesmen and the American foreign policy elite of both parties. This failure will ultimately be measured against the future results of our broader ongoing contests with China and Russia, and success in those competitions may diminish

its relative importance in the long run. And while there is certainly merit to arguments like those of Hal Brands, Peter Feaver, and William Inboden that, on the whole, the foreign policy establishment has done a pretty decent job since the end of the Cold War, it becomes challenging to defend such a thesis when discussing the Middle East.¹ America's harrowing experiments in democracy promotion during the Bush Administration, succeeded by the Obama Administration's no less harrowing experiments in empowering Iran's revolutionary regime at the expense of our traditional allies, generated ongoing crises in American politics and in the region itself that neither the Trump nor Biden Administrations have been able to resolve—and which the Biden Administration in particular has significantly aggravated.

At home, populists on both the left and the right have been substantially empowered by America's Middle East troubles, and elements of both parties would be quite content with leaving the region all but entirely. Policy professionals might think that such a view is silly and unworkable, but it was silly and unworkable to withdraw completely from Afghanistan, too, and yet President Biden did it, with resonating effects. (NB: Bagram was even closer to Taiwan than Al Udeid.) Every time professionals are forced to contend with members of either party demanding an end to endless wars, it is because the Middle East exists, and—with respect—the professionals screwed it up.

In the region, Singh's point that consensus holds regarding the "broad outline of an American strategy" involving a "lower level of resources," "partner capacity," and a military presence that is "sustainable" is true. There are no serious policy analysts arguing for the primary role of the Middle East in American foreign policy in 2024, and its tertiary status is indeed the consensus. But this statement of the consensus does elide significant points of disagreement on policy, and the elision carries real risks to our understanding of our choices. The most important disagreement regards Iran—not the Israel-Palestinian conflict, or the ambiguous simmer of Sunni extremism that always threatens to come back to a fierce boil. If the Iran issue were satisfactorily adjusted in the direction of the American interest, the question of Israel's security would become more manageable overnight. If a network of American partners enjoyed security against state predation, the proactive suppression of militarily less serious threats like ISIS would be more easily organized—and indeed, such partners would be less vulnerable to the manipulation of powers external to the region.

Circumstances seem to have forced the Biden Administration back from the full-blown Obama Administration regional vision of an empowered Iran that would balance America's traditional allies like Israel and the Gulf Arab states, but only so far. Singh's formulation that Iran is a threat to be managed well-characterizes the attitude of the Biden team,

which is also deeply invested in avoiding escalation with Iran to avoid being further distracted from challenges in Europe and China. This commitment to escalation avoidance has had the odd effect of making the security situation in the region look a great deal as it would if America had actually withdrawn. The volume of global shipping traffic currently rounding the Cape of Good Hope certainly gives the impression that CENTCOM and its naval component are no longer going concerns, or at least borderline impotent ones. In fact, they are still quite potent by any measure of capability.

As the current administration runs this experiment in what a post-American Middle East might look like without fully committing to the bit, it meanwhile runs the risk of allowing Iran's nuclear capacity to fully mature. In such a Middle East, every priority of American policy in the region would instantly become more difficult to accomplish, just as Iran would find it comparatively easier to pursue its own goals—which include, not incidentally, the ejection of American military power from the region. But as Singh points out, we can't afford to be ejected from the region because of its significance to affairs in the rest of Eurasia. In other words, our current approach—"managing these threats" with a heavy emphasis on avoidance of escalation with Iran—could well lead not to maintained or enhanced capacity to leverage the region as an asset in more important confrontations in the Pacific and Europe, but less capacity. Potentially much less.

We shouldn't look away from the fact that the Middle East has a self-contained strategic logic of its own, and that this logic imposes real choices—and if the American consensus among professionals is indeed to manage the Iranian threat in such a way that it can eventually deploy nuclear weapons, that is in fact a choice and an important one. If we make it, however much we might rationalize it in terms of the path of least resistance typically being the easier one in the short run, we will find our material position in the greater competition for Eurasia weakened, not strengthened. And beyond material impacts, our inability to succeed with tertiary challenges—however appealing our alibi that secondary and primary challenges required our greater attention—does little to reassure anyone that, when the moment comes, we will do better at harder and more important jobs. Alternatively, we could project competence by effectively backing our Middle East partners in their competitions against their enemies, who are also our enemies, by ensuring a favorable overall balance of power in the region by means of our partnership network, and by preventing Iran from achieving nuclear status—even if it courts escalation with Iran in the shorter run.



Funding the Fight: The Paradoxical Path to Reversing Defense Decline

Mackenzie Eaglen

Washington knows its military is teetering on the brink of insolvency, but it seems incapable of solving hard, generational problems before the next crisis. Indeed, exactly what constitutes a crisis that makes these systemic problems worth addressing is no longer clear. In the not-too-distant past, supporting two grinding, existential wars for allies in Europe and the Middle East would have likely been enough to galvanize policymakers for change. Throw in a half year of non-stop operations in the Bab el-Mandeb Strait fighting Iranian proxies and depleting decades-worth of missile inventories in mere weeks, and the moment seems ripe for action.

Yet it is the same old in the nation's capital. There is little urgency or sustained leadership to tackle all the challenges plaguing the Department of Defense (DoD) at once.

What steps can be taken now to start closing the gap of sagging deterrence across three theaters while preparing for the moment when Washington "breaks the glass in-case-of-emergency?"

Reducing Risk in All Three at Once: Balancing Strategy, Reform, and Resources

Practical steps policymakers might consider to reverse negative trend lines for our armed forces fall into three categories: strategy, reform, and resources.

¹ Hal Brands, Peter D. Feaver, and William Inboden, "In Defense of the Blob," *Foreign Affairs*, April 29, 2020, <https://www.foreignaffairs.com/united-states/defense-blob>.

Efforts to Reverse Defense Decline		
Strategy	Reform	Resources
<ul style="list-style-type: none"> • Ruthlessly prioritize that which is vital vs. important for strategy • Equal emphasis on deterrence, warfighting, and hybrid operations • Reduce redundant decision-making bureaucracies • Revisit global force management process and Unified Command Plan defined by the Goldwater-Nichols Act to effectively address 21st century challenges • Prioritize permanent and forward deployment of combat power to strengthen deterrence in key theaters • Quickly implement the recommendations of the National Defense Industrial Strategy 	<ul style="list-style-type: none"> • Take on serious reform, including “third rail” issues and business-as-usual resistance • Prioritize warfighting in the defense budget: split the Pentagon budget into two and move some expenses to mandatory accounts • Fewer policy experts and more SMEs from business, engineering, and science for defense leadership posts • Build coalitions across the defense policy space to bring about meaningful change • Implement PPBE Commission top recommendations • Streamline Senate confirmation process for Pentagon appointees 	<ul style="list-style-type: none"> • Properly resource defense strategy, additive missions, and reform efforts • Resurrect supplemental spending bills for key operations over the next five years • Pass a comprehensive military infrastructure bill to update over 500 bases and installations • Reduce non-critical work and tasks for the U.S. military and defense civilian workforce • Buy and build at scale to maintain hot production lines across the defense industrial base

None of these efforts alone are silver bullets that will fix the defense enterprise quickly. For these to succeed, policymakers must pursue all three avenues simultaneously, as they are interlinked.

Furthermore, while reform can create a more efficient force, reform alone is not a substitute for a tuned strategy. Substantial changes to both strategy and reform beget adequate resourcing for success at scale.

Constrained Budgets Sacrifice the Future for the Immediate

Defense strategy involves making choices, which are dictated by the allocations within the defense budget. When the Pentagon’s budget

is ample, it fosters an environment where policymakers can think expansively, driving strategic innovations and comprehensive reforms without the immediate pressure of financial constraints.

Conversely, a constrained budget complicates these choices, often necessitating severe modifications or the abandonment of strategic initiatives without politicians agreeing to follow suit accordingly—only widening the yawning strategy-resource mismatch.¹ These forced changes can manifest as reductions in troop numbers but not mission sets; deferred modernization that harms readiness two years from now while bulging sustainment costs immediately; and halts in necessary cost-saving reforms. Budget scarcity has no track record of better ideas. It is simply a race to the bottom: a way to look and sound strategic while simply shrinking and aging the force and asking it to do more at the same time.

The net result is continuously sacrificing the future for the immediate moment of always-high readiness. It is a dangerous game of musical chairs: political appointees grab a chair and hope the music stops on the next person’s watch while adding to the deferred modernization bills that are no longer sustainable, sacrificing long-term capability for short-term solutions. While political turnover will always be a fact of life in Washington, technocratic staffing of the Pentagon political roster with business leaders, engineers, and scientists with subject matter expertise could help alleviate this strategic mismatch.

The biggest flaw with all this fiscal and policy duct-taping is that Beijing can count. Our adversaries are watching, adapting, and surpassing the United States accordingly.² The rapidly shifting military balance in the Indo-Pacific away from America shows the result of focusing solely on the problems closest at hand.

Budget Scarcity Leaves No Room for Error or Reform

Our creaking force is the product of the budget-scarce environment of the Budget Control Act (BCA) era and sequestration. The Pentagon is still reckoning with 10 years of plans dashed,³ and budgets since have failed to dig it out of its hole. As the Pentagon’s budget tightened, choices became more difficult, but no administration admitted their strategy should be modified or abandoned. Even before war in the Middle East and counterterrorism operations in the Red Sea, the allocation of dollars underneath the topline shifted little in the past decade.⁴

Part of this is because there just are not that many politically acceptable cuts to make beyond (ironically) weapons systems. Pay raises are sacrosanct; no administration of either party has ever reduced defense civilians in the past 20 years;⁵ and science and technology programs

inside R&D accounts are mostly fenced off by the Office of the Secretary of Defense and Congress.

Very little of the overall Pentagon budget is malleable. Therefore, the liquid accounts—like munitions—become the bill payers over and over. Readiness and capacity today are traded for the size and strength of the future force. But that never fully arrives, thereby setting the armed forces into their own version of a doom loop. Deferring modernization results in a shrinking, less capable, and mostly more expensive force.⁶ The more equipment ages, the more expensive it becomes, as assembly lines close, parts break, and replacements are needed.⁷

Under budgetary scarcity, replacements are often fewer in number than what they are supplanting. Capacity is a key element of a comprehensive and credible deterrent.⁸ No matter how advanced a next-generation platform may be or how many domains in which it can operate in conflict, wars are still largely won and lost by how many munitions, weapons, and personnel each side can muster.

Reform, therefore, is only half the battle. While reform efforts can fine-tune the military bureaucracy and create a more efficient force, increased resourcing is still required to build a force with the right size and strength to deter China and other adversaries. To do so, the U.S. military requires the capacity to absorb attrition early in a conflict and repeatedly rearm and resupply to remain in the fight. We need capacity to fight a protracted conflict and deny adversary forces the ability to win by simply outlasting us.

Policymakers should consider splitting the defense budget in two—separating warfighting operations from capital expenses—to better delineate how America’s defense posture is resourced.⁹ Additionally, supplemental legislation is required for the next five years to resource key initiatives outside of garrison existence and reverse the bite of the BCA. A good place to start would be investing in military infrastructure, revitalizing the defense industrial base, and rehabilitating power projection bases.¹⁰

Resources will always be constrained to some degree. Yet inflexible limits of below-inflation budget growth with unchanging strategy creates harder, worse choices. Cutting weapons quantity now eliminates economies of scale later, which contributes to exquisite buys, which then turn out to be not worth it for a too-small fleet (e.g., the B-2 bomber).¹¹

The Reform Paradox: The Pentagon Must Spend to Save

Perhaps counterintuitively, budgetary excess is conducive to cost-saving reform. Change is never free: reform often has a price tag up front—in

procuring new software systems, training staff, or initiating commissions with bipartisan buy-in. Under scarcity, the Pentagon and Congress do not have strong incentives to reform how the DoD operates and manages its resources.

This upfront price tag makes serious reform too costly—literally and politically—when budgets are tight, as adding new bills is counterproductive when cuts are being made. Forward-thinking change requires sustained commitment from stakeholders to see through and ensure outcomes, exacerbating the budgetary squeeze for the modernization bill payers for future years. The last base closure round in 2005 came with an upfront price tag of \$21 billion (and later) \$35 billion—a whopping invoice.¹² The result today, however, is that the Pentagon is saving \$12 billion per year.¹³ To ensure success, coalitions spanning political parties, branches of government, and outside advocacy groups must be nurtured to create the political will to see reform through to fruition.¹⁴

The Changing Military Balance in the Indo-Pacific

Small, seemingly one-off choices to live within constraints eventually create a new normal, and deterrence frays slowly over time—then suddenly. The military balance keeping peace across three theaters is no longer possible with the smaller, older force on hand.

This decline is manifesting itself in tangible consequences. The Navy is consistently expending more munitions than it can replenish in a single regional conflict, setting the stage for significant munition shortages in a potential great power conflict.¹⁵ The Marine Corps, with its shrunken fleet of amphibious warships, can no longer serve as the crisis response force it once was and is unable to meet the needs of combatant commanders and allies.¹⁶ The Air Force no longer provides air superiority—resulting recently in the first U.S. soldiers being killed by an air threat since the end of the Korean War.¹⁷

The U.S. Army active-duty force has seen a staggering decline. Though just a few years ago the Trump administration sought to build the Army up to around 550,000 troops, it saw little progress amid recruiting challenges and lack of budgetary growth.¹⁸ Today, the most recent budget request puts the Army’s end strength at just 442,000—100,000 short of that goal and the smallest it has been since World War II.¹⁹

Nowhere is this more apparent than the Indo-Pacific, where the military balance of power is rapidly shifting away from the United States. While the U.S. military remains the most powerful fighting force in the world, its strength is divided across multiple theaters. China’s rapid military buildup has tipped the scales in its favor, and now fields the world’s

largest army, navy, air force, and sub-strategic rocket force alongside numerous paramilitary organizations.²⁰ Despite a “pivot to Asia”²¹ and a “return to great power competition,”²² little in terms of combat power has shifted to the region,²³ while Beijing continues to invest more into present and capable combat power in its own neighborhood.

Efforts to shore up the U.S. presence in the Western Pacific have seen forward-stationed forces change little over the years.²⁴ Most concrete measures to bolster U.S. presence in the region have taken place recently and have largely failed to build combat-credible power, especially when compared to the buildup of the People’s Liberation Army.²⁵

While China increases its military presence and more frequently deploys forces throughout the Indo-Pacific, the United States has fallen short of its goal of increased permanent presence necessary for deterrence.²⁶ In some cases, presence has decreased, such as the Air Force permanently retiring air wings on Okinawa that have yet to find a permanent replacement.²⁷ While the Navy has tried to supplement forces in the region through rotational deployments, temporary forces are not as effective as permanent presence.²⁸ Unyielding global requirements have resulted in a preference for temporary deployments over permanent presence, as the geographic combatant commands battle with themselves for assets. Policymakers should consider reforming the Pentagon decision-making bureaucracy, doing away with geographically based commands, and working to instead match resources to growing strategic threats, like China.²⁹

The failure to shift combat power to the Indo-Pacific has caused the military balance in the region to tilt away from America, leaving Admiral John Aquilino, former commander of U.S. Indo-Pacific Command, to remark that the nation has not “faced a threat like this since World War II.”³⁰ China has the luxury of focusing its military power in the Indo-Pacific. Whereas in the event of war, only a fraction of U.S. combat power will be able to respond, with the bulk of forces having to confront the tyranny of distance.³¹

China’s military has not had to reckon with the same “hard choices” that have limited ours over the past three decades. China’s military spending has increased consistently, at an average of nine percent per annum. Meanwhile, the Pentagon’s budget has increased by an average of 0.8 percent annually over the past decade, well under inflation.³² This consistent investment has fueled China’s growing defense industrial base, while erratic additions and cuts across the U.S. and allies have led to inadequate industrial capacity.³³ New research indicates that Beijing could be spending north of \$700 billion on its military—triple its publicly reported topline and nearly equal to America’s defense budget.³⁴ As a global power, the United States must balance competing priorities in the Indo-Pacific and elsewhere, which spreads Washington’s budget thinly

across multiple theaters. Meanwhile, each year China invests in its military directly builds its regional combat power in Asia.

Seriousness and Urgency Required

The interplay between budgetary constraints and strategic military choices underscores a broader truth: the allocation of resources within the Pentagon is not merely a matter of fiscal policy but a determinant of military strength. Over the past decade, the United States has faced a series of “hard choices,” constrained by budget caps and the necessity to prioritize short-term readiness over long-term modernization. This has resulted in a military posture that is increasingly stretched too thin, and rising chaos is the result.

To truly address these challenges, the Pentagon must receive sustained budgetary increases. Such an investment is not merely a matter of expanding financial resources, but a strategic imperative to enact meaningful reforms. By securing a reliable increase in funds, the U.S. military can simultaneously invest in long-term modernization projects, invest in future capabilities, and pursue cost-saving reform, rather than picking and choosing from an array of least-worst options. This proactive approach will not only curb the current defense decline but will also yield substantial savings in the long run.

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² Mackenzie Eaglen, “The Paradox of Scarcity in a Defense Budget of Largesse,” American Enterprise Institute, July 18, 2022, <https://www.aei.org/wp-content/uploads/2022/07/The-Paradox-of-Scarcity-in-a-Defense-Budget-of-Largesse.pdf?x85095>.

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⁶ *Ibid.*, p. 8.

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¹² “Military Bases: Opportunities Exist to Improve Future Base Realignment and Closure Rounds,” United States Government Accountability Office, March 2013, <https://www.gao.gov/assets/d13149.pdf>.

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Strategic Investments: Mapping the Next Defense Strategy and Budget

A Response by Ryan McCarthy

The Department of Defense risks strategic insolvency because of a growing mismatch between resources and capabilities relative to the most pressing global threats and demand signals from policymakers and combatant commands.

There are overarching issues—fiscal, strategic, policy—beyond DOD’s control that the White House and the Congress must address. So, as a starting point to any larger discussion, DOD must get its own balance sheet in order.

The prior administration made some progress toward reducing DOD-wide spending (“4th Estate”) and transitioning away from Cold War-era legacy systems toward new capabilities. In the case of the Army, some \$35 billion was reallocated to invest in more than 31 new programs.

Budget allocations have since regressed out of alignment with warfighting priorities. The Fiscal Year 2025 request included more than \$140 billion for the Office of the Secretary of Defense (OSD), field activities, and agencies. A portion of that 4th Estate total (10-15 percent) could be reallocated to the services to better man, train, and equip the Joint Force.

Despite providing, by one estimate, up to 60 percent of combatant command requirements, the Army base budget in real terms has declined by more than 25 percent over the past four years (recouped, in part, by Ukraine-related supplemental appropriations). Demand has surged recently, in Europe and in Asia, for Army formations of all kinds—air and missile defense, engineers, training, and service support, along with combat capabilities—with no slackening on the horizon.

At the same time, there has been an alarming drop-off in Army recruiting, with three consecutive years of missed targets, which ended only by reducing the overall goal by 10,000. This shortfall needs to be addressed (again) as a personal leadership priority at the chief of staff and service secretary level.

A steep increase in Navy budgets relative to the other military services has not resulted in appreciable gain in shipbuilding or ship availability. An external scrub is needed of Navy operations and maintenance accounts before layering on yet more funding. There is some low-hanging fruit—laggard suppliers, non-competitive workforce compensation—that can be addressed next year to remediate the worsening shipbuilding backlog. In the absence of massive new funding, some difficult tradeoffs will need to be made about the Navy's modernization plans and aspirations. At minimum, the undersea mission—attack, ballistic, unmanned—is a no-fail national defense priority that should be revitalized and resourced accordingly.

A generally brighter picture exists in the Air Force. The B-21 bomber appears to be on track and the Collaborative Combat Aircraft shows promise to deliver meaningful unmanned capability on a historically short timeline. The Air Force Secretary's modernization effort has been undercut by OSD's (and Congress') continued refusal to retire legacy aircraft, which are costly to maintain and unlikely to survive contact with a modern air defense system.

Across all mission sets, DOD needs to shift significantly more emphasis and funding toward munitions, which the services historically neglect in favor of platforms and other priorities. Even if the United States does not find itself in a Ukraine-style ground war, the China-Taiwan scenario demands significantly more anti-air, anti-ship, and cruise missiles than are currently available (and to be procured over the FYDP). The sluggish pace and low output of field and air defense artillery munitions production since 2020 exposes a strategic liability calling for action beyond the incremental improvements achieved so far. Returning to high-rate, mass-scale munitions production—last seen during the 1980s—will require a more hands-on, directive approach to defense contractors. It will also require a credible plan for industrial base investment, incentives, and multi-year procurements that can achieve bipartisan support in Congress.

As a service secretary, I was all too familiar with the demands and appetites of geographic combatant commands. DoD needs a new force generation model going inside-out (rather than outside-in) based on national (versus regional) defense priorities. The solution is not to eliminate or merge the geographic commands, as the transition would be dangerously disruptive and, ultimately, save relatively few billets or dollars (as shown by past DOD 'efficiencies' exercises). As with most seemingly intractable

problems, right-sizing the combatant commands is a matter of leadership by the Defense Secretary—in terms of the taskings he or she approves and the advice given to the President, as much of the demand overreach comes from the National Security Council.

Nonetheless, there are geographical and functional missions that need a significant increase in funds, authorities, and leadership priority.

The Arctic region is becoming a theater of strategic competition with Russia and eventually China. The U.S. Navy has one operational icebreaker ship available compared to 40 fielded by Russia. The accession of Finland and Sweden into NATO—alongside Norway, Iceland, and Canada—completes a formidable band of alliance presence and military capability along Europe's northern rim. We must take full advantage of these new members through regular multinational exercises and investments uniquely suited to operations along the Arctic Circle.

DOD has also neglected to support and field effective information operations (IO), which had been a priority for counter-terror and counterinsurgency after September 11. The open source, increasingly digital, information battlefield has been largely abandoned to Russia and China. Under the current administration, DOD does not have the latitude to conduct IO without multiple levels of vetting and approval. Authorities should be restored along with adequate funding and manning for military IO units.

Ideally, DOD would be spared some of these difficult capability trade-offs and associated risks if defense appropriations surged to Cold War levels: beyond \$1 trillion-plus defense budgets climbing above four percent of GDP. Senator Roger Wicker's proposed defense investment plan is a bold step in the right direction to plus-up depleted weapons stocks and build out our fragile industrial base.

What DOD needs immediately are politically and fiscally sustainable budgets—locked in with the White House and Congress—which, at minimum, keep pace with inflation, and ideally go up at least two percent or higher. It has been decades since DOD received an appropriations bill on time and continuing resolutions have become the norm. The Pentagon leadership must accept this situation will likely stay the reality and prepare accordingly, which is more helpful than repeatedly complaining about the Congress.

In all, strong and credible leadership will be the deciding factor—rather than technology, reforms, or even funding—to right DOD's strategic balance sheet and, with that, move closer to strategic solvency for the United States.



Strategic Investments: Mapping the Next Defense Strategy and Budget

A Response by Roger Zakheim

Defense reform. Strategy. Resources. These are three necessary elements Mackenzie Eaglen addresses in her excellent paper on reversing America's declining defense posture and countering the most formidable threat environment since World War II.¹ Eaglen assesses how the Pentagon's litany of day-to-day operational duties threatens to cannibalize DOD time and resources and leave our strategic objectives unrealized. This stems from an environment of budget scarcity, forcing leadership to simply make ends meet today with no time, energy, or (most importantly) resources to seriously consider tomorrow's goals. For those enamored with reforming the Pentagon, I agree with the conclusion that the DOD does its best work when resources are ample; it allows the Pentagon to engage in creative strategic thinking and drive innovation rather than agonizing over budget-imposed tradeoffs. This is a point not well understood or appreciated, and Eaglen's paper provides the data to back up the claim.

Yet, before exploring what defense reform might look like, we should first take a step back and assess the overall strategic objectives we seek to accomplish. An honest discussion recognizes our defense strategy is dramatically out of date and underfunded. Both the Trump and Biden National Defense Strategies (NDS) adopted a one-war force planning construct that prioritizes competing and winning against China while also deterring Russia, Iran, North Korea, and terrorist groups. It assumes the United States would likely face a major conflict in one region of the globe, and that conflict would be of limited duration.

Of course, the world today is dramatically different than it was in 2022 when the last defense strategy was written. Wars in Europe and the Middle East not only pose an existential threat to our friends in Ukraine

and Israel, but they also reveal how the new axis of adversaries of China, Russia, Iran, North Korea, and Venezuela actively and cooperatively work against the American-led order and threaten American peace and prosperity. Russia and China deepened their "no limits" partnership in May, and China is now contemplating providing lethal aid to Russian forces.² Russia provides Iran operating space in Syria in exchange for Shahed drones to bomb Ukrainian cities.³ North Korea sustains Russian artillery advantages across the frontline.⁴

These developments lead to the commonsense conclusion that it is plausible, and likely, that should the United States fight a conventional war against China, Russia, or Iran, it will not be limited to one region, nor a single adversary. As a result, the United States should be prepared to fight simultaneous conflicts in disparate regions of the globe.⁵ Restoring a two-war force planning construct would be a necessary first step, though the Cold War-era model would need to be modified for the primacy of new domains, such as space and cyber, which do not fit traditional geographical boundaries.

Eaglen raises the important point that under the present defense strategy, the U.S. military is tasked with accomplishing global responsibilities with an \$850 billion budget, while nearly all of China's estimated \$700 billion topline is invested in building its combat power in Asia. Thus, relative parity in defense spending between the United States and China plays to Beijing's benefit.⁶

So what level of resources does the Pentagon need today to confront China, Russia, and others? Unless we go big and return to Reagan-era levels of defense spending,⁷ trying to squeeze more reform out of the Pentagon, or realizing the goals of even the current NDS is futile. This assessment is beginning to take hold. The 2022 Strategic Posture Commission report came to this conclusion, and it is the likelihood that the United States might find itself engaged in two major conflicts simultaneously that drove Senator Wicker's recent report to call for a return to a two-war force construct with five percent of GDP defense spending to reach this goal.⁸

Saying we need more resources is not enough. The subject requires specificity given the scope and contours of the challenge. Three percent real growth, the minimum required according to Secretary Mattis when he led the Pentagon, barely delivers on the current defense strategy. Five percent real growth would not deliver a force capable of engaging in two simultaneous conflicts. Five percent of GDP might be sufficient, but the Pentagon will need time to ramp up so it can efficiently execute such a bump in funding.

Rebuilding the military to counter the axis of adversaries will be a daunting task. Eaglen suggests several prudent recommendations to redress the reality that today's shrinking, aging, and brittle force would be unable to absorb attrition early in a conflict and rearm and resupply to remain in a protracted fight. The wars in Ukraine and Israel have demonstrated that conventional forces still matter, and the United States must have the industrial base to expand the force and replace losses with expediency. Supplying our allies alone has drained years' worth of buys in weeks, to say nothing of if the U.S. military was to fight a peer adversary tomorrow.⁹ A starting point would be a Creating Helpful Incentives to Produce Semiconductors (CHIPS) Act for recapitalizing the defense industrial base. The CHIPS Act provided \$52.7 billion for semiconductor research and development (R&D) to expand America's domestic capacity.¹⁰ A similar capital infusion may be required for the U.S. defense industrial base (DIB), which is at capacity meeting peacetime needs. Focused congressional oversight, like Senator Wicker's recent report, calls for generational investments in the DIB to upgrade and expand existing facilities, building new factories and shipyards along with investing in new manufacturing methods like 3D printing to ensure the U.S. military can take successive punches in a protracted conflict.¹¹

While investing in industrial capacity is critical for building and sustaining today's force, modernization efforts to prepare for tomorrow are equally important. Here Eaglen correctly points out that modernization has repeatedly been deferred for readiness and capacity today due to budgetary scarcity. The result is a smaller, older force unable to meet the goals of the NDS today or tomorrow.

Both the 2017 and 2022 NDS delineate the technologies and capabilities critical to the future force. Integrating artificial intelligence and cutting-edge software into current and future platforms, building and employing space assets, and introducing autonomous systems across the joint force are just a handful of priority areas. Yet, DOD's fiscal year 2025 request takes its foot off the accelerator. The science and technology (S&T) request of \$17.2 billion is three and a half percent lower than the \$17.82 billion request in Fiscal Year 2024. This does not bode well for key S&T investment that will deliver critical capabilities like autonomy in the 2030s and beyond.¹² The double-digit real growth enjoyed by space programs in recent years and encouraging progress in the Department's hypersonics program offer a template of what investing in tomorrow's capabilities without sacrificing today's force looks like.

Eaglen's paper makes several budgetary suggestions that are sound and should be implemented by policy makers. However, to accomplish transformational change, creating the force to be used in a "break the glass in case of emergency" scenario, robust increases in the size of the force are required. It is spot-on to highlight the problem of "focusing

solely on the inbox and problems closest at hand." However, the strategy needs to acknowledge the inbox too, and we wish it away to our own detriment. Going big on defense promises to deliver the resources to confront today's challenges with enough left over to get past today's inbox and meet the problems of tomorrow.

¹ Note: No fourth pillar might be capitalizing the industrial base which Mackenzie addresses in the body of her paper.

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