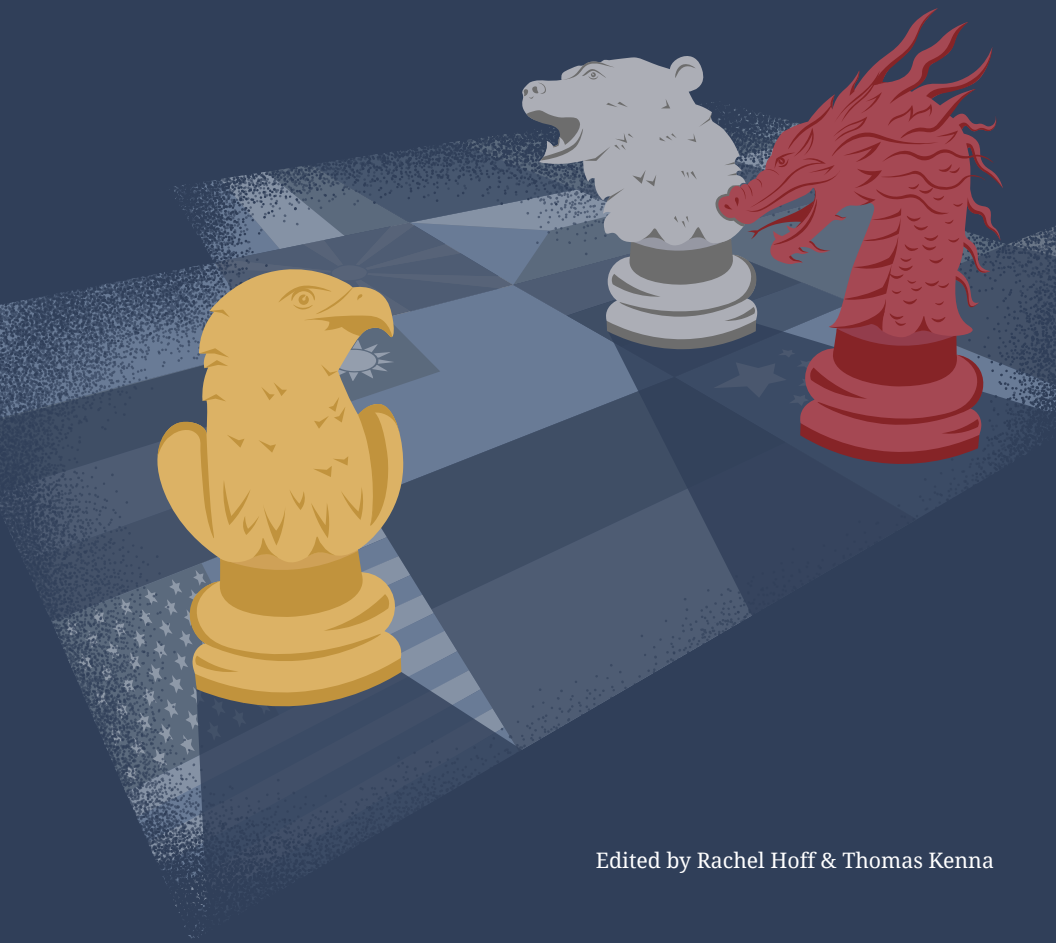
THE FUTURE OF CONSERVATIVE INTERNATIONALISM

Volume III

A Collection of Essays from the Reagan Institute Strategy Group

Convened in Park City, Utah in July 2022



Edited by Rachel Hoff & Thomas Kenna

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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"Peace is more than just an absence of war. True peace is justice, true peace is freedom, and true peace dictates the recognition of human rights."

- President Reagan's 1986 Address to the United Nations General Assembly

"We know only too well that war comes not when the forces of freedom are strong, but when they are weak. It is then that tyrants are tempted."

- President Reagan's Acceptance Speech at the 1980 Republican Convention

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Introduction

By Roger Zakheim & Rachel Hoff

Founded in 2019, the core principle of the Reagan Institute Strategy Group (RISG) is that 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. Conversations about U.S. national security and foreign policy often become esoteric, and RISG is committed to stepping back to assess what is really at stake. In the context of rising threats from authoritarian competitors, the question of America's global leadership is crucial to the survival of the free world itself.

The Reagan Institute is dedicated to promoting President Reagan's timeless principles as a lens through which to view the challenges we face today. That is why in July of 2022, the Institute gathered a group 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 third RISG summer retreat in Park City, Utah.

A shared set of beliefs guides deliberation among members of the Reagan Institute Strategy Group: 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.

The goal of RISG is to chart a course for reviving a Reaganesque approach to foreign policy and national security. Any set of policy ideas is valuable only insofar as it is politically viable. With the recent geopolitical upheaval and economic uncertainty shaping questions of foreign policy ahead of the 2022 midterm elections, America and the world need fresh thinking based on timeless principles. Our hope is that the following essays will serve as the start of a conversation about the policies that will promote a world where peace, freedom, and opportunity will flourish—but also that are responsive to the shifting political and security environment.

Fundamentally, the Reagan Institute Strategy Group is not a nostalgia exercise yearning for a bygone era that will not return. Rather, it is a forward-looking endeavor that focuses on the new ideas, priorities, and frameworks needed for meeting the challenges and opportunities of the 21st century based on the vision and values of our 40th President.

What Does the Right Think? GOP Public Opinion on Foreign Policy

By Daron Shaw

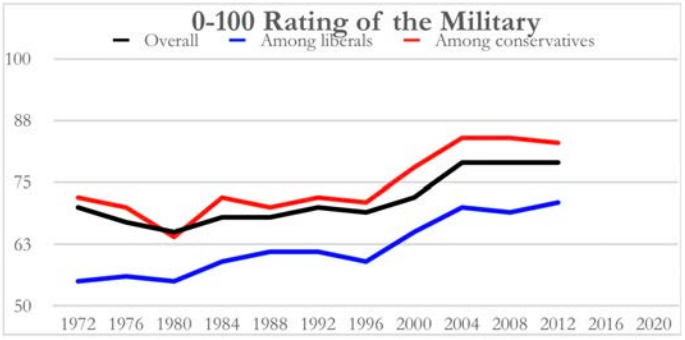
In the summer of 2022, as "Top Gun: Maverick" dominates the cinematic universe and an unrepentant Vladimir Putin prosecutes a Russian war against Ukraine, it is tempting to assume that conservatives are the bedrock of support for a strong national defense and an assertive U.S. foreign policy. Such an assumption simply draws on the tendency—reinforced, if not established, during the Reagan years—for a core part of conservative ideology to be based on the belief in a preeminent military and the concomitant need to stand up to the aggression of totalitarian actors abroad.

In this essay, I argue that the reality of public opinion among conservatives today is slightly more complicated. With an eye towards updating and perhaps gently correcting the conventional wisdom, I offer four broad observations (take-away points) about conservatives and their foreign policy attitudes. First, conservatives and liberals are less distinct on foreign policy than on domestic issues. Second, conservatives are less likely to support a robust foreign policy when there is a Democratic president. Third, younger conservatives are much more supportive than their older counterparts of "soft" power and diplomacy. Fourth and finally, conservatism remains an ideology with foreign policy implications, but education, age, and political engagement also affect public opinion on these issues.

Take Away Point #1: Ideological and partisan differences on foreign policy issues exist but are not as large as they are on domestic issues.

Barrels of ink (or terabytes of bandwidth) have been spent chronicling the "sorting" of the American political parties in recent decades. The short version of this story is that conservative Democrats moved away from the party after Democratic leaders staked out more liberal positions on social and civil rights issues in the mid-1960s. This tendency was particularly pronounced in the southern states. Meanwhile, liberal Republicans moved away from their party, particularly in the New England and Pacific coast states. This created more substantively consistent and coherent parties, but it also eroded the need for compromise in the name of coalitional maintenance. The result is the uncompromising, polarized politics of the 2020s.

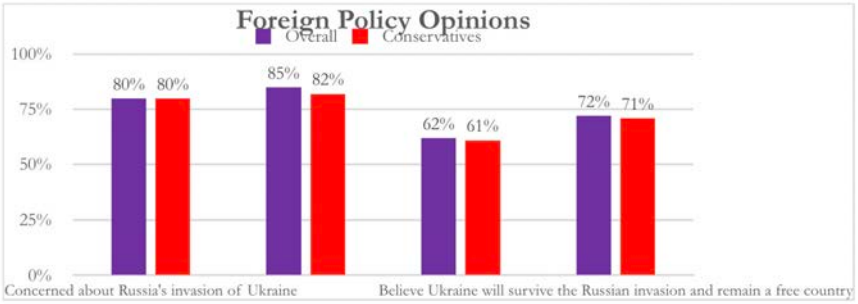
This story is correct insofar as it suggests that Democrats today are more consistently committed to liberal positions on domestic and social policies than they were in the 1950s, while Republicans are more consistently committed to conservative positions. But this substantive polarization can be overstated on defense and foreign policy questions circa the 2020s, as ideologues of all stripes value the U.S. military and believe substantial resources ought to be committed to defending American interests abroad. For example, since 1972 respondents to the American National Election Study (ANES) survey have been asked to rate the military on a 0-100 scale, with 100 meaning you feel extremely "warm" towards the group and 0 meaning you feel extremely "cold" towards them. In the chart below, we see that conservatives are favorable towards the military—but so are liberals. So, while conservatives typically rate the military 10 to 15 points higher than liberals, the lowest average liberal rating of the military is 55 (in 1972 and again in 1980). In 2012, the last year the item was asked by ANES, liberals rated the military at 71.



Source: ANES Cumulative File.

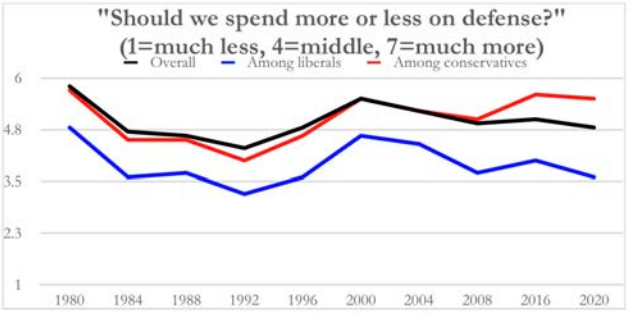
More contemporary debates reveal similar results. For example, when asked about the conflict between Russia and Ukraine, conservatives (and liberals) look like everyone else:

- about four in five are concerned about the conflict;
- about four in five think it matters to the United States;
- about seven in ten think Ukraine will remain a free country;
- about three in five approve of Ukrainian president Zelensky's handling of the invasion.



Source: Fox News Poll, April 28-May 1, 2022.

Acknowledging that the foreign policy distinctiveness of conservatives tends to be overstated, there are a few consequential differences between conservatives and liberals on national defense and foreign policy. Perhaps most notably, when it comes to spending on defense, conservatives have consistently supported increasing spending, while liberals typically want to keep spending levels where they are or even decrease them. In other words, liberals see defense as less worthy of federal government investment than economic and social programs. The chart below demonstrates the consistency of this difference over time.



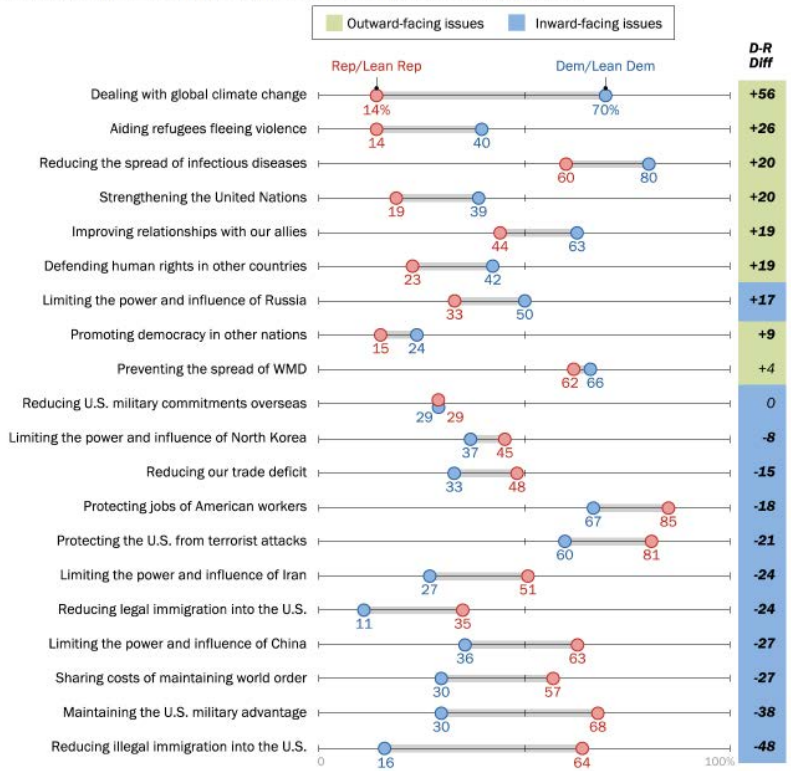
Source: ANES Cumulative File.

Conservatives are also much more supportive of spending on defense systems, whereas liberals oppose these in favor of increased pay and benefits for the troops.

Beyond differences in their willingness to spend on defense and security, a broader philosophical divide exists. On one hand, conservatives tend to prioritize "inward" foreign policy agenda items. On the other hand, liberals place a greater emphasis on "outward" foreign policy goals. The figure below shows party (Republican-Democrat) differences, but the larger point holds for conservatives and liberals: those on the right see foreign policy as a means of defending American interests and reducing threats to the United States, while those on the left are more likely to prioritize global interests and values. However, as my colleague Collin Dueck correctly observes, conservatives are at least as supportive as liberals of "outward" goals when these are perceived to serve vital U.S. commitments and interests.

Republicans prioritize a more 'inward' foreign policy agenda; Democrats favor more 'outward' goals

*% who say each issue should be given **top priority** as a long-range foreign policy goal*



Note: Statistically significant differences shown in **bold**.
Source: Survey of U.S. adults conducted Feb. 1-7, 2021.

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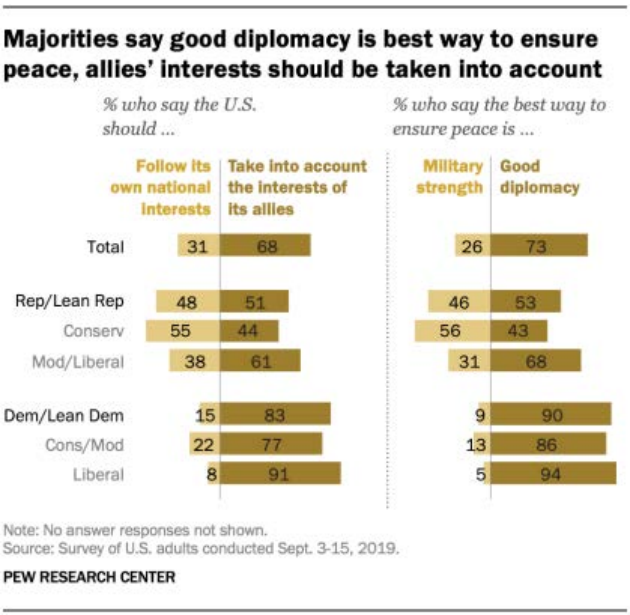
These broader differences are further manifest in the chart below, which seeks to ascertain partisan/ideological differences on (a) what U.S. foreign policy should be focused on, and (b) how we should achieve our foreign policy goals. Conservatives are more likely than liberals to favor pursuing a balance between national interests and the interests of allies in order to insure peace. Conservatives are also more likely than liberals to cite military strength—rather than diplomacy—as the best way to achieve peace. Note the callback to President Reagan's philosophy in these findings: first, the interests of the United States are synonymous with peace, and, second, peace is attainable through strength.



Take-Away Point #2: Foreign policy opinions of conservatives shift depending upon who is in charge.

Voters tend to be more sympathetic to the policies and actions of a co-partisan. Hence, liberals are more willing to give President Biden the benefit of the doubt on foreign policy matters than conservatives, just as conservatives were more generous towards President Trump. It is also the case that when a co-partisan is in charge, policy debates are framed in a way that party voters pick-up. Perhaps the classic example is how partisan ideologues responded to Richard Nixon's foreign policy towards the Soviet Union and China in the early 1970s. In the 1960s, conservatives consistently judged Democratic Presidents Kennedy and Johnson as insufficiently hardline towards the communist regimes in Moscow and Beijing. Subsequently, they were supportive of Nixon's

efforts to open China. Nixon was not only a co-partisan with impeccable credentials as an anti-communist, but he also framed his outreach to China as a way to bring pressure to bear on the Russians. Similarly, President Reagan's negotiations with Soviet General Secretary Mikhail Gorbachev 15 years later were viewed positively by conservatives and skeptically by liberals, each of whom would have undoubtedly had different views had Jimmy Carter or Bill Clinton been president.

What does this mean for 2022? Liberals have been more open to President Biden's policies, such as withdrawing all U.S. troops from Afghanistan, and re-entering the Iranian nuclear deal and climate change accords (such as the 2015 Paris Agreement). Conservatives not only oppose these policies but are relatively less open to them than they were just three years ago under Trump. Moreover, conservatives are quicker to place blame on the incumbent administration for any perceived foreign policy setbacks. Although liberals judged last summer's withdrawal from Afghanistan critically, they were considerably less harsh than were conservatives. Similarly, when asked in the March 2022 Fox News Poll about Biden's handling of Putin, 69 percent of conservatives said Biden was not tough enough on the Russian president whereas only 39 percent of liberals said this.

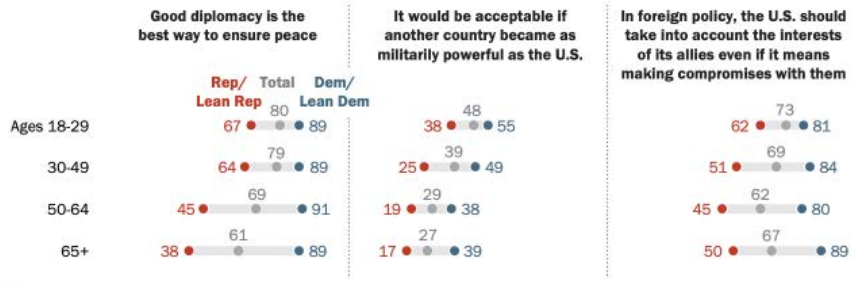
In short, context always matters, and it especially matters for foreign policy attitudes, where knowledge is scarce and predispositions are shallow.

Take-Away Point #3: There is an age divide among conservatives on foreign policy.

This is something Republican pollster Kristen Solis-Anderson pointed out in a previous Reagan Institute Strategy Group essay: younger voters are less hawkish, more skeptical of defense spending, and more receptive to multilateral negotiations and alliances. This is not only true for the general population but also holds within ideological categories. The chart below shows that younger Republicans are roughly twice as likely as older Republicans to say that diplomacy is the best way to ensure peace, or that it would be acceptable for another country to become as militarily powerful as the U.S. Younger Republicans are also more likely than older ones—by about 17 points—to say the U.S. should consider the interests of allies even if it means compromising with them.

In both parties, younger adults are the most likely to say it would be acceptable for another country to rival the U.S. as a military superpower

% who say ...



Note: No answer responses not shown.
Source: Survey of U.S. adults conducted Sept. 3-15, 2019.

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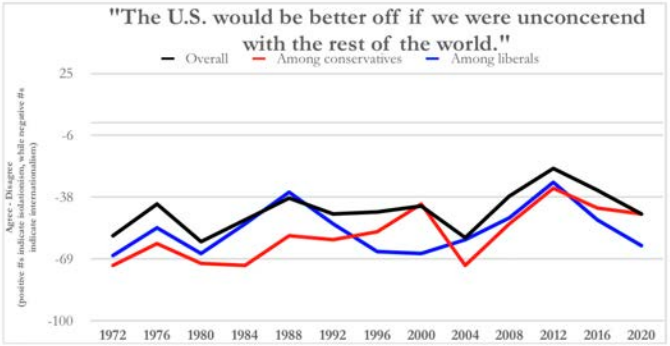
It is less clear whether this age divide is the result of a generational shift, or a life-cycle difference. If it is the former, U.S. attitudes may soon approximate those seen in Europe and Japan, where there is little stomach for tougher security and defense policies. If it is the latter, we may see a right-ward swing of Generation Z opinions as they move into their 30s and 40s.

Take-Away Point #4: When it comes to foreign policy attitudes, ideology is not as important as education and engagement.

Consistent with the discussion above, the final take-away point is that while ideology is correlated with foreign policy and defense attitudes, other factors are comparably important (and not just age). Most notably, political engagement and education are powerful forces behind the belief that America should be a world leader. Americans who have a college degree, or who follow politics, are much more likely than others to prefer a more engaged, internationalist foreign policy. Conversely, less well-educated and less engaged citizens prefer a more isolationist approach. Importantly, those claiming an ideological orientation—both conservatives and liberals—score relatively high on the education and engagement scales and, as a result, are relatively more supportive of American engagement and leadership on the world stage.

This is evidenced by the data below, which show that both conservatives and liberals are more likely than moderates and others to believe the U.S. should concern itself with what is going on in the rest of the world. Ideologues on both sides of the spectrum are more engaged and informed, and (therefore) more likely to see the connections between involvement abroad and events here in the United States.



Conclusion

Conservatives do have distinctive opinions on foreign policy issues. They are more likely than liberals to say that defense and security policies should focus on concrete American interests. They are skeptical of alliances, treaties, and general internationalism—if the benefit to the U.S. is not obvious, or if America is not in charge of decision-making, conservatives are skeptical. They are, however, very supportive of the U.S. military and prioritize remaining the world's preeminent superpower.

But conservative foreign policy attitudes are not a monolith. In particular, younger conservatives are more open to alliances and internationalism than are older conservatives.

Moreover, ideological differences on foreign policy are perhaps less important than other factors. Although conservatives are somewhat skeptical about alliances and internationalism than liberals, both are more supportive than are less educated and less engaged Americans.

In short, defense and foreign policy issues are usually less relevant to Americans than, say, gas prices or crime rates. This means that people who follow politics (who can make connections between foreign policy debates and self-interest) are more likely to have different opinions than "regular" Americans (who do not see these connections). This also "brings together" conservatives and liberals and distinguishes them from moderates and non-ideologues.

One final note is that when U.S. troops are committed to a foreign conflict, both engagement and ideological differences typically disappear: the "hypothetical" nature of foreign policy is gone, American interests are tangible, and support for engagement is close to universal. This is known as the "rally-around-the-flag" effect, and it remains a consistent and important feature of American foreign policy opinion.

What Does the Right Think? GOP Public Opinion on Foreign Policy

A Response from Colin Dueck

Daron Shaw has written a thoughtful, balanced, and grounded paper on conservative public opinion and American foreign policy. He is right to begin by noting that U.S. public opinion on international relations tends to be elite-driven and that partisan differences here are not as predictable as over domestic issues. There can be moments, such as the current one over Ukraine, where majorities in both parties support a relatively robust response to foreign aggression. Greater levels of education and political engagement tend to lead to support for an activist foreign policy, apart from the usual distinction of left versus right.

Shaw is correct in noting that conservatives have consistently supported maintaining U.S. defense spending to a greater degree than liberals, going back generations. As he points out, American conservatives are more likely than liberals to believe that peace is best maintained through strength—specifically, U.S. military strength. This is a consistent difference from the liberal perspective. Shaw is also right in drawing attention to the fact that conservatives today often favor what he calls inward-looking foreign policy goals, such as a focus on illegal immigration, as opposed to outward-looking goals such as strengthening the United Nations (UN). Having said that, as he points out, the exact foreign policy opinions of conservatives can vary depending upon who occupies the presidency. In our polarized political climate, adherents of both parties are more likely to back the foreign policy decisions of a co-partisan in the White House, regardless of specifics.

It is also interesting to note, as Shaw does, greater skepticism toward U.S. military power and intervention among younger Republicans in particular. This is not surprising. As those of us who teach on campus know first-hand, a whole generation of young Americans has now grown up without much adult experience or memory of successful U.S. military interventions overseas. The territorial rollback of the Islamic State in Iraq and Syria (ISIS) by 2018 is a notable exception.

There are few criticisms to make of such a well-considered paper. We are all interested to see if conservative internationalist priorities can command domestic political support in the coming years. I will confine myself to raising a few questions or points to be considered on this topic, in response to Shaw's essay:

1. *The reverse Top Gun effect.* For those of us who came of age during the Reagan era, an underlying optimism regarding U.S. military power was justified by events, and we have tended to carry that optimism with us over the years. The tendency of today's young Republicans to be especially skeptical of U.S. military intervention is an interesting and credible finding. Should we expect these younger Republicans to become more supportive of U.S. military power as they age, or is their skepticism baked in due to the era in which they grew up (i.e., post-Iraq and Afghanistan)?

2. *What is the baseline expectation as normal conservative foreign policy opinion?* Discussion of Republican foreign policy opinion today, including taglines of internationalism versus isolationism, are typically informed by some underlying sense of what is normal, mandatory, precedented, or recommended. Such discussions need to better reflect the fact that conservative foreign policy opinion has always varied on specifics depending on the circumstances of the day. The common conservative foreign policy view of 2003, for example, embraced a robust approach including a global war on terror, assertive democracy promotion, the war in Iraq, and a freedom agenda for the Greater Middle East. If we take that approach as our expected baseline, then the more inward-looking trend of our times might seem aberrant.

   Historically, however, conservative voters—like most Americans—have normally been ambivalent about the use of force overseas. In that sense, 2003 was the exception rather than the rule. Forty years ago, even as President Reagan pursued an assertive anti-Soviet strategy with fair backing from conservatives, elements of that program

tested the limits of popular support among the public at large. Fifty years ago, while conservatives were more ready than liberals to persist in Vietnam, many were increasingly ready to cut their losses and move on. Seventy years ago, when General Eisenhower ran for the Republican nomination against Senator Robert Taft (R-OH), the Grand Old Party (GOP) was divided between Midwestern nationalists and Northeastern internationalists. And one hundred years ago, as Matthew Continetti suggests in his new book The Right, the dominant Republican approach was one of non-intervention in European affairs, no entangling alliances, economic nationalism, a small standing army, and high protective tariffs. Considering the history of the GOP and the United States as a whole, a conservative foreign policy that is at least partially inward-looking and skeptical of foreign commitments is not so unusual.

3. *Inward versus outward—or hardline versus liberal internationalist?* Regarding current public opinion trends, Shaw points out that liberal Democrats tend to identify themselves as more supportive of certain foreign policy priorities such as combating global climate change, aiding refugees, strengthening the UN, and promoting human rights overseas, as compared to conservative Republican voters who tend to downplay these priorities. But note in that same 2021 Pew study (referenced in Shaw's essay) that conservative Republicans are at least as supportive, if not more so, when it comes to counter-terrorism, limiting the power of North Korea, restraining the power of China, preventing the spread of weapons of mass destruction, limiting the power of Iran, and maintaining America's military advantage and presence overseas.

In other words, today's conservatives seem perfectly capable of outward-looking foreign policy priorities or commitments when they appear to serve vital U.S. security interests. Liberals on the other hand are typically less supportive than conservatives of outward-looking commitments when they involve the use of military power. This is in keeping with decades of research into underlying differences between liberals and conservatives over foreign policy issues. The central distinction here is not so much between inward and outward, as between a hardline approach to national security as opposed to a liberal internationalist one.

4. *Presidential leadership and rubber bands.* Voter opinion places broad limits on what a president can do in foreign policy, or at least creates political incentives for leaning one way as opposed to the other. Presidents are unlikely to become president if they do not show some respect for popular feeling on these matters. Public opinion research also suggests that voters can be resistant to persuasion when unconvinced of the merits of a given foreign policy proposal. At the same time, there is some fluidity to voter support on foreign policy, including a tendency to defer to any president of the same party, so long as key decisions do not run against basic coalitional interests.

This creates an opening for what can only be described as leadership. Presidents are not required to poll-test every foreign policy decision. They can set the agenda, nurture support for worthwhile initiatives, change the conversation, and lead on these matters. And many have done so. Therefore a better way to think about the relationship between presidents, foreign policy, and public opinion might be to think of the latter as a kind of elastic band. Support from the public can be stretched, but not broken. Wise presidents move foreign policy in the desired direction and pull on the elastic band without pulling it so far, so fast, or so hard that it breaks. A broken elastic band is useless. On the other hand, an elastic band that isn't stretched at all also serves no purpose.

5. *Reagan as a positive model.* Ronald Reagan is a useful example of a president who stretched the rubber band of public support for a robust foreign policy without breaking it. As is well known, Reagan conceived of and implemented a bold, assertive strategy of anti-Communist containment and rollback, pressuring the Soviet Union not only militarily but economically and ideologically as well. The other half of his approach, which is often overlooked, is that he understood the limits of public patience and avoided costly, protracted military quagmires. There was no Vietnam on Reagan's watch. He nurtured and maintained public support for an assertive strategy precisely by avoiding either international or political overreach. Both halves of that achievement are useful models for any conservative Republican president in the coming years.

What Does the Right Think? GOP Public Opinion on Foreign Policy

A Response from Morgan Lorraine Viña

An *Amazon.com* book search for "Donald Trump" returns over 40,000 results. "Barack Obama"? Only around 6,000. "Ronald Reagan"? Also, only around 6,000. No president has elicited more commentary than our country's 45th president—not even Abraham Lincoln (Amazon search results were 20,000). Donald Trump will go down in history for many things, including his influence on conservative foreign policy.

In his paper, Daron Shaw uses public opinion polling to update conventional wisdom about American conservative voters and their attitudes on defense and foreign policy. He finds that conservative elites largely lead the movement and define its values, which are understood to include support for a robust national defense posture, confronting non-democratic, illiberal movements and regimes, and the use of force as a foreign policy option. What the polling does not show is that today's conservative elites—and specifically those elected to represent the American people in Washington—often make decisions that are wildly inconsistent with these consensus conservative foreign policy values. What accounts for this disconnect?

Before he sought public office, Donald Trump did not identify himself as a conservative. He doled out campaign contributions to Republicans and Democrats, and as Will Inboden notes in his earlier Reagan Institute Strategy Group paper, Trump took an aggressive approach to President Reagan's foreign policy in 1987, calling for more "back bone" and alleging the now familiar, "America is being taken advantage of" trope. Fast forward 30 years, and candidate Trump's "America First" foreign policy

echoes his 1980s approach. This time, though, Trump draped himself in the banner of the Republican party, 80 percent of which, according to Shaw, identify as conservatives.

President Trump's foreign policy in many ways embodied a conservative worldview. Based on Shaw's definition of conservative foreign policy values, Trump checked all the boxes. For example, Trump often projected American strength, repeatedly using military force to defend U.S. national security interests.

In 2018, when Syrian dictator Bashar al Assad launched a chemical weapons attack on a Damascus suburb, Trump immediately ordered a strike hitting the regime's chemical weapons program and destroying Syria's main chemical weapons research facility. This strike was twice the size of the 2017 raid that Trump ordered in response to Assad's chemical attack on Khan Sheikhoun.

Trump also did not hold back when Iran threatened U.S. security interests in Iraq. When Qassim Soleimani, head of the Iranian Revolutionary Guards Corps (IRGC), was orchestrating an attack against Americans in late 2019, Trump ordered a high-risk drone strike that killed him and his co-conspirators.

Additionally, Trump can take credit for the Abraham Accords, one of the greatest diplomatic victories in the Middle East. The normalization agreements that the Trump Administration brokered between Israel and the United Arab Emirates, Bahrain, Morocco, and Sudan represent a major inflection point with the potential to shift the region's strategic direction in ways that are favorable to U.S. national security.[1]

At the same time, Trump's foreign policy took turns that were wildly inconsistent with conventional conservative principles. The U.S. relationship with North Atlantic Treaty Organization (NATO) allies plummeted when Trump took office. When candidate Trump delivered his "America First" speech, he called out alliance members for not meeting the minimum 2 percent defense budget benchmark. Then, as president, during a 2018 NATO leaders summit in Brussels, he threatened to withdraw from the alliance as he fumed that allies were "not paying their bills." Less than two years later, Trump took this a step further when he ordered the withdrawal of U.S. troops from Germany in retaliation for their lack of budgetary commitment.

Trump also took an unorthodox approach in his engagement with authoritarian regimes. After initial saber rattling over North Korea's nuclear weapons program, Trump attempted to befriend the man responsible for threatening the security of the United States with nuclear weapons,

1 General Kevin Chilton et al., "A Stronger and Wider Peace: A U.S. Strategy for Advancing the Abraham Accords." *The Jewish Institute for the National Security of America,* (2022): 5. https://jinsa.org/wp-content/uploads/2022/01/JINSA_Report_AbrahamAccords_v3-web-4.pdf.

threatening the existence of U.S. ally South Korea, starving his own people, and responsible for countless human rights abuses.

As inconsistent as Trump's foreign policy was, over time it has gained increasing traction with Republican elected officials. When Trump first threatened to withdraw from NATO, the House of Representatives passed the NATO Support Act with overwhelming bipartisan support. Only 22 Republicans voted against the bill. Compare this to April 2022, following Russia's invasion of Ukraine, when a similar bill in support of NATO came up for a vote. Then, 63 Republicans—or 30 percent of the Republican conference—voted no.[2]

Indeed, Ukraine has been a source of friction among conservatives. Trump's public comments have shifted from praising Putin's intelligence to calling for U.S. military action against Russia. They have also taken an isolationist approach. At the National Rifle Association's conference in May 2022, Trump questioned how the United States "has $40 billion to send to Ukraine" but cannot ensure security in schools. It was this type of comment that senators channeled when they voted on an aid package for assistance to Ukraine that same month. While the bill passed with broad bipartisan support, 22 percent of Republicans in the Senate voted against the bill as did 27 percent of Republican House members. Resonating with Trump's comments, Senator Josh Hawley (R-MO) rejected the bill claiming it "neglects priorities at home." Senator Bill Hagerty (R-TN), similarly stated that the Biden Administration is "pumping more aid into that country [Ukraine] when we're not taking care of our own country."

In his paper, Shaw notes that the conservative movement is not a monolith. There is a diversity of opinion within a Republican Party often at odds with one another. In a conversation for this paper, Bob Corker, former Chairman of the Senate Foreign Relations Committee, reflected that conservatives believe American leadership in the world makes our country safer. To Corker, Trump pulled some Republicans away from this and towards a populist foreign policy that he was able to act on as president.

The once timeless Reaganesque ideals of conservatism are at risk of showing their age. While Republicans still consider Reagan a better president than Trump[3], conservative elites need to have thoughtful conversations about how to reconcile Reaganism with Trumpism. Donald Trump's impact is too profound to dismiss as a blip in history, and the two must be reconciled. U.S. national security depends on it.

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2 Ashley Parker, Marianna Sotomayor, and Isaac Stanley-Becker, "Inside the Republican Drift Away from Supporting the NATO Alliance," The Washington Post (WP Company, April 30, 2022), https:// www.washingtonpost.com/politics/2022/04/29/nato-republicans-trump/.

3 "Republicans View Reagan, Trump as Best Recent Presidents," Pew Research Center, accessed July 7, 2022, https://www.pewresearch.org/fact-tank/2021/12/20/republicans-view- reagan-trump-as-best-recent-presidents/.

NATO's New Opportunity: U.S. Commitments in Europe after Russia's War in Ukraine

By Peter Rough

The administration of President Joe Biden likes to say that it got the war in Ukraine right. It not only anticipated the invasion but released highly specific intelligence that forestalled elements of Russian President Vladimir Putin's campaign—in the process restoring whatever credibility the intelligence community had squandered over the war in Iraq. This time it was Germany and France cleaning eggs off their faces—with French President Emmanuel Macron left to fire his head of military intelligence.[1] Once the operation got underway, so the story goes, the Biden team galvanized the West against Putin in a triumph of multilateral diplomacy.

But this is only a selective telling of the administration's performance. It obscures the truth that U.S. blunders made the war in Ukraine possible in the first place. After taking office in January 2021, President Biden pursued cooperation with Russia while neglecting deterrence, signaling a basic discomfort with hard power which Putin interpreted as weakness. This, more than any other factor, laid the groundwork for the very war in which the Biden Administration finds itself increasingly involved. Now that Putin has attacked, the United States should adopt the following seven principles in its policies toward North Atlantic Treaty Organization (NATO) and Europe.

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1 "French Intelligence Chief Vidaud Fired over Russian War Failings," BBC News (BBC, March 31, 2022), https://www.bbc.com/news/world-europe-60938538.

Principle #1: Stop treating Russia as a partner.

Under the rubric of "stable and predictable" relations, the Biden team made concessions to Moscow on key energy and arms control policies[2] while downgrading ties with those allies, from Poland to Turkey, most obviously in Russia's crosshairs.[3] Rather than meet with Ukrainian President Volodymyr Zelensky, Biden flew to Geneva to forge new ties with Putin. All along, the U.S. partnered closely with Russia on the Iran negotiations in Vienna.

This outreach was all the more baffling because Putin long ago dropped any pretense to cooperation. If Russia ever entertained its own version of China's "hide and bide" stratagem, Putin ended it with a major speech at the Munich Security Conference in 2007, when he openly declared his hostility to the West for all the world to hear.[4] In the intervening years, Putin undertook a variety of attacks on the international order, which the West countered with minor rebukes coupled to offers of cooperation. In the days before the invasion, former Russian President Dmitry Medvedev, deputy chairman of Russia's Security Council, captured the Kremlin's assessment of Western policies. The West would stand down in the event of war, he argued, because it believes "Russia is more important than Ukraine."[5]

Principle #2: Recognize the centrality of hard power and deterrence.

To make matters worse, the United States violated the basic precepts of deterrence. Instead of keeping Putin guessing, Biden took every opportunity to underscore that he would not defend Ukraine.[6] At the same time, the administration provided Ukraine with security assistance that fell short of what it considered necessary for the country's defense. So certain was the administration that Putin would steamroll into Kyiv that it offered to exfiltrate Zelensky just two days after the outbreak of war—an offer he rejected with the memorable phrase, "The fight is here; I need ammunition, not a ride."[7] By dropping ambiguity and neglecting the balance of power, the United States commit-

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2 Peter Rough and Tim Morrison, "It's Time for Biden to Get Tough on Russia," National Review (National Review, June 14, 2021), https://www.nationalreview.com/2021/06/its-time-for-biden-to-get-tough-on-russia/.
3 A. Wess Mitchell, "Biden Is Falling into the Same Trap with Europe as Obama," Foreign Policy (Foreign Policy, June 30, 2021), https://foreignpolicy.com/2021/06/30/biden-europe-trump-obama-central-eastern-germany-brussels-nord-stream-trans-atlantic/.
4 Russian Perspective, "Putin's Famous Munich Speech 2007," Youtube video, 30:46, November, 19, 2015, https://www.youtube.com/watch?v=hQ58Yv6kP44.
5 Julia Davis, Twitter post. February 21, 2022, 10:07 AM, https://twitter.com/JuliaDavisNews/status/1495777242307256321.
6 Jeff Mason, "Biden Says Putting U.S. Troops on Ground in Ukraine Is 'Not on the Table'," Reuters (Thomson Reuters, December 8, 2021), https://www.reuters.com/world/us/biden-says-putting-us-troops-ground-ukraine-is-not-table-2021-12-08/.
7 Embassy of Ukraine to the UK, Twitter post. February 26, 2022, 4:37 AM, https://twitter.com/UkrEmbLondon/status/1497506134692970499?s=20&t=AkSZLuVKv464xlQ6e6ceXg.

ted a basic error of international statecraft. By February 7, channeling the Athenians in Thucydides' Melian Dialogue, Putin felt sufficiently confident to tell Ukraine: "Like it or not, my beauty, you have to put up with it."[8]

Principle #3: Aim to win rather than manage confrontation.

Since the start of the war, the West has sought to limit the conflict rather than win it. This same political timidity has characterized the West for years, emboldening Putin to take greater and greater risks over time. As the analyst Keir Giles has observed, in the past "Russia has repeatedly achieved its objectives by exploiting the fact that Western states have prioritized ending conflict over achieving a satisfactory outcome in it."[9]

In Ukraine, the U.S. is committing the same conceptual error again. To date, it has retained control over Ukrainian ISR, placing certain targets off-limits, and refrained from providing Ukraine with long-range strike systems or cutting-edge unmanned aerial vehicles (UAVs) that could destroy Russian supply lines. The Biden administration casts this reluctance as prudence—the sort of self-restraint that is essential when facing off against a nuclear-armed superpower. As seen from the Kremlin, however, the Biden team is prepared to sacrifice victory in Ukraine to avoid a broader war with NATO that Putin has no intent, or ability, to wage. The lesson for Putin is obvious: the United States, when pressed, is susceptible to blackmail.

Perhaps Ukraine will defeat Russia, recapture its territory, and rebuild its economy with present levels of Western support. As of this writing, however, Ukraine is a no-man's land between Russia and the West—a killing field whose economic recovery is held hostage by Russian long-range fires and submarines. Unable to export through the Black Sea, its artery to the outside world, Ukraine has become a landlocked shell of its former self, wholly dependent on outside aid for survival.

Europe is now at war and in crisis—and locked in a test of endurance. It is foolish to assume that the West will provide large-scale support to Ukraine indefinitely. As the economic pain of recession grips both the United States and Europe, its determination to support Ukraine will flag. The Biden administration should aim for Ukrainian victory now, lest the window of opportunity closes.

Principle #4: Lead rather than coordinate the anti-Russia coalition.

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8 Michele A. Berdy, "A Russian Sleeping Beauty," The Moscow Times (The Moscow Times, July 26, 2022), https://www.themoscowtimes.com/2022/02/11/a-russian-sleeping-beauty-a76338.
9 Keir Giles, "What Deters Russia," Chatham House (Chatham House – International Affairs Think Tank, February 24, 2022), https://www.chathamhouse.org/2021/09/what-deters-russia.

In the high stakes setting of war, the leader of a coalition must define victory and assign missions and roles. By forging ahead, the United States gives purpose to the alliance and creates a slipstream for partners. Absent such leadership, its allies will compete over policy leadership, an environment ripe for exploitation by our adversaries. Worse, it may lead to the adoption of the lowest common denominator in a sort of weak multilateralism.

To be sure, the United States' European partners are broadly aligned in their rejection of Russia's invasion of Ukraine. Beneath the veneer of allied unity, however, lie differences in outlook and strategy. In mid-May, for example, Latvian Defense Minister Artis Pabriks described the Baltic states' trust in Germany as "close to zero" owing to Berlin's reluctance to ratchet up pressure on Russia.[10]

These disputes cannot all be resolved through consultation alone. If the United States had taken the firm decision at the start of the war to sanction Russian energy and deliver heavy weapons, our NATO allies would have followed suit. As Henry Kissinger observed in May, "We are now living in a totally new era"[11]—a reality which NATO's economic and military relationships should reflect. If the United States does not lead the alliance into this new era, no one will.

Most of all, American leadership depends on presidential engagement, which begins with building support at home. The president should regularly remind the American public of the stakes in Ukraine and why remaining committed to the country's defense is in the American national interest. A regular rhythm of presidential speeches will also strengthen allied resolve and Ukrainian morale.

Principle #5: Press Europe to improve its own defense.

Not only is Europe changing, so is its place in the world. In the span of a few months, Hungary's decision to hedge between Europe and Russia has damaged the unity of the Visegrad bloc while Polish-Ukrainian ties have blossomed into the closest partnership between any two states in the world. In northern Europe, the Nordic states are all members of the same alliance for the first time in modern history.

Meanwhile, the center of gravity in the international system is shifting from Europe to Asia-Pacific, with the threat of a Chinese invasion of Taiwan looming larger every day. This makes it imperative that Europe takes more responsibility for its own defense. The continued imbalance in transatlantic defense capabilities only feeds American

10 Edward Lucas, "Fresh Winds," CEPA (Center for European Policy Analysis, May 16, 2022), https://cepa.org/article/fresh-winds/.
11 Henry Kissinger, interview by Edward Luce, "We are now living in a totally new era," Financial Times, May 9, 2022, https://www.ft.com/content/cd88912d-506a-41d4-b38f-0c37cb7f0e2f.

cynicism and poisons the alliance.

For years, Germany, the largest power in Europe, has behaved like a putative chess grandmaster who thinks he can win a match with only a third of the pieces on the board. The war in Ukraine has now rattled Berlin. Almost overnight, Olaf Scholz, the German Chancellor, announced a 100-billion-euro special defense fund and promised to keep defense spending to at least 2 percent of gross domestic product indefinitely.

Germany's anticipated remilitarization is the major prize in Europe today. France will seek to co-opt these funds for its goal of EU strategic autonomy; by contrast, Eastern Europe will attempt to channel them into transatlantic structures. Stuck between Paris and Warsaw, Germany will need to exercise leadership and vision. The United States should nurture the reconstitution of Germany's strategic culture and military capabilities, including by offering it a greater leadership role at NATO.

Principle #6: Rethink NATO deployments and deterrence.

As it rebuilds its capabilities, Europe must also grapple with a transformed geography. Now is the time to shift the alliance eastward. By admitting Finland into the alliance, NATO will add 800 miles to its border with Russia. Meanwhile, Putin's transformation of Belarus into a satellite state has upended the security prospects of Poland and the Baltic states.

NATO has begun to take countermeasures, deploying eight battlegroups into Eastern Europe on a rotational, but not permanent, basis. Now that the Russian invasion of Ukraine has freed the West from its obligations under the NATO-Russia Founding Act, which limited deployments to Eastern Europe, NATO should begin moving the alliance eastward.

In extremis, NATO might even consider countering Russia's anti-access area denial (A2/AD) zone in Kaliningrad with similar measures in Lithuania or Gdansk, Poland. At minimum, its plans for the defense of the Baltics should be overhauled in light of the accession of Sweden, including its island of Gotland in the Baltic Sea, and Finland, a mere 25-mile flight from Tallinn, Estonia.

NATO must also grapple with a revolution in nuclear weapons strategy. In Ukraine, Putin has inverted the longstanding understanding of nuclear weapons as a defensive deterrent by resorting to offensive threats. The attack on Ukraine is already a blow to the nuclear non-proliferation regime, given that Kyiv's decision to surrender its nuclear weapons in 1994 has opened the door to its near destruction today.

Putin's inversion of nuclear norms constitutes another strike against non-proliferation. NATO must develop a response to these challenges, beginning in nuclear weapons innovation. The alliance must also prepare its response in the event Russia detonates a bomb, either for demonstration purposes or in Ukraine itself.

Principle #7: Weaken the anti-American bloc.

As awful as the war in Ukraine has been, it also affords the United States an opportunity to take a major enemy off the board for the near term. Russian war crimes in places like Bucha have shocked Europeans into agreeing to export controls and exploring new energy suppliers. If implemented, such economic measures will shift the military balance of power dramatically. The United States should seize the momentum created by Putin's newfound pariah status to isolate the Russian economy over the long run.

As Russia loses access to Western technologies, its intelligence services will double down on their efforts to steal tech components and intellectual property. Moscow will also seek to gain access to key technologies through commercial trade with third countries. The West must institute a plan to defend its industries against espionage and leakage. But it should also go on offense. For example, the woeful performance of Russia's weapon systems[12] in Ukraine imperils its defense trade.[13] The United States should encourage Russia's defense customers to consider new, more reliable suppliers for their militaries.

Of course, Putin's ace in the hole is China, with which he has forged a "no limits" partnership. It is unclear to what extent Putin can blunt a concerted Western sanctions campaign by turning to Beijing, but the United States should ensure that every cubic meter of gas or barrel of oil sold to China also fuels European resentment of the Chinese Communist Party. More than any other event, including the covid-19 pandemic, the war in Ukraine has alerted Europe to the dangers of China. Across NATO, U.S. allies are connecting Russia's aggression in Ukraine to Beijing's designs against Taiwan.

The United States may have bungled the lead-up to the war as well as its early days and weeks, but thanks to the heroism, toughness, and skill of the Ukrainian people, it has been presented with strategic opportunities. It should seize the moment before it fades, and our adversaries adapt. These seven principles light the path forward.

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12 "The Russian Defense Industry: A Distressed Brand," Hudson Institute (Hudson Institute, April 15, 2022), https://www.hudson.org/research/17754-the-russian-defense-industry-a-distressed-brand.
13 Vivek Raghuvanshi, "India Halts Ka-31 Helicopter Deal with Russia," Defense News (Defense News, May 16, 2022), https://www.defensenews.com/global/asia-pacific/2022/05/16/india-halts-ka-31-helicopter-deal-with-russia/.

NATO's New Opportunity: U.S. Commitments in Europe after Russia's War in Ukraine

A Response from Matthew Kroenig

This brief reflection on Peter Rough's essay focuses on seizing on the Ukrainian crisis as an opportunity to leverage European allies to advance U.S. global strategy.

The greatest strategic challenge facing the United States is that—for the first time in its history—it faces two, nuclear-armed, near-peer, revisionist dictatorships working together to disrupt and displace U.S. global leadership: China and Russia. The threat from China is most significant. As we have seen in Ukraine, however, Russia is also weak and dangerous. Moreover, these dictators are increasingly working together in a partnership that Xi Jinping and Vladimir Putin proclaim has "no limits."

The United States may be able to prevail over Russia and China on its own, but it will be much easier with allies and partners. Currently, the United States possesses roughly 23 percent of global gross domestic product (GDP) compared to China and Russia's combined 19 percent. Adding U.S. formal treaty allies to the equation, however, increases the free world's share of global power to nearly 60 percent. Working together, the free world still retains a preponderance of power to decisively shape global outcomes.

In recent years, however, European (especially Western European) allies have been unwilling to embrace and contribute their fair share to competition with China and Russia. However, Russia's aggressive war

in Ukraine has been a wakeup call in European capitals with global geopolitical implications.

I spent roughly one month in Europe in May and June of 2022 talking to allied officials in Berlin, Rome, Stockholm, and Copenhagen. All of the officials I spoke with either see Russia's war against Ukraine as a prelude to the possible threats posed by China or were able to concede the parallels between the cases when pointed out. They understand that a major war (including a possible Chinese invasion of Taiwan) is not an American delusion but something that is indeed possible in the 21st century. They also now feel viscerally the downside risks that come with economic interdependence with aggressive dictators.

There has been a major shift in European thinking and unprecedented Western unity in response to Russian aggression, but we are wasting it on Javelin missiles when we should be leveraging this moment to remake the global order in three ways.

First, Washington should use the crisis to persuade the European Union (EU) to join us in selective decoupling from China. While many European leaders recognized years ago the dangers of dependence on Russian energy, too few were willing to do anything about it. Following Russia's invasion, however, the West essentially made the decision to decouple from Russia in a matter of days. Washington can use the crisis to make the case that it would be much more effective to carefully and deliberately decouple from China over time rather than wait for an invasion of Taiwan to force another instant decoupling.

The global economy is at an inflection point. The post-Cold War era of globalization is over. We are entering a new era (much more similar to the Cold War) in which economic relationships will be ordered along strategic lines. Washington and Beijing are already decoupling from each other. America's efforts to reduce vulnerabilities with China, however, will be much more effective if Europe is on board. Washington's efforts to deny China sensitive technology, for example, will be futile if China can simply acquire similar technology from Europe and Japan. Europe is righty skeptical of a black and white approach to economic decoupling with China, but it can be persuaded of (and in some ways is already moving toward) a selective decoupling.

In a recent report, I propose a three-part framework for selective decoupling. First, in areas of sensitive technologies and other areas of national security concerns (e.g., synthetic biology, artificial intelligence, quantum, 5G, etc.), Washington and its allies need a coordinated and complete decoupling, including export controls, restrictions on inbound and outbound foreign investment, and other measures. Second, in industries where China is engaging in unfair trade practices but there are not national security concerns in play (e.g., the film in-

dustry), Washington and its allies should coordinate tariffs and countervailing measures to level the playing field. Third, the free world can continue largely unfettered economic exchange with China in other areas (e.g., toys, furniture, agriculture, treasury bonds, etc.).

Second, Washington and its European allies should revitalize and adapt global multilateral institutions for a new era. Europe is wedded to multilateralism and a rules-based system. They also see, however, that it is asinine to have Russia chair a meeting of the United Nations (UN) Security Council as it invades its neighbor. The UN system is broken; it gives too much weight to Russia and China. We need to reimagine multilateralism. We should strengthen existing bodies and create new institutions that bring together rule-of-law countries that support the U.S.-led order. Examples of the former include the Group of Seven (G-7), North Atlantic Treaty Organization (NATO), Quadrilateral Security Dialogue (the Quad), Australia, United Kingdom, and United States Security Agreement (AUKUS), and the U.S.-EU Trade and Technology Council. As I have argued in previous reports, possibilities for new bodies include a D10, an alliance of democracies, a democratic technology alliance, and a democratic trade and economic partnership.

Third, and finally, we need to enlist European allies in a whole-of-free-world defense strategy. European allies need to step up their efforts primarily in the defense of Europe, but they also have a role to play in the Indo-Pacific. In Europe, we should build on several recent, positive steps. Germany, Poland, Romania, Denmark, and others have announced meaningful increases in defense spending. Finland and Sweden are set to join NATO. The alliance is reinforcing the eastern flank. Washington should guide and encourage the acceleration of these efforts. The new NATO Strategic Concept should: renounce the Russia-NATO Founding Act; shift defense posture from tripwires and reinforcement to permanent heavy forces; and strengthen NATO's nuclear posture. European allies can and should also contribute to deterring China in the Indo-Pacific. In particular, NATO should release a statement affirming a commitment to peace and stability in the Taiwan Strait and threatening severe consequences for China in response to any aggression. In addition, all NATO members should follow Denmark's lead and send forces (such as a platoon of special operations forces) to participate in the Rim of the Pacific Exercise (RIMPAC). Beijing needs to believe that aggression in Asia would result in a rupture with the entire free world.

Putin's unprovoked aggression in Ukraine is a tragedy. But, one should never let a good crisis go to waste. Washington should leverage the war in Ukraine to incorporate Europe into a free world strategy to beat both Russia and China.

NATO's New Opportunity: U.S. Commitments in Europe after Russia's War in Ukraine

A Response by Amanda Rothschild

Russia's barbaric invasion of Ukraine has to date resulted in the deaths of tens of thousands, displaced millions, and ignited a major war of aggression on the European continent for the first time since World War II. Responsibility for this conflict rests squarely on Russian President Vladimir Putin. Yet, the tragedy of this war is nevertheless made more profound because of several policy decisions by the Biden Administration in the preceding months. These decisions weakened deterrence, undermined eastern flank partners, and prioritized optics over substance. The foreign policy community in both political parties must learn the appropriate lessons from the lead up to this war in order to prevent similar mistakes in the future and develop an approach toward Europe and the North Atlantic Treaty Organization (NATO) that advances American national security and prosperity.

Peter Rough's essay rightly highlights several missteps on the course toward war: the Biden team's misguided concessions to Moscow on energy and arms control; alienating Poland and other Eastern European partners; and the President declaring that the United States would not send troops to defend Ukraine (a choice that may have been prudent but need not have been public). Still, the failures may have been even worse. Indeed, they constitute a larger strategic doctrine and worldview that, if continued, will result in similarly detrimental consequences for the United States, its allies, and its partners around the world.

The failure of deterrence in the case of the war in Ukraine was multifaceted. In particular, the decision to waive congressionally-mandated sanctions on the Nord Stream 2 pipeline in May 2021, early in the Biden presidency, undermined deterrence in several significant ways. In practical terms at the time, the move empowered the energy pipeline to proceed to full completion, making Europeans more dependent on Russia for their energy needs and increasingly vulnerable to Russian coercion. The Nord Stream 2 project, once operational, would also importantly remove a significant revenue source for Ukraine. Symbolically, the decision demonstrated a willingness to prioritize good relations with Germany over the security of the United States, NATO, and eastern flank countries. With this decision, the United States signaled that it would not stand up to Putin or Germany in order to defend partners on the frontlines of the threat from Russia. Events have consequences beyond their proximate effects, and the message of the Nord Stream 2 greenlighting was clear and resonant.

This decision was emblematic of a worldview that places a high priority on cocktail party diplomacy and virtue signaling over substance. President Biden's first trip to Europe in the summer of 2021 in many ways portended what was to come in this regard.[1] As Wess Mitchell has argued, early on the Biden team appeared poised to repeat the Obama presidency's favoring of a "European core centered on Berlin and Brussels" while neglecting central and eastern partners.[2] During the trip, President Biden stressed his message that "America is back," implying that it was absent during the Trump years, and emphasized the U.S. commitment to Article 5 of the NATO charter, the collective defense clause. This approach valued rhetoric over reality.[3] The substantive policies—waiving Nord Stream 2 sanctions, favoring elite capitals, and avoiding tough conversations with allies—reflected the opposite of American leadership.

We should assume that the Biden team genuinely believed in the virtue of their approach. According to their worldview, the public appearance of friendly relations, or maintaining harmony among the right folks, was more important than pressuring key allies to improve military readiness or urgently confronting growing threats from Russia and China.

Under this doctrine, political correctness is of the highest value even when it comes at the expense of doing or saying what is necessary—

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1 Amanda J. Rothschild, "Rhetoric Divorced from Reality: Deciphering Biden's Foreign Policy Philosophy," The National Interest (The Center for the National Interest, July 8, 2021), https://nationalinterest.org/feature/rhetoric-divorced-reality-deciphering-biden%E2%80%99s-foreign-policy-philosophy-189250.
2 Mitchell, "Biden is falling into the same trap with Europe as Obama,".
3 Rothschild, "Rhetoric Divorced from Reality: Deciphering Biden's Foreign Policy Philosophy,".

but perhaps unpopular. It is a doctrine of successfully executed conferences, communiqués, and, yes, cocktail parties. These are no small matters to those in their dogged pursuit. We see this phenomenon often in public life on a smaller scale. Yet, in the precarious world of power politics, it is as dangerous as it is morally bankrupt.

The alternative view is that appearances and popularity (with the "right" people and places) are less important than saying and doing what is necessary to accomplish hard goals—perhaps the simplest definition of leadership. In this view, persistent pressure for improved capabilities strengthens not weakens a military alliance. An effort to bolster burden-sharing in the interest of confronting and prevailing against major national security threats from China and Russia is perceived as empowering U.S. alliances, not undermining them. You cannot have an Article 5 without an Article 3, the obligation to maintain individual and collective defensive capabilities.

We should not be flippant about the contrast between these two worldviews. They are indeed representative of conflicting approaches to world affairs, and the latter approach is necessary for the United States to prevail in an era of great power competition. America's approach to Europe, and to Asia, should be grounded in promoting strong, sovereign, and independent partners. Ukraine, Poland, and other eastern flank European nations appear on board with these aims. We can hear echoes of Winston Churchill's "Give us the tools, and we will finish the job"[4] in Volodymyr Zelensky's pleas for weapons—not an evacuation plan—to defeat the Russian invaders.

These are practical matters, not rhetorical ones. Energy independence for the United States and our partners is vital to national security. Nord Stream 2 should not have proceeded. Our relationship with Germany would have endured. Germany has been slow to cooperate in confronting threats from China as well, despite its genocidal past,[5] and the Biden team has at times prioritized climate initiatives over tough policy toward China—our greatest national security threat—and its abuses in Xinjiang. True American leadership would include being direct with Germany in what will be required to confront China in this new era and recognizing that security interests vis-à-vis China must be the first priority for the United States. Much ink has already been spilled on the poorly executed Afghanistan withdrawal and how it revealed alliance tensions and weakened deterrence. Still, it is worth remembering how the "America is back" refrain rang hollow in that

4 Winston Churchill, "Give Us the Tools" (speech, London, UK, February 9, 1941), America's National Churchill Museum, https://www.nationalchurchillmuseum.org/give-us-the-tools.html.
5 Amanda J. Rothschild, "Why Is Germany-with Its History-Enabling China's Genocide?: Opinion," Newsweek (Newsweek, December 13, 2021), https://www.newsweek.com/why-germany-its-history-enabling-chinas-genocide-opinion-1658289.

case too, as our friends scrambled in literal and figurative darkness to adjust to U.S. actions.

Rough makes several prudent suggestions for U.S. policy in the months ahead: the United States should be clear-eyed about threats from Russia; help the Ukrainians achieve victory in the conflict, not stalemate; encourage NATO allies to invest in defense; reassess NATO deployments and posture; and take advantage of the opportunity to weaken the Russian regime. These are all smart policies that will help the United States. However, we must also recognize that an underlying worldview is guiding the Biden team's approach, and it is in vital need of a course correction.

Moving forward, the United States must also be honest and direct with our friends: we all may need to sacrifice economic relations with China for the sake of transatlantic security. Our Eastern European partners, poorer than the nations of Western Europe and yet more deeply committed to investing in defense, deserve our attention, coordination, and support. The Russian invasion has galvanized European nations to unite against the Kremlin, and it may also awaken them to the threat from China amid the growing Russia-China axis. The United States must continue to highlight this threat and pressure allies to confront the harsh realities of great power politics. We should be united in our support for patriotic partners—like Ukraine—who are willing to defend their homelands. The United States will likewise need to work creatively with nations such as India, Vietnam, and other likeminded partners to secure common interests and goals.

The siren song of cocktail party diplomacy is as dangerous as it is alluring in some corners of the world. A shared enemy often brings unlikely allies together in common defense. For a time, it appeared as though the Russian invasion would unite a divided Europe against Russia (and China). How long these tenuous bonds will hold remains uncertain. Several European nations are pushing Ukraine to make concessions in the war. The United States must assume a leadership role not just in words, but in action. Matters of war and peace demand strong and courageous—and at times difficult—conversations and policy decisions. American leadership with allies should be grounded in shared interests—not simply appearances—in all regions of the world.

Energy, Climate Change, and National Security

By Bob McNally

A silver lining to the present mayhem in energy markets, policy, and geopolitics is an opportunity to reassess and reform our energy policies to protect our economy, national security, and environment. It is becoming abundantly clear that our current policy approach is spectacularly failing on all accounts. A better strategy has three components: 1) putting our own house in order by correcting policy errors and enacting sensible policies; 2) leveraging our abundant energy resources to create an arsenal of energy to assist our allies and confront adversaries; while simultaneously 3) addressing climate change with sound and serious policies at home and leadership abroad. The following recommendations draw heavily on three recent reports produced by the Forum for American Leadership's Energy Working Group.[1]

Put Our Own House in Order

The United States must ensure that energy policy supports the ample, secure, and affordable energy, predominantly hydrocarbon, resources that modern civilization and national security require while addressing externalities associated with all forms of energy. Hydrocarbon energy (oil, gas, and coal) lifted humanity from millennia of squalor and

1 Forum for American Leadership, "Eight Necessary Steps to Defend U.S. Critical Energy Infrastructure from Cyberattacks," https://img1.wsimg.com/blobby/go/1d008308-a2e8-48d3-ac4d-11267653d021/Defense%20Against%20Cyber%20Attacks%20on%20Critical%20Ener.pdf; Forum for American Leadership, "Blueprint for a Sound and Serious Climate Policy," https://forumforamericanleadership.org/climate-blueprint; and Forum for American Leadership, "Creating an Arsenal of Energy," https://forumforamericanleadership.org/arsenal-of-energy.

will remain the lifeblood of modern civilization for the foreseeable future. Hydrocarbons account for 80 percent of our primary energy resources and are essential for healthy transportation, electrification, heating, light, and industrial sectors. Policymakers can assist the private sector in providing energy by addressing the following challenges:

Remove unnecessary obstacles to energy production and infrastructure and provide certainty to investors. Reverse President Biden's deeply irresponsible cancellation of the Keystone XL pipeline and abolish the requirement for a national interest permit for any cross-border energy infrastructure projects unless the president finds that it would gravely imperil the national security of the United States. Modernize and improve the leasing and management of the federal estate to ensure that taxpayers realize the full and complete benefit of the resource base of the United States. Amend the National Environmental Policy Act to enforce timelines and provide expedited permitting for critical national security energy projects.

Reduce ruinous oil price volatility. The return of extreme oil price volatility over the last twenty years stems from the absence of an effective and durable swing producer. Wild oil price volatility threatens investment not only in the energy sector but hammers the broader economy and confounds defense, monetary, and budgetary policymaking.[2] The United States should engage with allies such as Saudi Arabia, the United Arab Emirates, and other friendly swing producers to encourage ample maintenance of spare production capacity in the global oil market and sound use of swing production. While shifting resources to address the threat from China, the United States will continue to have a vital interest in the security and stability of the Arabian Gulf region, which will remain the world's most important source of oil.

Reverse the short-sighted and dangerous policy of draining our Strategic Petroleum Reserve (SPR) and fill it to its maximum of one billion barrels. Recent history has proved being a net oil exporter does not protect us from wild oil price volatility stemming from large geopolitical disruptions in global oil supply. Congress' decision to sell off the SPR to pay for non-energy expenses along with President Biden's illegitimate use of the SPR for price control must be reversed. As long as spare production capacity remains tight and geopolitical risk high, the United States and other importing nations will need to hold and, at times, use strategic stocks to offset emergency supply disruptions and attempts by hostile producers to damage the economy.

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2 Robert McNally, *Crude Volatility the History and the Future of Boom-Bust Oil Prices* (New York, NY: Columbia University Press, 2017).

Bolster deterrence and defense against underappreciated cyber threats to critical energy infrastructure. A prolonged disruption in energy flows caused by foreign cyberattackers could quickly inflict catastrophic harm to American lives, health, and national security. The May 7, 2021, Colonial Pipeline cyberattack highlighted the importance of engaging in strategic deterrence against future, potentially catastrophic, attacks on our critical energy infrastructure and exposed significant national security gaps that require timely legislative and executive branch remedies. Congress must work with the executive branch to take robust steps to deter and punish cyberattacks on critical energy infrastructure while preparing the country to manage future attacks better than it did in May 2021. Actions to date have fallen far short.

Additional steps should include:

- Toughen penalties and sanctions for foreign cyber attackers who target critical energy and other vital U.S. infrastructure.
- Deter, preempt, and punish foreign cyber attackers targeting U.S. critical energy infrastructure as it would Al Qaeda, ISIS, or any other similar foreign-based terrorist planning or using weapons of mass destruction (WMDs) to inflict catastrophic harm to the homeland.
- Require the president to notify Congress of countries that support cyberattackers who have, are, or are likely to plan or execute cyberattacks against critical energy infrastructure.
- Bolster our active defense, persistent engagement between the executive and legislative branches and with our allies and defend-forward efforts.
- Declare it shall be the policy of the United States to regard any future attempts to disrupt or dismantle U.S. critical energy infrastructure by cyber attackers an act of aggression that shall warrant swift and commensurate retaliation against the attackers and any foreign governments deemed to sponsor them.
- Spend more money on human capital and training for public-private cybersecurity programs, which will improve the government's capacity to help companies that are managing critical energy infrastructure assets.
- Require critical energy infrastructure owner-operators to immediately inform the federal government of major cyber or any other type of attacks that could impact domestic supply. Reporting mandates should protect the identity of reporting

organizations and provide liability and regulatory protection.

- Require the owner-operator of a critical energy infrastructure asset to consult and obtain the permission of the appropriate federal authority before taking any discretionary action that could threaten the economy or national security, including the prolonged shutdown of energy flows. Provide an exception in cases when operators do not have sufficient time to consult with federal officials, i.e. to prevent a chain reaction, leak, or staving off an ongoing attack. In the case of foreign attacks on vital energy infrastructure that could quickly inflict catastrophic damage to the homeland, the federal government must have the final say about whether to implement any prolonged, discretionary shutdown of critical energy flows.

Become an Arsenal of Energy

Russia's invasion of Ukraine has roiled global energy markets, spawning oil and gas price spikes that threaten economic growth and geopolitical stability. Moscow's war of choice may instigate the most severe energy crisis since the 1970s. The United States must leverage its vast energy resources and technological prowess to protect our economy and become an Arsenal of Energy for allies threatened with authoritarian aggression.

The United States should:

- Reject calls to ban energy exports, which would raise energy prices at home and abandon our allies.
- Approve every liquid natural gas (LNG) liquefaction project currently before the Department of Energy.
- Amend the Natural Gas Act of 1938 to eliminate the public interest determination for LNG exports to non-Free Trade Agreement countries.
- Consider loan guarantees, co-funded with European countries, to expedite the construction of LNG liquefaction and regasification facilities.
- Enact a streamlined permitting process for mineral extraction and processing in the United States to bolster our competitiveness against established producers in China.

Implement a Sound and Serious Climate Policy

The climate is warming and human activities, principally accumulating carbon dioxide from hydrocarbon combustion, exert a physically

small but growing effect upon it. While the science is far from settled regarding how the climate will change under human influences and

the net economic and environmental impacts of those changes, the issue requires a serious and sound policy response.

The prevailing narrative held by the current administration and many activists is ineffective, unscientific, and endangers America's economic growth and national security, as well as the environment that it claims to protect. It distorts the science, advocates for massive central planning to achieve impossible and ruinous targets, and endangers the economy and national security.

A sound strategy would leverage practical but serious policies to address the real risks posed by human impacts on the climate while protecting economic freedom, a healthy economy and environment, and national security as well as providing adequate energy to those who need it.

That strategy should include steps to:

Depoliticize and accurately represent the science and technologies. The foundation of any sound and serious climate policy must be complete, transparent, and unbiased descriptions for non-experts of the scientific understanding of climate and human effects upon it. Given the rampant bias and intimidation, it is not surprising that the popular perception of what the science says is quite different from what the actual science says. There is scientific consensus that the climate is warming. Human activities contribute a physically small, but growing, warming influence on the climate, principally by consuming hydrocarbon energy.

However, as the veteran climate scientist and President Obama's Undersecretary for Science at the Department of Energy Steven Koonin (among others) has noted, the science is far from settled about past human contributions to climate and is incapable of producing useful forecasts of future warming, much less human influences upon it.[3]

The problem is that while the scientific research is typically transparent, rigorous, and objective, the government summaries that inform non-experts in the media, government, and citizenry are not. The U.S. government should subject summaries of the science to the same objective, rigorous peer-review that the actual science enjoys.

Additionally, the United States should:

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3 Steven E. Koonin, *Unsettled: What Climate Science Tells Us, What It Doesn't, and Why It Matters* (Dallas, TX: BenBella Books, 2021).

- Sustain and enhance funding for scientific observations of the earth's climate system.
- Require that authors of Summaries for Policy Makers (SPMs) of the United Nations Intergovernmental Panel on Climate Change (UN IPCC) reports be selected by independent, non-government experts and scientists without conflicts of interests.
- Require disagreements arising in the peer-review of assessment reports to be resolved by an independent referee, as is the case for research papers, instead of allowing the assessment report's authors to discard criticisms without explanation, as is the case now.
- Require UN and U.S. assessment reports to undergo a formal review by a group of independent climate experts tasked with challenging the assumptions, conclusions, and presentation, probing for weak spots, distortions, and exaggerations. Require report authors to rebut any points raised.

Beyond that, we must:

Consider all strategies based on cost-benefit analyses. This should include mitigating or reducing emissions; geoengineering or enhancing the earth's reflectiveness and removing carbon from the atmosphere; and adaptation to live, if not thrive, within a future climate. Assess each priority based on cost-effectiveness and national security as well as economic and environmental impacts. Any mitigation strategies should include an emphasis on promoting technological innovation and market-based policies instead of imposing mandates, taxes, and restrictions on consumers and businesses.

Ensure policymakers have thorough, transparent, and accurate data and analysis. To allow for cost-benefit analyses, the International Energy Agency (IEA) must resume business-as-usual or Current Policies Scenarios that assume only existing policies in its long-term energy forecasts. Require the IEA and Energy Information Administration to conduct energy market "stress tests". Require UN and U.S. official analyses and their summaries to consider both the positive and negative economic impacts of various climate projections, including costs.

Prevent dependence on Chinese controlled critical minerals. Officials, investors, and companies are moving aggressively to shift away from petroleum and the internal combustion engine to electric vehicles and batteries. While the commercial viability of this plan remains to be seen, its ultimate success depends on voluntary and unsubsidized mass adoption of electric vehicles and the expansion of the electric grid and electric vehicle charging infrastructure. Should vehicle elec-

trification accelerate, U.S. and global dependence will increasingly shift from OPEC+ oil reserve holders to China, which currently dominates the electric vehicle supply chain. U.S. policy must ensure neither China nor any other power can dominate core global energy systems, including transportation.

To those ends:

- Congressional leadership should prioritize critical minerals legislation. Enact legislation that would force defense contractors to stop buying rare earth-enabled products from China by 2026 and use the Pentagon's Defense Logistics Agency to create a permanent stockpile of rare earth minerals.
- Smooth the path for companies to open new mining production and refining facilities. Currently, U.S. companies must overcome numerous permitting hurdles and sparse sources of financing for upstream projects, leaving them less competitive against established producers in China.
- Prioritize domestic development and direct any foreign assistance for clean energy-mining towards friendly and stable sources of supply, particularly U.S. allies like Australia and Canada and partners in Latin America.
- Create a streamlined permitting process for mineral extraction and processing in the United States. A major reason for the lack of domestic mineral processing facilities is the difficult, costly, and time-consuming process involved.

Foster innovation and harness free enterprise. Given their poor historical track record, governments should not be picking winners in the economy, especially in the energy sector. Any policy responses should be fuel- and technology-neutral and account for market forces.

- Congress should repeal tax benefits and outlays benefitting mature but uneconomic technologies and redirect any future tax benefits and outlays toward activities that the private sector may bypass, such as basic science and strategic endeavors, including work on minerals dependence and nuclear energy, with the potential for disproportionate security benefits.
- Should fuel switching policies be required, all energy sources should be on the table including nuclear, natural gas, fusion, hydrogen, and advanced biofuels.

Legislate on climate at home and lead abroad. Congress should lead the debate and enact domestic and international climate policy. The current approach led by the executive and judicial branches yields

only transient, legally vulnerable, and easily reversible domestic and foreign policies. The Senate should ratify any international energy or environmental agreements in which the president has joined.

The text of the 2015 non-binding Paris Agreement includes unwarranted alarmism and unrealistic targets. The United States should push for changes that would strengthen the agreement by depoliticizing science, embracing all strategies and fuels, leveraging sound principles, and clearly messaging that the purpose of the agreement is not to establish transfer payments from wealthy countries to poorer ones.

- An improved Paris Agreement should be submitted to the U.S. Senate for ratification, ensuring that U.S. climate policy enjoys a strong and durable political and legal foundation.
- U.S. negotiators should insist that China and other major countries similarly enact legally binding, verifiable policies to backstop their international commitments. The United States must develop both cooperative and non-cooperative methods to verify other countries' emissions reductions.

The Technology Dilemma: Tool of American Leadership or Threat to Conservatives?

By Richard Fontaine

Imagine it is October 1973. Henry Kissinger convenes the National Security Council to discuss U.S. responses to possible Soviet military action in the Middle East. As the discussion kicks off, a participant suggests raising the military readiness level to DefCon III. The principals look on, dumbstruck. "DefCon?" one asks. "Something to do with nuclear weapons, I think," says another. "Don't the missileers handle that?" Another said he could not engage in the discussion because he has never really understood how a nuclear weapon works. A third said he did not either, but his grandkids seem to spend all their time focused on nukes. The NSC decides to ask the technicians what to do.

A ridiculous counterfactual, of course. Nuclear weapons were central to superpower rivalry during the Cold War, and fluency with the concepts behind them was a *sine qua non* of policymaking in that era. Policymakers need not have been technical experts, but they had to understand the role nuclear arms played in U.S. and Soviet foreign policy. (Nixon did order a move to DefCon III during the Yom Kippur War.[1])

All analogies are flawed, and this one is particularly crude.[2] Today, however, as one discerns a growing but still insufficient focus on the

1 The Soviets stayed out of the war. Precisely why remains a matter of debate among policymakers and historians.

2 For the case against a dogmatic application of historical analogies, see: Richard Fontaine and Vance Serchuk, "Pick Your Prism," POLITICO (POLITICO Magazine, November 28, 2014), https://www.politico.com/magazine/story/2014/11/pick-your-prism-113162/.

role of technology in foreign policy, there are faint echoes. Technology has already emerged as a central domain of international competition, and national security policy is belatedly catching up. While it does, other countries are on the march, with deep implications for American interests and values.

China, for instance, was once dismissed as a tech imitator, not an innovator. No more. It has pulled ahead of the United States in facial and voice recognition, 5G technology, digital payments, quantum communications, central bank digital currency, and the commercial drone market.[3] Beijing's Digital Silk Road remains active as does its attempted dominance of technical standards setting. Autocracies like Cuba, Iran, North Korea, Russia, and Venezuela are weaponizing technology and employing it for illiberal ends—to surveil their populations, spread propaganda and disinformation, and restrict free speech. Autocracies and private actors are using technology to sow division in democracies, undermine elections and trust in institutions, and steal information and intellectual property abroad.[4]

For too long, U.S. approaches to technological questions have been ad hoc, poorly coordinated with like-minded countries, and left to technology experts to sort out. Given the high and rising stakes, however, this will no longer do. The countries that shape the use of emerging technologies such as artificial intelligence (AI), quantum computing, biotechnology, and next-generation telecommunications will have an economic, military, and political advantage for decades to come. In today's competitive global environment, technology is too important to be left to the technologists.

State of the Art

Conservatives of different stripes have focused in recent years on the roles played by "Big Tech" in American political and everyday life. They debate the possible censorship or downgrading of particular perspectives, the effect of omnipresent devices on American children, and the concentration of market power in a small number of very large firms. These debates will continue. But the internationalists among them should discern, in technology's emergence as a primary vector of geopolitical competition, the need for American leadership.

Consider one aspect of this competition: the use of technologies by autocrats to better surveil and control populations. Chinese authorities

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3 Sections of this essay draw on: Jared Cohen and Richard Fontaine, "Uniting the Techno-Democracies," Foreign Affairs, October 13, 2020. https://www.foreignaffairs.com/articles/united-states/2020-10-13/uniting-techno-democracies.

4 Portions of this essay also draw on: Richard Fontaine and Kara Frederick, "The Autocrat's New Tool Kit," The Wall Street Journal (Dow Jones & Company, March 15, 2019), https://www.wsj.com/articles/the-autocrats-new-tool-kit-11552662637.

have used big data tools to detect departures from "normal" behavior among Muslims in Xinjiang—and then to identify each supposed deviant for further state attention. Officials have collected DNA samples from ethnic Uighurs and studied whether they can use DNA to create images of people's faces. Moscow has installed thousands of cameras with facial-recognition technology, and it can match faces of interest to photos from passport databases, police files, and even VK, the country's most popular social media platform. Venezuela developed a "fatherland card," equipped with smart chips, that is necessary to access government services. According to Human Rights Watch, the card may capture voting history, and the data the system generates is stored by Chinese company ZTE.[5]

Then there are the attacks on democracies abroad. Cyberattacks on campaigns and related election infrastructure are by now well-known. Over the past few years, however, the use of technology by autocracies has grown more sophisticated. Russia's Internet Research Agency, for instance, reportedly used microtargeting during the 2016 U.S. presidential race, harvesting Facebook data to craft specific messages for individual voters based in part on race, ethnicity, and identity. Since then, Moscow has used bots and other means of amplifying far-left and far-right groups in the United States, hoping to sow division. And governments are learning from one another: the October 2018 murder of journalist Jamal Khashoggi, for example, prompted a surge in social media messaging from pro-regime Saudi bots.

More attacks are on the way. The rise of deepfakes nearly indistinguishable from genuine audio, photos, or video will allow autocracies to better spread disinformation. AI-driven applications will allow authoritarians to analyze patterns in a population's online activity, identify those most susceptible to a particular message and target them more precisely with propaganda. The next generation of natural language processing tools will become more sophisticated as advances in machine learning accelerate. Applied by the wrong regime, they can be combined with other data to assess an individual's trustworthiness, patriotism, and likelihood of dissenting.

Democracies, Unite

The United States and democracy-inclined populations retain key advantages in a world riven by high-tech illiberalism and other tech dangers. First is the development of countermeasures at home and abroad. During demonstrations in 2019, for example, protesters in Hong Kong relied on the Reddit-like website LIHKG to communicate with fellow dissidents. They used the crowdsourced web-mapping ser-

5 Fontaine and Frederick, "The Autocrat's New Tool Kit."

vice HKmap.live to avoid police and even the dating app Tinder to recruit new pro-democracy activists. Russian opposition members developed a "protest navigator" on Telegram and bots that identify police locations during marches. Services like Bridgefy, which employs Bluetooth and mesh networks, can link devices without using the internet, getting around a government shutdown. Deepfake detection tools can help spot disinformation, and data pollution techniques can frustrate autocratic attempts to profile potential dissidents. In this cat-and-mouse game, both the U.S. government and the private sector will need to remain on the leading edge of innovation.[6]

The second advantage resides in the rising attention tech issues have received in U.S. national security policy. Congress is considering a number of bills that would spend billions to fund technology research and development (R&D), reshoring efforts for semiconductor production, and de-risking tech supply chains. The current administration established a deputy national security advisor for cybersecurity and emerging technology, and the State Department is launching a technology bureau of its own. The Department of Commerce is pushing for technology cooperation among like-minded countries. The U.S. government has catching up to do—and challenges remain in working with the private sector—but it is moving in the right direction.

Then there are the diplomatic opportunities. There are today a number of "techno-democracies" (countries with top technology sectors, advanced economies, and a commitment to liberal democracy) that in combination exceed the economic weight and geopolitical heft even of China and Russia combined. So far, these leading states have acted mostly independently, but that is starting to change. Last year, the Group of Seven (G7) leaders issued a joint statement that addressed issues like artificial intelligence and standards-setting, and the members went on to pledge a "values-driven digital ecosystem." The United States and European Union established a Trade and Technology Council, with the aim to "write the rules of the road for the economy of the 21st century." The North Atlantic Treaty Organization (NATO) has launched a civil-military Defense Innovation Accelerator for the North Atlantic and established a NATO Innovation Fund, and the Quadrilateral Security Dialogue (Quad) established a Critical and Emerging Technology Working Group to coordinate approaches to technology policy.

This momentum is largely positive, but there remains a long way to go. As the initial dispute over Huawei demonstrated, disjointed

6 Richard Fontaine and Kara Frederick, "Democracy's Digital Defenses," The Wall Street Journal (Dow Jones & Company, May 8, 2021), https://www.wsj.com/articles/democracys-digital-defenses-11620403161.

responses to technological threats risk isolating democracies without having built consensus. Across the Atlantic, the United States and Europe prioritize the common values of free speech and privacy differently. The establishment of numerous new technology councils and working groups is similarly a positive sign, but their proliferation also risks creating a patchwork of uncoordinated mechanisms.

Partly as a result, several proposals have emerged for an alliance of techno-democracies – a T12 or other informal groupings of states that would harmonize their approaches to technology.[7] Here, governments could update one another on the security of supply chains, particularly in critical sectors such as semiconductors, where China aims to dramatically reduce the portion of the market currently controlled by American, Dutch, and Japanese firms. They could conduct audits of supply chains that cross international boundaries, especially those that include Chinese-made components or software. Members could compare their assessments of the risks of China's 5G technology and promote a transition to Open Radio Access Network (O-RAN), which relies on open interfaces—and would allow multiple vendors to supply the market. They could also regulate the use of blockchain to ensure the integrity of supply chains in sectors like defense manufacturing and medical equipment and to harmonize approaches to digital currencies.

These constitute just a fraction of the issues in which the United States should take a leadership role. Washington should join like-minded democracies to examine advances in quantum computing, investigate AI safety, and share strategies for preventing the theft of intellectual property. It should seek a dominant role in setting standards for the use of emerging technologies like facial recognition software, including its proper role in the criminal justice system and the protocols that should govern data collection. Where capital markets allocate insufficient resources to innovation necessary for national security, Washington could explore funding for R&D in areas like quantum computing, cybersecurity, 3-D printing, potentially unbreakable encryption methods based on quantum mechanics, and microscopic sensing technology. It should also pursue a digital trade agreement in the Indo-Pacific, where the U.S. lack of trade policy amounts to a strategic-level weakness.

7 Cohen and Fontaine, "Uniting the Techno-Democracies," and Martijn Rasser, et. al., Common Code: An Alliance Framework for Democratic Technology Policy, Center for a New American Security, October 21, 2020: https://www.cnas.org/publications/reports/common-code.

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Defining conservative internationalism can be dicey, and there is no one agreed-upon definition. Yet there are principles most adherents embrace, most of the time, including a strong national defense, solid alliances, free trade and a generally open international economic system, a bias in favor of democracy and human rights, and a belief in American exceptionalism and the necessary role of U.S. global leadership. This approach to U.S. foreign policy has been under clear domestic pressure in recent years.

It is under even more stress outside American borders. Doubts about American leadership have risen while the number of democracies has declined. Questions about U.S. willingness to defend its values and even its interests abound, and every aspect of technology today is contested.

As a result, as in so many domains, American leadership in technology is required to build the world we seek—more secure, increasingly prosperous, freer, and one in which individual rights have priority over the state, rather than the other way around. That world will not arrive on its own, nor pursuant to the aims of other great powers, nor as the bequest of friendly allies working entirely on their own. Here, the United States really is the indispensable superpower.

Optimism and ambition should be the watchwords. The United States possesses everything it needs to lead and outcompete adversaries in this ever more important area of global competition. Time to get on with it.

The Technology Dilemma: Tool of American Leadership or Threat to Conservatives?

A Response from Matthew Continetti

"The countries that shape the use of emerging technologies such as AI, quantum computing, biotechnology, and next-generation telecommunications," writes Richard Fontaine, "will have an economic, military, and political advantage for decades to come." The situation he describes is not a pretty one. In the brave new world of the 21st century, autocrats exploit technologies for surveillance and propaganda, launch cyberattacks against the United States and its allies, and research deepfakes and machine learning to undermine freedom and sovereignty.

Fontaine warns that China "has pulled ahead of the United States in facial and voice recognition, 5G technology, digital payments, quantum communications, central bank digital currency, and the commercial drone market." He urges democratic policymakers to employ countermeasures, adopt a whole-of-government approach to technological competition, and work across borders to create a "values-driven digital ecosystem." It will not be easy.

Neither the foreign nor the domestic environment is friendly to the tech industry. China has its "national champions," such as Huawei, TikTok, Alibaba, and Tencent, which seek to corner the global market. The American Left is hostile toward "Big Tech" as a source of income inequality, corporate concentration, and disinformation. The American Right, meanwhile, ought to be committed to technological

advancement that deters China and spurs American economic growth and domestic employment. And yet, as Fontaine points out, conservatives are fighting what they perceive as "Big Tech's" censorship, malign influence on childhood development, and monopolistic practices.

Fontaine's bracing paper sent me scurrying to Ronald Reagan for guidance. Although both the world and technology have changed since Reagan lived at 1600 Pennsylvania Avenue, the 40th president is nevertheless an example of a chief executive who saw American technology as an asset rather than a liability. He incorporated technology not only into his public philosophy but also into his defense strategy. Four decades later, President Reagan's statements and policies continue to lend inspiration and direction for Americans engaging in great power competition with a new set of dangerous rivals.

Anyone who revisits Reagan's thoughts on technology will be struck by his positive attitude. He believed that technological progress occurs when individuals are free to pursue their dreams. He often reminded his audiences of the numerous innovations that had made life less burdensome for Americans in the years since he was born in 1911. The mass-produced automobile, telecommunications, refrigeration, passenger air travel, television and radio, plastics and penicillin, air conditioning, and the personal computer—Reagan could speak personally of the wonders and benefits of technology.

"Why did so much of this develop so far and fast in America?" he wrote in one 1967 letter. "Because we unleashed the *individual* genius of man, recognized his inherent dignity, and guaranteed reward commensurate with ability and achievement." For Reagan, tech lords were not adversaries. They were pioneers. "The explorers of the modern era are the entrepreneurs," he said in his 1988 speech to Moscow State University, "men with vision, with the courage to take risks and faith enough to brave the unknown."

Reagan argued that America was home to a disproportionate number of innovators and risk-takers because of its longstanding commitment to human freedom and dignity. "This nation's greatest competitive advantage in the past," he said in 1983,"were ideas that helped America grow."

A couple of years later, while presenting the National Medals of Science, Reagan told the award-winners, "Your work is proof that there are no limits to discovery and human progress when men and women are free to follow their dreams." And, he continued, "You've proven time and again that freedom plus science equals opportunity and progress, and that America's future can be determined by our dreams and visions."

Reagan's view of technology had policy implications. If freedom and technology were twinned, then both worked to America's advantage in its Cold War against the Soviet Union. "We're still the technological leaders in the world," Reagan told the Massachusetts High Technology Council in January 1983. "And we must not only keep that edge, we must increase it."

Reagan imposed export controls on technology that might benefit the Soviets. He boosted spending on federal research and development. But he also saw his job as removing government-imposed hurdles that stood in the way of innovation. "How can government aid the cause of human progress?" he asked in 1986. His answer: spend money on research and development (R&D), but also reduce regulations and taxes. To Reagan, government should not be an opponent or a rival of private enterprise. Government should be an ally—just as it was during Operation Warp Speed in 2020.

Additional funds for research and development were part of an overall defense buildup. Behind Reagan's defense spending was the assumption that advanced weapons systems would have secondary benefits for the civilian economy. This belief carried over into Reagan's Strategic Defense Initiative—his proposal for a space-based anti-ballistic missile system. "We're putting technology at the service of a decade's old dream: the elimination of nuclear weapons," he said in 1985.

The space program was another area where freedom, imagination, and technology generated both military and civilian applications. Reagan was committed to the space shuttle, to the space station, and to a human future in space. In 1988, while visiting the Johnson Space Center in Houston, Texas, he said, "The nation that has achieved the greatest freedom on Earth must be the nation to create a humane future for mankind in space, and it can be none other. It is only in a universe without limits that we will find a canvas large enough for the vastness of the human imagination." The long-term goal, Reagan went on, would be for America to lead humanity in colonizing the galaxy. Something tells me he would have liked Elon Musk.

What would a Reaganite tech strategy look like today? It would follow Reagan in spending massively on defense and research and development. It would enforce export controls and prevent technology transfers that would help China, Russia, and Iran. It would devote resources to the Space Force and NASA and promote human space exploration. While embracing Global Zero as an ideal, it would modernize the U.S. nuclear arsenal and pour money into missile defense. A Reaganite strategy would establish a social and economic framework for science and technology: bountiful energy from hydrocarbons and nuclear fission, low taxes, a presumption against regulation, safe streets and

good schools, and an openness to the high-skilled immigrants who will create the industries of tomorrow.

The biggest shift from contemporary practices that a Reaganite strategy requires is a shift in outlook. Yes, the tech industry has changed since Reagan. To the extent that social media erodes the infrastructure of democracy, a Reaganite would address problems as they arise. But a Reaganite would also celebrate the technologists whose work has improved America and has the potential to make it better still. No matter how bad things may be, the Reaganite has confidence in America's capacity for self-correction.

One week after the *Challenger* disaster in 1986, Reagan visited Thomas Jefferson High School for Science and Technology in Fairfax County, Virginia. "Our society is inventive because we're free, and prosperous because each individual is secure to gather and keep the fruits of his labor," he told the students. "If we're ever mindful of our enduring principles—the natural rights to life, liberty, and property spoken of in your Virginia Bill of Rights—then America will always be the shining star among nations, leading the world on to a better tomorrow."

The students invigorated Reagan. "I am so much more optimistic about the 21st century than I was when I came here this morning—and I was pretty optimistic then," he told them. "And you have done that. And you've convinced me: I'm going to stick around for a good part of that century."

Reagan died in 2004, of course. We do not know how he would have responded to the challenges of today, but we do know the strategy that he pursued to confront the challenges of his time. And we know that his strategy worked. It can work again.

The Technology Dilemma: Tool of American Leadership or Threat to Conservatives?

A Response from Jamil Jaffer

Conservative Common Sense in the Fight Against China

Richard Fontaine correctly and effectively catalogs many reasons why conservatives, particularly conservative internationalists, ought to advocate for America leading the free world on technology policy. At the heart of the generational battle for economic, political, and social primacy between the United States and China is technology innovation. While we are unlikely to defeat China solely by throwing more people or resources at the problem, America's winning edge will almost certainly be its ability to rapidly create new and novel solutions to difficult challenges and implementing them in a highly scalable manner through modern technology.

The problem, of course, as Fontaine points out, is that China has already pulled ahead of the United States in key technology areas, having bootstrapped itself by stealing American intellectual property. Moreover, like other repressive regimes, China not only uses technology to hold its own population in check, it also uses it to export its particular brand of global repression. By sowing discord and discontent around the globe, China—like Russia and others—seeks to set democratic nations against one another both internally and externally, making us less effective at combating its expansionist agenda.

Succumbing to this effort, America increasingly finds itself viewed abroad as an itinerant ally at best and a weak adversary at worst. We

have demonstrated an unwillingness to act forthrightly in the face of serious and sustained challenges to our authority has become a global theme under the last three presidents. This also plays out at home, where our leaders have been unwilling to make the case to the American public for sustaining our nation's global leadership role nor to take the domestic action necessary to gird our nation for the ongoing economic and political battle with China.

Despite the Trump and Biden Administrations having said some of the right things, we continue to take action at home that undercuts our best chance at winning this long-term battle, and we continue to dither on actions that are critical to protecting our long-term economic and national security against China.

Fontaine references the ongoing debate within the conservative movement about the role that "Big Tech" plays in American society. But what is missing from his analysis is the fact that some conservatives are actively partnering with hard-core liberals to undermine one of our most potent weapons to confront China: American companies that have the scale to challenge the global dominance China seeks to achieve. Likewise, as a bipartisan coalition in Congress seeks to onshore more production of critical capabilities, key conservatives oppose these efforts, claiming fealty to fiscal discipline. None of this makes (conservative) common sense.

Big Tech and Conservatives: Getting It Right

One of the most fashionable things to do among "real conservatives" (and, as it turns out, an unrepentant liberals) in Washington, DC these days, is to bash America's most successful and profitable companies for being "too mean" to conservative speakers or "too aggressive" in boxing labor unions and their allies.[1] To be sure, technology companies are not innocent actors—they have made choices that may well warrant some reigning in—but they hardly deserve the current punishment being pushed on both sides of the political aisle. Namely, the effort to modify longstanding antitrust laws to target a handful of our most successful technology companies—which employ literally millions of Americans—undermines our best chance to out-innovate the Chinese at scale. Targeting American companies not for legitimate anticompetitive behavior (which absolutely ought to be rooted out), but because they have simply grown too big or because they cause particular political concerns, sends exactly the wrong message to the robust American startup community. It borrows a page from our European

1 Bill Evanina and Jamil N. Jaffer, "Kneecapping U.S. Tech Companies Is a Recipe for Economic Disaster," Crushing Tech Innovation Will Weaken U.S. Competitiveness With China | Barron's (Barrons, June 17, 2022), https://www.barrons.com/articles/kneecapping-u-s-tech-firms-is-a-recipe-for-economic-disaster-51655480902.

allies, who often choose to punish, rather than reward, economic success and innovation. This is hardly the way to keep America ahead in our fight with China.

At a time when China is throwing massive state resources at its companies and artificially propping them up with stolen intellectual property, it makes no sense to dismantle our most successful economic players, much less to require them to interoperate or provide open access to their software and hardware to Chinese (and Russian) companies. Indeed, at a time when the government is telling American industry to put its "shields up" against foreign cyber threats, it hardly seems wise to require lowering them instead.

Conservatives, of all people, ought not reach immediately for the regulatory stick to achieve our political and policy goals, and particularly ought not do so in a selective way that undermines our nation's ability to effectively compete internationally. Rather, conservatives ought seek to incentivize the behavior we want, reaching first for the carrot, not the stick. To the extent the stick is necessary, applying penalties consistently, not selectively, is the better, more conservative approach.

Investing in America: The Case for Common Sense Conservatism

In addition to avoiding efforts to undermine our own competitiveness against China, conservatives ought to also back government policies that level the playing field against competitors (like China) that do not play fair.[2] For example, conservatives were right to support efforts, like those undertaken by the Trump Administration, to call out China for its bad behavior and penalize it economically. At the same time, we must also be willing to go further to remove barriers to technological innovation and to provide incentives and investments that kickstart our economic and national security.

To be sure, conservatives are right to be deeply skeptical of the government's ability to deploy capital effectively or rapidly innovate on its own. But let us be candid: no one is talking about the government owning or managing the means of production nor picking economic winners and losers. Rather, what the government ought to do is create an economic, legal, and regulatory environment that permits private business to flourish and incentivizes technological innovation that undergirds our economic and national security. This is hardly socialism, it is actually the type of classic economic conservatism that was once at the heart of the GOP, the kind advocated by Ronald Reagan. To the extent government funding is needed, it should be about making long-

2 Jamil Jaffer and Klon Kitchen, "Technology and National Security Innovation Working Group" (Forum for American Leadership, May 23, 2022), https://img1.wsimg.com/blobby/go/1d008308-a2e8-48d3-ac4d-11267653d021/downloads/Does%20the%20United%20States%20Need%20a%20Technology%20Indus.pdf?ver=1653336175127.

term investments in basic research and providing access to long-term contracts and capital financing to help generate large-scale, long-lead technological innovation and economic opportunity for our nation.

It is worth noting that conservatives, including President Reagan, have long backed government efforts to sustain and grow certain critical national industries, like the defense and telecommunications sectors. In the modern era, and particularly given our ongoing competition with China, the technology sector is likewise critical to our success. Incentivizing growth in the technology sector and implementing policies that support it is not only consistent with longstanding conservative ideals, it is also what—for a long time (and until fairly recently)—made the modern GOP the go-to party on national security issues. Richard Fontaine is certainly right about American leadership internationally when it comes to technology issues, but if we are to succeed in the long-term fight with China, we also need leadership at home and that requires conservatives stepping up to the plate.

Balance in the Indo-Pacific: Defining the U.S. Approach

By Alex Wong

To begin, some statements on what an Indo-Pacific strategy *is not*.

First, an Indo-Pacific strategy should not be about *domestic* U.S. strengthening. Yes, the United States should "run faster" technologically in our competition with China. Yes, the American political and economic systems must remain the "shining city on a hill" that calls other countries to our model of governance. But—respectfully—hewing to these positions alone strikes me as a facile dodge that does not provide useful guidance on how we align partners, constrain Chinese coercion, and craft messages for the diverse audiences of the Indo-Pacific region. Good domestic policy—while necessary for an effective foreign policy—is not a sufficient substitute for one.

Second, an Indo-Pacific strategy is not and *should not* be a China-focused strategy. Put aside the simple fact that the region is much bigger than China alone. There are 1.4 billion people in India and 670 million people across the Association of Southeast Asian Nations (ASEAN) nations, and the region includes four of the top ten economies in the world *other than* China. The more salient truth is that prioritizing the tenor of U.S. relations with China has hampered the United States in the region for too long. Like a waiter who cannot stop staring at the drinks on his tray and therefore always spills them, a United States that is preoccupied with managing the internal politics, diplomatic entreaties, and—least helpfully—the tantrums and sensitivities of China will be unable to pursue a strategy that accounts for our partners' interests and structures the region in a manner amenable to our own.

Counterintuitively, a focus on China has been *an obstacle* to U.S. policymakers taking the bold action required to compete with China for regional influence.

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That leads to the basic question: What are U.S. interests in the Indo-Pacific region? And why the urgent need to focus attention and resources there?

In brief, it is because the Indo-Pacific is the most important region for the prosperity of the American people now and into the foreseeable future, ***and*** it is also the region whose potential for conflict poses the greatest risk both to our security and to the stability of world order.

This high-reward/high-risk status arises from the current and peculiar stage of the Indo-Pacific's development as a coherent region. On one hand, it is the world's largest economic region, one that is thoroughly interconnected and whose geography has allowed it to reap the benefits of maritime trade, the advent of global supply chains, and the innovation that arises from progressively freer-thinking societies. With the ongoing signings of various trade and investment pacts, the region is becoming even more closely integrated economically, fueling its growth. On the other hand, the Indo-Pacific has relatively underdeveloped regional political and security architectures. And the ones that do exist are not yet tuned to managing a China that is increasingly powerful, ambitious, and aggressive.

The lack of mature political and security architectures is a risk factor in the same way that failing to build a beach house up to code is a risk factor. On its own, it will not cause the house to collapse; it is the hurricane that rolls in that will. In the case of the Indo-Pacific, the coming hurricane is China's strategic ambition.

It is no secret that China's chief strategic objective is to restore Beijing's political centrality in the region. In China's nationalist and mercantilist vision, that means shutting the United States (as well as European partners and India) out of the region—an "Asia for Asians," as Xi Jinping has taken to say. China aims to compromise the vectors of U.S. influence—military might and access, economic ties, technological reach, and political weight—so as to secure Beijing's unquestioned dominance of the region. And if China has global ambitions, that larger project will start with and be contingent on Chinese domination of the Indo-Pacific. This region, therefore, constitutes both the opening round of our competition and the most pivotal one.

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If regional dominance is China's strategic objective, what is ours? In a simple term, it is "balance." I emphasize that term because U.S. policymakers are prone to mirror China's regional objective and fall into a mindset of *U.S. dominance*, even if they do not use that word explicitly.

We do not need dominance—China does. China's communist ideology, its increasingly nationalist political culture, its state-directed economic push to advantage Chinese firms, and its military goal of denying U.S. forces access to the region—all of these demand dominance and demand that Indo-Pacific countries actively *choose* China. (And in some instances, such as with territorial waters, countries are not even choosing. China is simply taking.) While this approach may have the frisson of strength, it is in fact a liability for China's strategy. Dominance is exceedingly difficult to achieve.

That puts the United States at an advantage. Unlike a push for dominance, our push for balance dovetails with the interests and strategic cultures of the majority of Indo-Pacific countries. Well before the United States was even a country, the geopolitical leitmotif of the Indo-Pacific was its various nations seeking power equilibria with China. That was easier during a century when China was weaker and its external ambitions in remission. That is harder now that China has risen. So there is natural—almost eternal—space here for the United States to anchor itself as a balancer in the individual strategies of each country of the Indo-Pacific. If we achieve enough balance to ensure that partners can make sovereign decisions free from coercion in terms of trade, security, and international politics, we are winning. That balance enables us to collectively constrain China's more aggressive behaviors and maintain U.S. access to the region.

If balance is the objective, how do we achieve it? This brings us back to the current high-reward/high-risk nature of the region. Balance will arise if the United States becomes indispensable to both reducing risk and enhancing rewards for all involved.

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Let us begin with how to reduce risk. Preventing the use of force and giving our partners the security space to resist Chinese coercion requires U.S. military might. And it requires that more of it be concentrated in the Indo-Pacific. Other presenters at this conference are focusing on defense budgeting and strategy, so I will not offer an extended discussion here. But it suffices to say that U.S. policymakers must seriously look at new investments in strategic nuclear forces, intermediate-range missiles, our naval fleet, and certain capabilities tuned to turning back an invasion of Taiwan. I name these items specifically to balance corresponding investments China is making—investments that are beginning to tip the security equilibrium of the region.

Making these investments would present difficult budgeting questions and weighty tradeoffs in U.S. global military presence. However, current events may offer a path forward. Many in the foreign policy community lament Russia's invasion of Ukraine as an unfortunate diversion of U.S. attention from the Indo-Pacific, even if it is a necessary focus for the United States. There is truth to that, at least in the short term. However, in the medium and long term, the Ukraine war outlines an opportunity to responsibly shift U.S. military resources eastward.

The reality of Russia's aggression has—at least upon initial impression—mugged our Western European allies of their illusions on defense spending, particularly in Berlin. At the same time, the reality of the decrepit—and increasingly depleted—state of Russia's conventional military has revealed itself. These two new realities of increased European defense spending and a diminished Russian conventional threat have opened a path to move a portion of U.S. military might away from Europe and to the Indo-Pacific, and do so without a serious loss of deterrence in the European theater. Now, this type of move will require deft statesmanship and political savvy, foremost to ensure that European allies maintain their newfound mettle on defense spending. But changed circumstances have charted a path that was not there before.

Increased U.S. military presence must be augmented with coherent alliances and security groupings in the Indo-Pacific. As a matter of region-wide security, our priority alliances should be with Japan and, under the Australia-United Kingdom-United States (AUKUS) framework, with Australia and the United Kingdom. These three countries have the most actual and latent military capability combined with the political willingness to cooperate with the United States in a balancing strategy. It is also helpful that each has different but overlapping trust relationships with other partners in the region; trust relationships grounded in shared history and whose depth, in many instances, exceed our own. We should continuously look to expand the aperture of our military alliances with these partners, jointly explore new basing and rotational agreements, and—in the case of AUKUS—look for joint development and training programs that have a shorter timeline to field than the nuclear submarine deal that is currently the headline feature of the grouping.

Whither the Quad? I want to be clear: it is an exceedingly important grouping. But its chief function is not as a security risk reducer—at least not yet. The reason for that is India. India's non-aligned strategic culture, its current military capability, and its policymaking bandwidth would act as a drag on the Quadrilateral Security Dialogue (Quad) in terms of security provision. The Quad's near-term value is therefore

as a messaging and coordinating vehicle for non-security goods such as development assistance, economic standard setting, infrastructure investment, and humanitarian relief (echoing the Quad's origins in the response to the 2004 Indian Ocean Tsunami). Even in the long term, I see the Quad's function being less as a security mechanism than as a vehicle to speed India on its current strategic trajectory toward being a full-spectrum balancer in the region, whether within the Quad framework or not.

* * *

How do we enhance mutual rewards in the region among our partners and the United States?

On this topic, policymakers have to deal squarely with the issue of forging new trade and investment agreements. As a free society with a market economy, the main thrust of our economic power lies not in the limited tools of state-directed assistance and financing programs but in the weight and productive power of our private industry and capital. Channeling that weight effectively through trade and investment agreements is the only meaningful way to create the mutual and broad-based rewards that will sustain our regional influence.

Unfortunately, the conversation in the trade policy community on how to do that seems to automatically turn to whether the United States should (or even *can* at this point) join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). This conversation misses the point. It too often focuses exclusively on the *strategic benefits* the United States would reap from joining the CPTPP. At a conceptual level, I do not think anyone questions the strategic value of grounding the United States in a regional trade agreement. But you cannot put the strategic "cart" before the economic "horse." The *raison d'etre* of trade agreements is to yield *economic benefits* for the American people, and broad and durable ones at that. Without meeting that threshold requirement, a trade agreement's political dynamics will work to *fray* strategic relationships with partner nations over time—not strengthen them.

At the same time, that high threshold requirement cannot be used as an excuse to cease *any* U.S. trade negotiation effort. Our trade negotiators should be constantly and vigorously engaged in trade and investment talks. We should begin them with allies and close partners, like the Philippines and Taiwan. We should begin them with economies at similar stages of the value chain. We should begin talks on a sectoral basis in energy or in strategic industries, like semiconductors, key minerals, or pharmaceuticals, where there are mutual needs to diversify supply chains away from China. These talks will take years and may, in the end, fail. But the current sensitive political nature of

trade agreements does not divest policymakers of the duty to seek out new agreements that serve our interests.

* * *

Rewards are not only economic in nature. They also come in the deeper and more meaningful form of expanding liberty and human rights across the region. In the work of winning agreement and forming coalitions, policymakers and diplomats face the temptation to put American ideals off to the side for short-term wins. We should resist that temptation.

Yes, we should go at different speeds with different partners—they each, after all, have differing histories and domestic political dynamics. But muting American principles would undermine our long-term advantage vis-à-vis China.

Support for liberty and human rights is the key differentiator between Washington and Beijing. Chinese Communist ideology does not hold broad appeal for the diverse peoples of the Indo-Pacific. And, at an even more instrumental level, countries that are more pluralistic, with governments responsive to their people, and that protect certain core liberties are more likely to work with the United States and our allies on a common strategy and a common vision. They are much less likely to be captured by the corrupting power of China's influence operations.

For a strategy to be sustainable through multiple administrations and multiple decades, it has to strike the American people as true and faithful to our ideals. We are, at heart, a moral nation. A strategy that departs from our ideals or pays them only lip service will ultimately stumble on political resistance at home. In our long competition with China in the Indo-Pacific, we cannot afford to stumble.

Balance in the Indo-Pacific: Defining the U.S. Approach

A Response from Jacqueline Deal

Alex Wong's "balance" strategy for the United States in the Indo-Pacific is comforting, concise, and clearly communicable to domestic and foreign audiences. It proceeds logically from U.S. goals: The United States does not seek hegemony. We just need continued economic access and peace—i.e., to avoid being excluded from regional markets and to prevent the outbreak of a war that could go global. The United States can achieve these objectives by becoming "indispensable to both reducing risk and enhancing rewards for all involved," Wong writes. He then offers a set of diplomatic, military, and trade principles to guide our pursuit of this status.

Unfortunately, these principles may not suffice. Below I summarize troubling trends in the region and world that explain why more may be required and then outline potential additions to the strategy to improve its chances of success. The main addition is an informational or political warfare line of effort.

Troubling Trends

Arguably, the United States played an indispensable role in the Indo-Pacific, and beyond, from World War II through the end of the Cold War. (The late Madeleine Albright called the United States "the indispensable nation" for this reason.) American economic support enabled the rise of the export-driven East Asian tiger economies, while American military power secured seaborne trade routes and deterred major-power conflict in the region. But we are now approaching—

or have reached—the limits of our ability to play this role. In Wong's words, balance will be achieved "if the United States becomes indispensable…" The "again" at the end of the sentence is omitted but implied.

What accounts for the erosion of the American position in the region? The U.S. share of global gross domestic product (GDP) declined from 50 percent after World War II to less than 20 percent today. In the meantime, over the last several decades, the Chinese Communist Party (CCP) regime that Wong accurately identifies as not just seeking but needing dominance has achieved remarkable gains. China has become the world's second-biggest economy and the largest trading state. Many of the United States' closest allies trade more with China than they do with the United States, and China is now the largest trade partner of more countries than the United States.

How did this happen? The United States was so far ahead of the rest of the world in the post-World War II era that we could afford both to subsidize and to protect democratic allies to promote prosperity and to preserve peace. Starting in the late 1970s, we extended a measure of this largesse to the People's Republic of China (PRC). China became an ally against the Soviet Union, so the policy made sense at the time.

After the end of the Cold War, however, we not only continued to support Chinese economic growth but expanded and deepened the connection. American consumers benefited from access to cheap Chinese goods, but many workers lost their manufacturing jobs. U.S. firms benefited from access to low-cost Chinese labor, but the engagement cost them technology and, ultimately, market share domestically and in the rest of the world, which also welcomed cheap Chinese products.

Meanwhile, China's economic and technological rise has reinforced the security of the increasingly totalitarian CCP. The party has been harnessing vast troves of domestic and foreign data to increase its wealth and power. This poses a threat to the free world, starting with Taiwan, in peace and in war. By one estimate, the value of Chinese military procurement is likely to exceed that of the U.S. military during President Biden's administration.

These trends set the context within which Wong's strategy will operate. In the economic domain, Wong proposes that we increase the rewards to Indo-Pacific partners by pursuing trade and investment agreements that focus "on a sectoral basis in energy or in strategic industries, like semiconductors, key minerals, or pharmaceuticals, where there are mutual needs to diversify supply chains away from China." We can thus harness "the weight and productive power of our private industry and capital."

This is worth pursuing, though China is unfortunately likely to retain access to the system of trade and investment within which the proposed new agreements will be nested, and Beijing has proven its ability to evade or defy efforts to foreclose its access to sensitive technologies and critical industries. The biggest obstacle is that in most cases we will be asking countries to bear short- to medium-term costs to move away from Chinese trade partners, and in light of the GDP trends mentioned above, we are not in a position to offset these expenses across the board.

On the military side, Wong recommends that the United States reduce the risk to Indo-Pacific partners by making "new investments in strategic nuclear forces, intermediate-range missiles, our naval fleet, and certain capabilities tuned to turning back an invasion of Taiwan." Concurrently, we should deepen our alliances with Japan, Australia, and the United Kingdom, and work with India while respecting its nonaligned culture to promote its progress toward being a "full-spectrum [i.e., not exclusively military] balancer" of China. This guidance makes sense, but it may not be enough considering the pace at which the People's Liberation Army (PLA) is modernizing. Unfortunately, the pace appears to be increasing, as if Beijing perceives a window of opportunity.

Additional Elements to Consider

Troubling trends and accelerating Chinese assertiveness may require the United States to assume risk to achieve outsized rewards. The below elements are therefore proposed as higher-leverage options that could amplify or reinforce Wong's principles.

Defense

- In addition to new investments in the areas Wong mentions (nuclear weapons, missiles, and naval ships), the United States could prioritize areas where the PLA is not already outpacing our defense spending. Space would seem to be such an area, as the United States may retain historical advantages or be acquiring new ones due to the commercialization of launch technology. The PRC may be especially sensitive to U.S. aerospace capabilities that enable penetration of its territory.

- The United States also retains a lead in the long-range strike competition. Though the PLA is building new bombers and nuclear submarines, we still have more ways to target the mainland than the PRC has to target the continental United States. How can we exploit or grow this advantage?

Trade

- Up to now, China has benefited disproportionately from its access to the markets of free societies. How can the United States and its allies and partners reverse this trend?
- How can the United States induce or incentivize its allies and partners to bear costs to reduce their dependence on China for critical materials and to expel China from sensitive supply chains?

Information Campaign

- To achieve these trade objectives, an informational campaign is likely necessary. Both the American population and the democratic publics of our allies and partners need to know more about what is at stake in the competition with China. This will help make the case for the near-term belt-tightening required to wean ourselves from a dangerous interdependence.
- Using our commercial access to China to shine a light on the CCP's activities at home and abroad would likely enhance our competitive position. The more we impose transparency on the Party, the more we put it on the horns of a dilemma about whether to retain its engagement or close itself off from the world. This stress would also be likely to intensify debates among CCP elites, while making it more difficult for apologists in the West to make the case for continued business as usual with Beijing.

The China Dream in the Balance

Wong states that his balance strategy is not "China-focused." I agree on the importance of emphasizing outreach to regional allies, partners, and friends rather than to Beijing. I also think Wong would agree that his strategy is China-driven—i.e., we would not need it if Xi Jinping were not accelerating the efforts of his CCP predecessors to achieve what he calls the "China Dream." Accordingly, this response has highlighted potential areas to backstop balance and resurrect American indispensability tailored to the particular character of the China challenge.

Balance in the Indo-Pacific: Defining the U.S. Approach

A Response from Dustin Walker

As we approach the 250th anniversary of American independence, we have only just concluded the first 10 years of our history in which America has identified the Indo-Pacific as the most important region in its foreign policy. Yet this seemingly revolutionary judgment has yielded—at best—evolutionary change.

The preeminence of the Indo-Pacific remains, as it was a decade ago, an aspiration rather than a reality. Perhaps no policy is so uniformly preached as it is unevenly practiced. Indeed, the continuity in America's Indo-Pacific strategy over the last three administrations is measured not only by the consistency of its contents but by the inconsistency of its implementation.

As a radical new premise of American foreign policy, the preeminence of the Indo-Pacific has found surprising and sudden acceptance. Indeed, we have accepted the need to prioritize the Indo-Pacific so quickly that we never processed what it really meant to do so or reconciled ourselves to the difficult choices it demanded of us. We learned to say that the Indo-Pacific is America's priority theater, and that China is America's pacing threat. But these new beliefs never forced us to reconsider old ones or to recalibrate policy in other areas to meet our new reality.

Thus, 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.

* * *

What will Russia's war against Ukraine mean for America's Indo-Pacific strategy? Will it be the wakeup call we need to appreciate the risk and consequences of great power war and to get serious about rapidly restoring credible deterrence in the Indo-Pacific? Or will it lead us to conclude that prioritizing the Indo-Pacific will have to wait or even that it was a mistake in the first place?

At best, Russia's war in Ukraine will remind us that peace is not guaranteed, that no continent is beyond the reach of war, that some tyrants believe conquest still pays, and that power politics is a reality of our present, not just of our past.

It will force us to confront unpleasant truths about the limits of American power, the magnitude of the challenge posed by China, and the unforgiving realities of a potential conflict over Taiwan.

It will drive us to elevate the Indo-Pacific in our domestic political dialogue, to embrace more fully the power and potential of our alliances, and to exploit the asymmetric advantages of seeking balance in a peaceful status quo rather than dominance in a new normal imposed by force.

And it will instill a desperately needed sense of urgency. The "decade of concern" is today, not tomorrow. The time to prepare for it was yesterday, not today. We need not despair, but we must not delay. We need immediate action to deter war and preserve peace in the Indo-Pacific. We need robust and dedicated funding for the Pacific Deterrence Initiative—just like the European Deterrence Initiative enjoyed for years. We need to extend a multi-year, multi-billion-dollar foreign military financing (FMF) commitment to Taiwan—just like we have done for Israel. And much, much more.

We must not allow Russia's war in Ukraine to alter America's Indo-Pacific course.

Yes, America is a global power, not a regional power. But America cannot maintain its status as a first-rate global power if it becomes a second-rate regional power in the Indo-Pacific.

Yes, China is a global challenge. But America will be most effective in countering China's global influence by preventing it from achieving preeminence in the Indo-Pacific.

Yes, the Indo-Pacific is a long-term priority, but it must also be a near-term one. Yes, China is a long-term challenge, but it is also an acute threat.

If we treat the Indo-Pacific as important but not urgent, it will amount to neither.

* * *

How can conservatives lead America to realize the ambitions of its Indo-Pacific strategy?

Conservatives should begin with advantages: an appreciation of the indispensable role of military power in international relations, an understanding that military power is a finite resource, and a recognition that America's military advantage has dangerously eroded. But America's Indo-Pacific strategy requires more than restoring the foundations of American military power.

A conservative foreign policy can distinguish itself through intentionality in resolving the tensions, which, as Michael Green has written, have characterized America's Indo-Pacific strategy since the Founding. Those tensions include:

- *Asia vs. Europe.* For most of our history, American strategy in the Indo-Pacific was constrained by foreign policy imperatives in Europe and, more recently, in the Middle East. Now the reverse must be true. That means recognizing we cannot afford to pursue siloed or maximalist approaches to threats like Russia and Iran. At the same time, recognizing the need for tough choices is not the same as making them. Conservatives need to dwell less on the tradeoffs we face and invest more energy in the formulation of politically sustainable and resource efficient alternatives to securing America's enduring interests in Europe and the Middle East.

- *China vs. Japan (and others).* In the modern era, the center of America's regional strategy has shifted back and forth between China and Japan. Today, a successful Indo-Pacific strategy must center not on China, but on allies and partners. We are right to focus on alliances with Japan and Australia, strategic partnership with India, and frameworks such as Australia–United Kingdom–United States Partnership (AUKUS) and the Quadrilateral Security Dialogue (Quad). But conservatives should also challenge ourselves to lead in areas too long neglected, especially reinvigorating our alliances with the Philippines and Thailand, advancing partnerships with Indonesia and Vietnam, and reimagining our relationship with Pacific Island states.

- *Defining our forward defense line.* From the Monroe Doctrine to the age of imperialism to the Cold War, American strategists have struggled to define the line that our adversaries must not cross, at times with disastrous consequences. Today, America's forward defense line must include Taiwan. America's stated policy may remain ambiguous. But our purpose and urgency must be clear: we will meet our commitment under the Taiwan Relations Act to maintain our capacity to resist any resort to force.

- *Self-determination vs. universal values.* As Alex Wong writes, a sustainable Indo-Pacific strategy must "strike the American people as true and faithful to our ideals." At the same time, a successful Indo-Pacific strategy must demonstrate to regional states—most of which are not liberal democracies—that America shares their interests. This is a difficult balance to strike. What is clear is that American support for sovereignty, democracy, human rights, and good governance must be articulated and implemented consistently and respectfully. Defending our values is not the same as imposing them. At the very least, we must not hold Indo-Pacific allies and partners to a different standard than we hold (arguably more problematic) Middle East states. Ultimately, we must not forget that we are competing for influence in Indo-Pacific states to counter the greatest threat to American ideals around the world: the spread of Chinese communist influence.

- *Free trade vs. protectionism.* It is difficult to imagine a successful Indo-Pacific strategy without a more robust trade component. Before taking on large multilateral free trade arrangements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), conservatives need to demonstrate trade can deliver economic benefits to the American people with smaller, bilateral agreements. As Wong notes, there are plenty of opportunities to do so. Indeed, amid high inflation, conservatives should remind the American people that protectionism raises prices and freer trade lowers them. Most importantly, America must distinguish friend from foe on trade. Tarring allies and partners with the same brush as China is unjustified and counterproductive.

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An American foreign policy that prioritizes the Indo-Pacific is a relatively new phenomenon in history. But time-tested conservative principles provide the surest path to security and prosperity in America's Pacific Century.

Economic Strategy and Statecraft: From Engagement to Decoupling

By David Feith

A New Cold War

Like the Korean War of 1950, Russia's war in Ukraine today appears to be the hot opening salvo in a new Cold War pitting the United States and our allies against a bloc of revisionist dictatorships whose actions are increasingly coordinated. Unlike in 1950, however, today the Russian and Chinese roles are reversed, with Russia the junior partner doing the fighting and China the senior partner supporting from behind. Also unlike in 1950, the United States today has avoided direct military engagement in the Ukraine war, relying instead on arming Ukraine's military and using unprecedented economic warfare tools against Moscow.

This emphasis on economic warfare, both in support of and in place of military power, carries important lessons—and poses difficult challenges—for U.S. and allied thinking about the New Cold War broadly, far beyond the immediate circumstances of Ukraine.

A vital aspect of this New Cold War will be whether the United States can reverse the advantages that adversaries have gained from open access to international trade. Washington has partially proven its economic-warfare mettle during the Ukraine war, with powerful measures taken (with allies) against Russia's central bank, oligarchs, and other targets. Yet there remain significant gaps in U.S. and allied sanctions, especially on Russia's energy exports and leading banks. More fundamentally, U.S. and allied threats of economic warfare failed to

deter Vladimir Putin's invasion in the first place, partly because Putin had built trade-based relationships of dependence in Europe that apparently convinced him that Washington, Berlin, and other allies lacked the will to defeat his neo-imperial ambitions.

Now we risk making similar mistakes vis-à-vis China, which has global revisionist ambitions and economic leverage greater than Putin could dream of. Far more than Russia, China has benefited from international trade and used its trade links to create relationships of leverage over the United States and our allies.

To address this more daunting China challenge, the United States and our allies must undertake two economic statecraft missions of great and urgent importance: (1) strengthening our ability to deter a Chinese invasion of Taiwan by means of economic, financial and technological coercion, to augment our military deterrent; and (2) resetting the terms of our normal economic relations with China to protect against national-security risks posed by insufficiently controlled flows of technology, capital, and data between the United States and China.

The Taiwan Risk

Xi Jinping's goal to "solve" the "Taiwan question" echoes Putin's designs on Ukraine, but the stakes are far higher. Were China to subjugate Taiwan, the consequences could be catastrophic, even decisive, for this New Cold War. China could control (or at least take offline) more than 90 percent of the world's advanced semiconductor production, taking Americans economically hostage or sparking a global economic crisis that would take years to remedy. The loss of Taiwan could make the defense of Japan, the world's third largest economy and perhaps our most important ally in the world, nearly impossible. It could shatter the credibility of American alliance commitments worldwide.

The dilemmas the United States has faced in convincing allies and partners to apply strict sanctions on Russia would be far more severe in the case of a war with China over Taiwan. This is especially true if U.S. policymakers fail to prepare for this contingency. It is an urgent imperative to sharpen the tools needed to convince Xi that China's economy would face catastrophic consequences if he moved on Taiwan.

Part of this requires work inside the U.S. government. Enhanced coordination between the Defense Department and others responsible for enhancing deterrence, preparing for crises and planning for war is essential. It is dangerous for the Defense Secretary to be the only Cabinet member reliably equipped with flexible response options on any given morning. Strengthening the Commerce Department's Bureau of Industry and Security would enhance the credibility of any prospective sanctions against Beijing. Same for the Treasury Department and its

Office of Foreign Assets Control, which has traditionally lacked Mandarin linguists and other China-focused personnel.

We must also enhance coordination with allies. This work would not only advance preparations for imposing Ukraine-related secondary sanctions on Beijing, as necessary, but also mature U.S. and allied thinking on using economic tools to deter an invasion of Taiwan. Such preparations are likely to highlight, among other lessons, the importance of reducing U.S. and allied financial exposure to Chinese banks and other entities that might be targets of future U.S. sanctions.

The Case for Selective Decoupling

After the end of the Cold War, U.S. policymakers coalesced around the view that deep trade ties with China would weaken Beijing's communist regime and/or socialize it to support the U.S.-led liberal international order. Beijing exploited this open economic environment to enormous advantage, without pursuing (or succumbing to) any political liberalization at home. Beijing reaped immense economic gains, acquired Western technologies with enormous strategic and military benefits, and established leverage over trading partners, including the United States, who grew dependent on China for everything from rare earth minerals to consumer electronics and pharmaceutical drugs.

Since the Trump Administration, the United States has generally pursued a new approach of selective decoupling, recognizing that certain facets of U.S.-China economic engagement had to be halted, whether for reasons of national security, fair trade or human rights. But Washington has mostly failed to establish what constitutes the right amount, or the right type, of selective decoupling.

A good place to start would be ending Beijing's overwhelmingly open access to U.S. technology, capital, and data.

Technology Controls

Over the past six years, semiconductors have justifiably received more and more attention as the single most important technology in our China competition. Semiconductors are both a major advantage of the United States (because we lead the world in key semiconductor design technologies) and a major vulnerability of ours (because the vast majority of semiconductors are manufactured within 100 miles of China, either in Taiwan, South Korea, or China itself).

The late Obama Administration blocked a would-be Chinese acquisition of Aixtron, a German semiconductor firm with assets in the United States, and in January 2017 published a useful white paper on the importance of controlling semiconductor exports while maintaining

global leadership in the field. The Trump Administration placed Huawei and the Semiconductor Manufacturing International Corp. (SMIC) on the export-control Entity List, discouraged allies (such as the Netherlands and Japan) from selling advanced semiconductor technologies to China, and promoted the domestic construction of semiconductor fabrication facilities. The Biden Administration identified semiconductor supply chains as a key priority in its first weeks and has since promoted the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act to subsidize such manufacturing to the tune of $52 billion.

And yet U.S. semiconductor technology still flows almost entirely unrestricted to China. As Congressional investigators discovered, despite Huawei and SMIC being on the Entity List, just 1% of would-be U.S. exports to those firms were denied by the Commerce Department's lax licensing regime.

Under current rules, Commerce bans Huawei and SMIC from receiving U.S. technology only if it is exclusively for the production of the most cutting-edge chips (10 nanometers and below). Sanctioned Chinese firms can still buy components for manufacturing chips at 10 nanometers and above. This gives a green light for the vast majority of U.S. semiconductor technology to still flow into China, where Chinese firms are now approaching and possibly even exceeding the manufacturing capacity of U.S. giants such as Intel.[1] Congressional Republicans including Representative Mike McCaul and Senator Marco Rubio have called on Commerce to limit China's chip manufacturing capability by denying all U.S. exports to Entity Listed firms such as SMIC and Huawei.

The United States and our allies need technology controls that match the demands of the China competition. Sanctions and nonproliferation regimes that were designed in the Soviet era, or during the Global War on Terrorism, are inadequate to address the technology threat from China. Recent years' efforts to tighten technology controls have been slow and partial at best. The Export Control and Reform Act of 2018, for example, required the Commerce Department to begin modernizing export controls by publishing new lists of foundational and emerging technologies, but four years later, Commerce has still not published those lists.

Meanwhile China's "Military-Civil Fusion" strategy increasingly renders meaningless the traditional difference between military and commercial technologies. There are acute and growing national security

1 "Foreign Affairs Committee Republicans," *Foreign Affairs Committee Republicans* (House Foreign Affairs Committee GOP, December 22, 2020), https://gop-foreignaffairs.house.gov/press-release/mccaul-and-rubio-call-for-strengthening-of-entity-list-rules-for-smic/.

worries stemming from China's efforts to copy – or simply outperform – American efforts in telecommunications, artificial intelligence, automation, biotech and quantum technology, among others.

Capital

Despite several new laws and regulations, U.S. capital is still flowing into China in enormous volumes. This is a huge advantage for China, because U.S. capital markets are deeper, more liquid, and more sophisticated than any in the world. Few successful Chinese technology companies exist that were not launched with money and expertise from Silicon Valley venture capital firms.

Congress and the Trump Administration made waves in 2020 by blocking the federal employee pension fund from investing in China.[2] But this was more a rounding error than a landmark in financial decoupling. The whole fight was over some $4.5 billion. Meanwhile state and local pensions have potentially hundreds of billions invested in Chinese companies.

The Trump Administration created a blacklist to block U.S. investment in companies associated with the Chinese military. The Biden Administration kept this list and expanded it to block investment in companies associated with Chinese state surveillance. But the administration has narrowed its application so that only 60 or so companies are on the list and restrictions do not apply to their subsidiaries.[3] Whereas more than 1,100 subsidiaries were listed at the end of the Trump Administration,[4] the number now is fewer than a dozen.[5]

Then there is the Holding Foreign Companies Accountable Act, which passed Congress unanimously in 2020. The law was designed to de-list Chinese companies from U.S. stock exchanges because they do not follow U.S. audit rules under the Sarbanes-Oxley Act of 2002. But the law provided for a three-year implementation period, which the Securities and Exchange Commission (SEC) may now be using to negotiate a deal with Beijing that would allow Chinese companies to remain listed even when they provide no trustworthy audit data.

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2 Thomas Franck, "White House Directs Federal Pension Fund to Halt Investments in Chinese Stocks," CNBC (CNBC, May 12, 2020), https://www.cnbc.com/2020/05/12/white-house-directs-federal-pension-fund-to-halt-investments-in-chinese-stocks.html.
3 Shivam Patel, David Kurton, and Andrew Galbraith, "U.S. to Add More Chinese Firms to Investment, Export Blacklists - Ft," ed. Michael Perry, Reuters (Thomson Reuters, December 15, 2021), https://www.reuters.com/business/us-blacklist-8-more-chinese-companies-including-dji-over-uyghur-surveillance-ft-2021-12-15/.
4 "Communist Chinese Military Companies Listed Under E.O. 13959 Have More Than 1,100 Subsidiaries," Department of State, 2021, https://2017-2021.state.gov/communist-chinese-military-companies-listed-under-e-o-13959-have-more-than-1100-subsidiaries/index.html.
5 "Non-SDN Chinese Military-Industrial Complex Companies List," Department of Treasury: Office of Foreign Assets Control, 2021, https://www.treasury.gov/ofac/downloads/ccmc/nscmiclist.pdf.

There is also the larger problem that, even if the SEC goes through with the de-listings, should Washington allow some $1.5 trillion in U.S. investments to follow Chinese companies back to home markets, where American investors would be completely at the mercy of Beijing's rules?

There is some movement toward prudent expansion of investment restrictions, though.

As the House and Senate conference bills to address China competition this summer, the House bill includes a provision that would for the first time create a regulatory regime to scrutinize and restrict U.S. outbound investment into China.[6] With some improvements, the provision could become a landmark in beginning to block U.S. investors from continuing to invest, wittingly or unwittingly, in China's military, human rights abuses, and global ambitions to dominate future technologies.

Data

For nearly a decade, Chinese leader Xi Jinping has spoken of data as the oil of the 21st century—the indispensable input that will fuel economic strength and national power. In 2013, he told his state-run Chinese Academy of Sciences: "The vast ocean of data, just like oil resources during industrialization, contains immense productive power and opportunities. Whoever controls big data technologies will control the resources for development and have the upper hand."[7]

The analogy between data and oil later became something of a cliché in certain circles. But U.S. policy never adjusted to recognize its logic. China's did.

The Chinese Communist Party developed a comprehensive strategy to control, accumulate, and exploit data, including personal health records, personal genetic sequences, and personal online browsing habits. This also includes corporate trade secrets, photos, voice recordings, and the mapping imagery pulsing through phones, computers, drones, and smart cars all around the world.

Beijing recognizes that winning the New Cold War will require protecting and harnessing this data to achieve commercial, technological, military, and intelligence advantages. That is what it is doing. Beijing's

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6 Congress.gov. "H.R.4521 - 117th Congress (2021-2022): United States Innovation and Competition Act of 2021," May 5, 2022. https://www.congress.gov/bill/117th-congress/house-bill/4521.
7 Matt Pottinger and David Feith, "The Most Powerful Data Broker in the World Is Winning the War against the U.S.," The New York Times (The New York Times, November 30, 2021), https://www.nytimes.com/2021/11/30/opinion/xi-jinping-china-us-data-war.html?auth=login-google-1tap&login=google1tap.

approach to data is nakedly non-reciprocal, absorbing data from foreign countries while denying foreigners access to Chinese data.

The U.S. government has historically had no mechanism for limiting cross-border data flows, even on national security grounds. Traditional national security restrictions on commerce are designed to address other issues, and they have historically been narrowly scoped, consistent with important American traditions of limited government. But vast areas of economic life are untouched by those tools—including almost all cross-border exchange of data by private companies, individuals, academic institutions, and state and local governments.

Washington has begun to address this gap only recently, through the creation—at least on paper—of a new regulatory regime for reviewing cross-border data flows. Known as the Information and Communications Technology and Services (ICTS) process, this regime was established in the waning days of the Trump Administration and maintained by the Biden Administration through a June 2021 executive order.

Under the ICTS process, an interagency panel, led by the Commerce Secretary, has broad discretion to investigate, modify, block, or unwind data-related commercial transactions believed to present "undue or unacceptable risks" to U.S. national security. But the ICTS process has not yet been put to use—not against Chinese access to U.S. data centers or biotech labs, not against Chinese drones with eyes on U.S. critical infrastructure, and not against other channels through which large volumes of sensitive U.S. data can flow to China.

Apart from ICTS, the Congress could of course consider legislative approaches. Various bills have been proposed limiting the ability of Chinese social media apps to operate and collect data in the United States, but without success. Another idea is to create a new export control regime that would restrict bulk personal data from going to adversary countries. So far, however, such measures have not garnered much support. The issue of Beijing's data mercantilism is absent from the China bill that has been pending this year in Congress.

A Future of "Rebuttable Presumptions"?

As policy evolves on technology, capital, and data flows with China, another piece of legislation may come to loom especially large: the Uyghur Forced Labor Prevention Act of 2021. The law creates a presumption that any imports from Xinjiang, or tied to Uyghur labor outside of Xinjiang, are tainted by forced labor and therefore banned. Imports are allowed only if would-be importers can prove to the Department of Homeland Security that their supply chains are free of slave labor. Furnishing such proof should be all but impossible given the Chinese

government's aggressive policies of Uyghur forced labor in Xinjiang and beyond.

Implementation of the Uyghur law is important in its own right. It is also important because lawmakers may come to see it as a model for addressing broader challenges – such as flows of technology, capital and data that prove difficult to rein in by more-surgical means.

With respect to U.S. outbound investment, for example, a future Congress or White House could impose a rebuttable presumption on national-security grounds: Investment in China is possible, but only provided investors can demonstrate that it does not fund Chinese military modernization or the like. Similar restrictions could be imposed on U.S.-China high-tech academic exchanges.

These would be dramatic, disruptive changes to U.S. policy. But if political and strategic concern over U.S. economic and technological exposure to China continues to outpace effective policy restrictions on such exposure, lawmakers and national-security officials may decide that more categorical, blunt and restrictive means are necessary.

Economic Strategy and Statecraft: From Engagement to Decoupling

A Response from John Hillen

To have a coherent policy towards China (or anywhere else for that matter), in which all the elements of U.S. grand strategy are in congruence with each other, economic statecraft needs to come in line with American political and military strategy. U.S. economic statecraft vis-à-vis China is a generation behind the geopolitical reality of America's political and military challenge from China. A strategist reviewing only the economic data about the U.S.-China relationship of the last 30 years could well conclude that the two countries share a geostrategic relationship akin to U.S.-U.K. or the U.S.-Canada.

But, as we know, that is very far from the geopolitical reality of China as an increasingly dangerous rival to the United States in Asia and globally.

Unlike most systems of global order that went before it, the U.S.-led post-war system had the seeds of its own demise—*in terms of relative power*—built into it. Make no mistake, this was a feature of the software, not a bug. Even the architects of the Marshall Plan accepted that a Western Europe restored to power through American largesse could not be relied upon to have national strategies that always aligned with the United States.

While the absolute power and wealth of the United States grew to unprecedented heights, the system it promulgated and enforced grew the power of both past and future rivals. We hoped that commonali-

ty of interest—both economic and human—would temper traditional sources of conflict. But, as our colleague Nadia Schadlow has written, "Widespread political liberalization and the growth of transnational organizations have not tempered rivalries among countries."

And so, we arrive at the strategic situation that Feith outlines vis-à-vis China, the United States' greatest rival for influence and an expansionist superpower bent on offering the world entirely different "package of institutions" (in the words of Princeton's Stephen Kotkin), than those of the Bretton Woods/NATO post-war era.

As Feith, Matt Pottinger and others have pointed out, President Xi has been admirably open about moving past any recognizable variation of capitalism or political pluralism. Oriented always on the control of the CCP, China will focus on its Island Chain strategy for regional domination, The Belt and Road initiative for economic influence, implementing one of history's fastest military buildups, and refining "socialism with Chinese characteristics"—a sobriquet for a unique Chinese blend of state-controlled economics serving the strategic ambitions of the country and authoritarian surveillance politics.

To support this overall grand strategy, China's economic strategy has shifted in recent years. It is China's ambition to move from being the world's great exporter of manufactured goods (29 percent of global manufactured goods versus the United States at 17 percent)[1] to gaining technological parity with the United States and its allies—and then surpassing them in key areas. The United States must counter without committing economic suicide.

In terms of economic statecraft, while the U.S. federal government has a stable monopoly on the exertion of military and diplomatic policy, American power on economic, cultural, and informational fronts is, by beneficial design, diffuse and *non-governmental*. China is by far and away the largest supplier of commercial manufactured goods to U.S. companies. Just 35 percent (pre-Covid spending) of U.S. gross domestic product (GDP) is related to government spending, and a sizable chunk of that is state and local spending. Creating and wielding coherent economic statecraft is a more imprecise exercise for U.S. officials than their Chinese counterparts.[2]

A blueprint exists from American history for an updated economic strategy for the China challenge in the form of the 1983 National Secur-

1 Felix Richter, "Infographic: China Is the World's Manufacturing Superpower," Statista Infographics, May 4, 2021, https://www.statista.com/chart/20858/top-10-countries-by-share-of-global-manufacturing-output/.
2 The US government's Bureau of Economic Analysis for 2019 estimates $7.3 trillion in total government expenditure and $21.4 trillion total GDP which is 34%.

ity Decision Directive 75. That document laid out a multi-faceted economic strategy to complement the grand strategy President Reagan adopted to challenge the Soviet Union. It was detailed and combative, but also nuanced - noting that U.S. economic pressure on the Soviet Union needed to be coupled with minimizing the "potential for Soviet exercise of reverse leverage on Western countries based on trade, energy supply, and financial relationships."[3] These are thoughts that would have been useful for continental Europe and its energy dependency in our current time.

The challenge to the United States in updating this for China today stems from the fact that America is infinitely more intertwined economically with China (directly and indirectly) than it ever was with the Soviet Union. The trade between the Soviet Union and the United States in 1958 amounted to only 0.5 percent of total Soviet foreign trade that year and to only about 0.01 percent of total American foreign trade.[4] In 1979, just before the start of the Soviet-Afghan war, the Soviet Union accounted for 9 percent of global GDP. Today, Russia accounts for around 2 percent of world GDP. China is close to 18 percent.[5] The global economy is intimately linked with China.

The keys to aligning the economic elements within U.S. grand strategy towards China are threefold: First, they must be targeted. Second, they must not backfire by causing economic damage to the United States or the global economy that is beyond bearing. Third, and to aid the first two principles, they should be accompanied by a national strategy to secure supply chains and reinvigorate some national capabilities that underpin U.S. competitive advantage in the future.

Feith presents a workable outline for threading these needles, and I endorse his ideas. If anything, I would challenge the United States to take those ideas even further. For instance, the United States should consider delisting all Chinese and Hong Kong based companies as under recent CCP rules and actions, none would meet the governance tests of listing on U.S. exchanges.

To advance this overall policy goal, America should not only target key technology, capital flows, and data but also secure supply chains and promote educational initiatives. I conclude with three principles that

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3 Executive Office of the President of the United States, "National Security Decision Directive 75," Washington DC, 1983, 3. https://irp.fas.org/offdocs/nsdd/nsdd-75.pdf.
4 McIntyre, William R. "American-Soviet Trade." In Editorial Research Reports 1959, vol. II, 651-70. Washington, DC: CQ Press, 1959. http://library.cqpress.com/cqresearcher/cqresrre1959090200.
5 Felix Richter, "Infographic: China's Rise to Economic Superpower," Statista Infographics, June 27, 2022, https://www.statista.com/chart/27688/chinas-share-of-global-gdp-vs-the-us-and-the-eu/#:~:text=World%20Economy&text=According%20to%20estimates%20from%20the,purchasing%20power%20parity%20(PPP).

I think should frame U.S. policy action in these five areas of targeted de-coupling.

- **Match negative policy moves with positive policy initiatives.** We should not only sanction and deny, but also propel American programs forward as a matter of national policy or government incentives. For instance, the United States should not only limit Chinese access to American universities in key science and engineering areas but should subsidize a quadrupling of American enrollment in the same programs. In the past 20 years, America has gone from enjoying a 5:3 advantage over China in the number of STEM graduates to now seeing China graduate 4 times as many STEM students as the United States and 3 times as many computer scientists.

- **Build new tools for a new strategy.** The current intelligence and enforcement mechanisms at DoS, Commerce, DoD, and in the intelligence community are not sufficient to safeguard U.S. advances in artificial intelligence, machine learning, semiconductors, 5G wireless, quantum information science, biotechnology, and other key areas.

- **Seek to implement these measures multilaterally whenever possible.** The United States should make a multilateral initiative of its need to have a new national strategy for secure access to raw materials and supply chains through domestic supply, domestic industry (see the Eric Schmidt/Peter Thiel domestic chip initiative), "friend shoring," and the like. We should unapologetically bolster this economic strategy with political and military support to close allies. The flag follows (secure) trade. Groups modeled on the Five Eyes alliance could be replicated around key technology areas.[6]

6 See also: Ash Jain and Matthew Kroenig, "Toward a Democratic Technology Alliance: An Innovation Edge That Favors Freedom," Atlantic Council, June 13, 2022, https://www.atlanticcouncil.org/in-depth-research-reports/report/toward-a-democratic-technology-alliance-an-innovation-edge-that-favors-freedom/.

Economic Strategy and Statecraft: From Engagement to Decoupling

A Response from Nadia Schadlow

Economic statecraft refers to the combination of policies and instruments required to advance American prosperity and enhance and protect American security. Today, the two are increasingly intertwined since the technologies associated with economic growth cannot, fundamentally, be separated from national security, nor can they be separated from the character of political, economic, and military systems.

The term economic statecraft has witnessed a resurgence for two fundamental reasons. The first is China. The second is the growing recognition that trade policies and the interdependence of nations associated with these policies matter to domestic constituencies and to national security. As one expert put it, we are "overdue rethinking of the relationship between domestic and international economic policy."[1] David Feith's paper explores how to craft a deliberate decoupling strategy as a key component of a broader economic statecraft strategy toward China. In the current period of competition between the United States and China (which Feith and others have dubbed the "New Cold War") Feith offers a compelling argument for how the United States must improve its economic statecraft to address the "daunting challenge" posed by China. The purpose of this response is to exam-

1 Matthew P Goodman, "Toward a Smarter Economic Statecraft," CSIS (Center for Strategic and International Studies, October 29, 2020), https://www.csis.org/analysis/toward-smarter-economic-statecraft.

ine whether or not selective decoupling is likely to achieve the worthy goals Feith outlines and to offer some additional comments on the concepts and its challenges.

A Step Back

During the Cold War between the United States and the Soviet Union, the requirements of economic statecraft were quite different than during the present period. U.S.-Soviet economic interdependence was limited. Aside from espionage (which was a factor), there was little concern about how U.S. capital and know-how were aiding the Soviet economy or helping to grow its key sectors. Overall, there was little opportunity for American investments into the Soviet economy because the Soviet Union heavily restricted inward foreign investments. Indeed, foreign investments were almost entirely forbidden. Foreign capital was considered inconsistent with the basic tenets of the socialist command economy—principles such as central planning and regulation, concentration of all productive assets in the state, and disapproval of foreign economic entanglement.[2]

Of course, there were some exceptions. Investments that were made tended to be "limited either to relatively simple purchase/sale transactions or the construction of turnkey plants with no equity retained by the Western party in the constructed enterprise."[3] From the 1970s-90s, the United States did provide billions of dollars in loans and credit guarantees to the Soviet Union for the purchase of American grain. At home, these types of exchanges as well as other types of aid were justified on the grounds of realpolitik: Gorbachev and Yeltsin claimed they needed economic assistance to bolster their political capital to make political and economic reforms.[4]

Later, the Reagan Administration lifted restrictions on the export of oil and gas drilling and pipe-laying equipment to the Soviet Union in order to improve U.S. trade balances and industrial competitiveness.[5] (The Soviet oil and gas industries were still riddled with inefficiencies—which in some cases even undermined the value of foreign equipment imports.)[6]

Fast Forward

The current situation is different and thus comparisons to the Cold

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2 Mark David Davis and Robert J. Sokota, The Development of the Foreign Investment Environment in the Russian Federation, 24 Case W. Res. J. Int'l L. 475 (1992) https://scholarlycommons.law.case.edu/jil/vol24/iss3/1.
3 Ibid, 476.
4 Harrison
5 Ibid.
6 Ibid.

War are limited. The United States and China are highly intertwined.

Apart from Hong Kong, the United States remains China's most important financial counterpart and U.S. markets continue to serve as key fundraisers for Chinese companies. Americans (and their pension funds) continue to reinvest in China. And despite the increased attention and concern, capital continues to flow there. While, as the Rhodium group points out, direct investment and venture capital flows between the United States and China have declined since 2016, "passive" investment in equity and debt has grown.[7] Rhodium estimates that there was over $3 trillion in U.S.-China two-way equity and bond holdings (including securities held in central banks' reserves) at the end of 2020—nearly double the official figure of $1.8 trillion. U.S. holdings of Chinese securities were about $1.2 trillion at the end of 2020.[8]

Moreover, even at the height of U.S. concerns about key tech sectors as they relate to China, such as the semiconductor industry, investments into China have continued. Many experts have noted that the U.S. share of global semiconductor manufacturing declined from 37 percent in 1990 to 12 percent in 2020 and that it is important to maintain our dominance in this domain—particularly in relation to the production of leading-edge chips. The Biden Administration's early 2021 supply chain review focused on the importance of the microchip sector.[9] Yet last year, the Wall Street Journal reported that from 2017 through 2020, 58 deals were made—more than double the number from the prior four years.[10]

Future Challenges

Despite the soundness of Feith's recommendations and their contribution to U.S. security interests, there are three challenges to implementing a regime of selective decoupling.

First, the difficulty of getting the U.S. private sector to shift its approach toward China should not be underestimated. As Feith points out, most Chinese technology companies owe their existence to Silicon Valley venture capital firms. While some investments have declined

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7 Adam Lysenko et al., "US-China Financial Investment: Current Scope and Future Potential" (Rhodium Group, January 26, 2021), https://rhg.com/research/us-china-financial/.
8 Ibid.
9 "Fact Sheet: Biden-Harris Administration Announces Supply Chain Disruptions Task Force to Address Short-Term Supply Chain Discontinuities," The White House (The United States Government, June 8, 2021), https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/08/fact-sheet-biden-harris-administration-announces-supply-chain-disruptions-task-force-to-address-short-term-supply-chain-discontinuities/.
10 Kate O'Keeffe, Heather Somerville, and Yang Jie, "U.S. Companies Aid China's Bid for Chip Dominance despite Security Concerns," The Wall Street Journal (Dow Jones & Company, November 12, 2021), https://www.wsj.com/articles/u-s-firms-aid-chinas-bid-for-chip-dominance-despite-security-concerns-11636718400.

and changed, many have not. As noted above, even as tensions with China have grown, U.S.-China trade and investment ties remain highly intertwined. In 2020, China was America's largest goods trading partner, third largest export market, and largest source of imports.[11] Recent developments suggest a "softening" in bipartisan support for certain measures. For instance, one key sticking point in the enormous U.S.-China Competition Act is centered on outward capital flows. There is growing opposition to an outbound investment review regime, with a chorus of lobbyists and law firms arguing that if there is such a regime, it should be narrow in scope. Opponents successfully removed outbound investment screening from the U.S. Innovation and Competition Act (USICA), though it reemerged in the America Creating Opportunities to Meaningfully Promote Excellence in Technology, Education, and Science (COMPETES) Act.

In the past, even though the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA) expanded the jurisdiction of the Committee on Foreign Investment in the United States (CIFIUS), ultimately the implementing regulations were scoped more narrowly than what the statute permitted.[12] Although the Biden Administration continued the Trump Executive Order that banned American investment in firms with ties to China's military, the implementation date has been pushed back. While it was due to go into effect in early June, one news report noted that just ahead of the deadline, "the Washington agency charged with enforcing the ban quietly notified investors that they would not be punished for holding onto such securities."[13]

Related to the ambivalence of the U.S. private sector is the role of other countries. One of the biggest problems with implementation of investment bans will be the role of other actors. The United States remains the largest recipient of foreign direct investment ($384 billion) but China is the second, with $334 billion.[14] That means that billions of dollars will continue to flow into China even if U.S. investments into China are reduced. Considering how to address this "displacement" factor will be a key issue for policy makers.

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11 Ryan Hass, "The 'New Normal' in US-China Relations: Hardening Competition and Deep Interdependence," Brookings (Brookings, August 12, 2021), https://www.brookings.edu/blog/order-from-chaos/2021/08/12/the-new-normal-in-us-china-relations-hardening-competition-and-deep-interdependence/.

12 Farhad Jalinous, Karalyn Mildorf, and Keith Schomig, "CFIUS Finalizes New FIRRMA Regulations," White & Case LLP (White & Case LLP, January 22, 2020), https://www.whitecase.com/publications/alert/cfius-finalizes-new-firrma-regulations.

13 Zach Coleman, "U.S. Gave Investors 'Green Light' on Blacklisted Chinese Companies," Nikkei Asia (Nikkei Asia, June 6, 2022), https://asia.nikkei.com/Politics/International-relations/US-China-tensions/U.S.-gave-investors-green-light-on-blacklisted-Chinese-companies.

14 "Foreign Direct Investment Statistics: Data, Analysis and Forecast" (Organization for Economic Cooperation and Development, July 20, 2022), https://www.oecd.org/investment/statistics.htm.

A second obstacle will be the problem of organizational structures that are capable of implementing policy shifts. As Feith explains, it has taken the Commerce Department four years to modernize export controls as required by the 2018 Export Control and Reform Act. Though that law required the Commerce Department to begin modernizing export controls by publishing new lists of foundational and emerging technologies, Commerce has still not published those lists. Moreover, as Feith also points out, under the Commerce Department's "lax licensing regime," only about 1 percent of China's purchases from U.S. exporters are actually denied—sanctioned Chinese firms can still buy components for manufacturing chips at 10 nanometers and above. It is hard to see how under a situation whereby existing procedures are not being effectively used, additional demands will be successfully implemented.

Third, while Feith is correct in arguing that we should work to deter China, "partly by convincing Xi that China's economy would face catastrophic consequences if he moved on Taiwan," there is a flip side to using decoupling as a deterrent. A long period of decoupling and the reduction of interdependence between our economies could actually mitigate the impact of sanctions on China. That is, the more decoupling drives China's independence from the United States, the less value sanctions will have over time. It is questionable whether or not over the long term, Chinese vulnerability to sanctions will remain the same.

China has been working assiduously, for years, to reduce its vulnerabilities to the United States. Its "dual circulation" approach seeks to increase U.S. dependence on China while reducing Beijing's dependence on the United States. As China watches sanctions against Russia unfold, this determination is only likely to increase.

Evaluating the Biden Administration's National Defense Strategy and Budget

By Mackenzie Eaglen

Prioritizing is hard, but necessary. Policymakers of all stripes have been unable to do so consistently with respect to American foreign and defense policy for decades. The result is a military sleepwalking into strategic insolvency.[1] While elevating the threat of China, as the 2018 defense strategy did, is smart, the most recent National Defense Strategy (NDS) is additive in nature—expanding mission scale and scope without corresponding manpower, concepts, and dollars.[2] The result is another force planning construct that does not adequately account for the full breadth of what the nation asks the armed forces to do in war or peace. Current and planned defense budgets will not be sufficient to carry out the actual requirements of U.S. strategy.

Rectifying this mismatch will require both more investment and fewer demands on U.S. forces.[3] Defense planning should rest on realistic assumptions about the inability of policymakers to make hard choices and a cautious appreciation for the observed historical and expected future requirements of America's armed forces.

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1 Rick Berger and Mackenzie Eaglen, "'Hard Choices' and Strategic Insolvency: Where the National Defense Strategy Falls Short," War on the Rocks, May 16, 2019, https://warontherocks.com/2019/05/hard-choices-and-strategic-insolvency-where-the-national-defense-strategy-falls-short/.
2 US Department of Defense, "Fact Sheet: 2022 National Defense Strategy," https://media.defense.gov/2022/Mar/28/2002964702/-1/-1/1/NDS-FACT-SHEET.PDF.
3 Elbridge Colby, Mackenzie Eaglen, and Roger Zakheim, "How to Trim the Defense Budget Without Harming U.S. Security," Foreign Policy, September 30, 2020,

Bureaucracy's Gonna Bureaucracy

The defense budget is eye-wateringly large. So why can't it resource the strategy to compete or win if necessary? Because much of the defense budget itself is fenced off for must-pay bills, leaving precious little trade space for any leader seeking to impose change on the largest bureaucracy on the planet. As former Pentagon Comptroller David Norquist has highlighted, the Department only shifts 10 to 15 percent of its budget any year given the many inherent fixed costs of running a three-million-person enterprise. From there, Congress only tinkers with a fraction (about five percent).

The result is a very small percentage of the defense budget left that is flexible enough to pursue change. Add in annual defense inflation, which tends to outpace wider national trends by two to eight percent depending on account, enterprise-wide depreciation,[4] and all the non-defense spending inside the defense budget,[5] and the stark reality is spending more to get less.

Between two-thirds and three-quarters of the entire defense budget is preordained and essentially spent before policymakers can begin choosing how to advance their strategy. By virtue of understanding the fixed-costs associated with defense, one can begin to understand the few truly strategic choices that are left to make and the impact of those strategic—or more often non-strategic—investments over which they do have control.

Specifically, as MajGen Arnold Punaro, USMC (Ret.) outlines in his latest book, taxpayers are currently spending more on defense in constant dollars than at the peak of the Reagan buildup—but for an active-duty military that is half the size and significantly busier.[6] The U.S. Navy, for example, has averaged 100 ships forward for the past 30 years. Over that same timeframe, the fleet has shrunk from not quite 600 ships to 285. Yet today, the Navy has 128 ships at sea—a stunning number given the overall shrinkage of the force and absence of major conflict or hostilities for U.S. forces.

A Pentagon on Auto-Pay Limits Purchasing Power

Each year the Pentagon orders up a defense budget, just like one would a pizza—telling the cooks (Congress) what they need to fulfill their hunger and the right ingredients for their appetite. Now imagine

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4 Dustin Walker and Mackenzie Eaglen, "Inflation is the New Sequestration," Defense One, April 1, 2022, https://www.defenseone.com/ideas/2022/04/inflation-new-sequestration/363879/
5 Elaine McCusker and Emily Coletta, "Is the U.S. Military Ready to Defend Taiwan?," National Interest, February 6, 2022, https://nationalinterest.org/feature/us-military-ready-defend-taiwan-200295.
6 Arnold L. Punaro, The Ever-Shrinking Fighting Force (McLean, VA: Punaro Press, 2021).

having that eight-slice pizza for your party delivered but only being able to eat 1.75 of those slices. This is the reality that DoD and Congress are facing—what they want and need is eaten up before they get a chance. The defense budget's fenced and fixed costs are only growing—essentially on autopilot even when action is taken to arrest the rate of growth. Like any large organization, the largest cost on the Defense Department balance sheet is for people. Of the $720 billion spent by the Pentagon in 2021, $300 billion (or 41 percent) was spent on pay and benefits like healthcare. Military personnel costs specifically (not including the 750,000+ federal defense civilians) have more than doubled in the last 70 years after adjusting for inflation, according to Seamus Daniels of the Center for Strategic and International Studies.[7] Staying competitive with the private sector and offering generous compensation packages given operations tempo means the "mandatory" spending bills get larger every year—*whether the overall defense budget grows or not.* Cutting the size of the active-duty force slows this rate of growth but does not reduce it—a shocking fact to many members of the Joint Chiefs who have traded away permanent capability in the hopes of reinvestment, only to find none.

Beyond rising costs for a shrinking force, the other half of the fact-of-life expenses—and also alarmingly disproportionate—are maintenance and sustainment costs. Operations and management (O&M) expenditures without civilian salaries or healthcare comprise 22 percent of spending, which is another near-quarter of the defense budget that is mostly locked-in, focused on sustaining the force with little flexibility for redesign. As the force gets older, it gets more expensive. Older equipment costs more to keep in service than buying new outright over the long term. This further squeezes money available for next-generation technologies and systems.

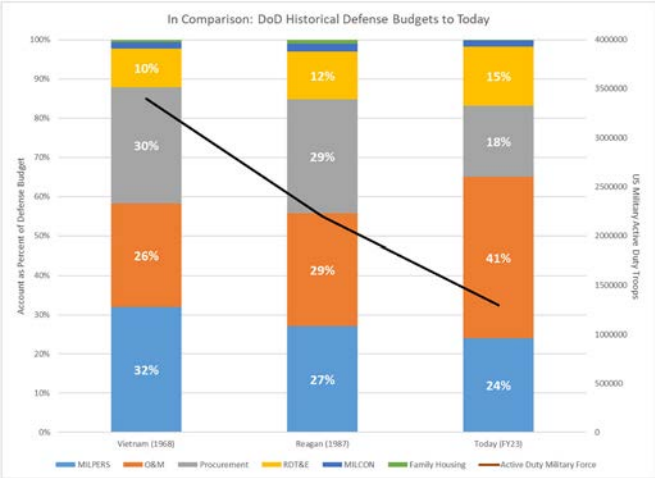
Lost in this vicious cycle of age and extended use is the ability to capture innovation and better performance, new energy efficiency and power generation, and adaptability of more advanced equipment. With geriatric fleet lives constantly extended in order to prioritize future technology over replacing outdated inventories today, these bills will continue to rise faster than the overall topline.

Both people and maintenance costs "consistently rise faster than the rate of inflation."[8] Once under-budgeted inflation is paid, the bulk of annual topline growth (if there is any at all) keeps the Pentagon on cruise control—only maintaining existing force structure. The Trump

7 Seamus Daniels, "Accounting for the Costs of Military Personnel," War on the Rocks, September 22, 2021, https://warontherocks.com/2021/09/accounting-for-the-costs-of-military-personnel/.
8 Robert Work, "Storm Clouds Ahead: Musings About the 2022 Defense Budget," War on the Rocks, March 30, 2021, https://warontherocks.com/2021/03/storm-clouds-ahead-musings-about-the-2022-defense-budget/.

Administration's buildup spending nearly $100 billion above the previous administration's plans, for example, yielded precious little in the way of new or more equipment. In fact, President Trump asked for the same number of new construction ships as President Obama had in his outyear plans—even though there was significantly more money available. That money went to mostly plug holes and repair the frayed foundation from the Budget Control Act era. The "Trump bump buildup" went to *repair* not to *rebuild* the U.S. military.

This is because of the military's enterprise-wide depreciation—a gradual capturing of investments by fact-of-life accounts that seem to ignore logic.



The value of the Defense Department dollar, and therefore its buying power, diminishes each year under the weight of these accounts. Therefore, with a plurality of the defense budget linked to pre-paid bills and utilities that require yearly increases above inflation just to keep the organization churning, little is left for the actual strategic choices that should guide the military through great power competition as mandated by two consecutive National Defense Strategies.

Defense depreciation is a real but unrecognized phenomenon of the declining value of the military's inventory of combat capabilities over time. This depreciation imposes hefty but silent costs on the Defense Department. Just as a car's value goes down the day it drives off the lot, a military platform begins to depreciate when it is fielded. The longer

it remains in the fleet, the more wear and tear it experiences, and the costlier it becomes to operate. As adversaries introduce new platforms and technologies of their own, the relative capability of the warplane is likely to decline—that is, unless more money is spent to upgrade its sensors, weapons, or other enabling technologies so it can stay ahead of the threat.

Depreciation by comparison occurs when a system's value declines as a result of a competitor's innovation, speed and scalability. As China surges ahead of the United States in hypersonic missile development and capability, the military is scrambling to quickly mobilize some form of hypersonic missile integration. In a House Armed Services Committee (HASC) hearing on the Air Force's budget, it was revealed that arming the F-15EX fighter with hypersonic cruise missiles would be the only hypersonic capability in which the United States would have advantage over China.[9] This means a fourth-generation fighter, of which the Air Force is reducing overall procurement, would again be subject to major operations and maintenance investments related to the modified capabilities.

Money & Mobility Making Defense Bills Magnets

One challenge in addressing these high percentages of fixed costs is that many of these sums are marbled into various and often-unrelated accounts. The obfuscation of where the dollars go makes it harder to determine how well they are being spent—to include on the NDS.

However, there is no doubt that the barnacles of earmarks and bureaucracy have built up and calcified within the defense budget over decades. As Elaine McCusker has said, the Pentagon spends more on the Defense Health Program than on new ships.[10] It spends almost $10 billion more on Medicare than on new tactical vehicles.[11] It spends more on environmental restoration and running schools than on microelectronics and space launch combined.[12]

The former acting Pentagon Chief Financial Officer (CFO) continues,

> DOD currently funds activities more appropriate to other departments. In FY 2020, DOD had a budget of more than $1.5 bil-

9 Department of the Air Force Fiscal Year 2023 Budget Request, 117th Congress, (2022), https://armedservices.house.gov/hearings?ID=5E7CF224-5C81-4567-BCC3-D66F25DF6C75.
10 McCusker and Coletta, "Is the U.S. Military Ready to Defend Taiwan?,"; and Office of the Under Secretary of Defense, Comptroller/Chief Financial Officer, United States Department of Defense Fiscal Year 2022 Budget Request: Program Acquisition Cost by Weapon System, May 19, 2021, https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2022/FY2022_Weapons.pdf.
11 Office of the Under Secretary of Defense, Comptroller/Chief Financial Officer, United States Department of Defense Fiscal Year 2022 Budget Request, https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2022/FY2022_Budget_Request_Overview_Book.pdf.
12 Ibid.

lion for medical technology development, including autism and breast, ovarian and prostate cancer research. In parallel, the National Institutes of Health, where such federal efforts should be supported, had a total budget of more than $250 billion, within which $17.7 billion was reserved for conditions and diseases DOD also funded.

Defense budgets also include money (albeit minor amounts) for education grants for state and local entities, law enforcement support, and blankets for the homeless. Not really core DOD competencies.[13]

From Congress using the largesse of defense to fund projects that are important but unrelated to deterring war to running schools, grocery chains, hospitals, patrolling the southern border, and now helping mitigate climate change, so much of what gets lumped into "defense spending" is not yielding tangible combat power that deters or defends.

Unlike the Reagan buildup where dollars were concentrated in procurement and purchasing of new hardware, the Biden budget has made procurement its billpayer for extraneous missions. The Pentagon's unhealthy ratios of building new equipment to researching next-generation technology are only worsening. The Defense Department has again requested record funding for research, development, test, and evaluation (RDT&E) in 2023. But without the procurement dollars to take R&D efforts from the laboratories into the hands of warfighters, these are roads to nowhere.

Urgency is largely absent in this strategy and among the leadership executing it, as evidenced by their long-term, reduced-force financing plan. Meanwhile, military planners across the Armed Services are suffering the result and pleading the case.[14] The first-ever Air Force software officer Nicolas Chaillan resigned last fall, citing lack of budgetary support for joint all-domain command and control (JADC2) and the inability to act with agility to "enable the delivery of timely capabilities at the pace of relevance." Former vice chairman of the Joint Chiefs of Staff Gen. John Hyten warned, "it's going to take us 10 to 15 years to modernize 400 [intercontinental ballistic missile] silos that already exist." However, "China is basically building almost that many overnight."[15] And Marine Corps deputy commandant for combat develop-

13 Elaine McCusker, "Examining National Security as Part of the Entire Federal Budget," RealClearDefense, November 10, 2020, https://www.realcleardefense.com/articles/2020/11/10/examining_national_security_as_part_of_the_entire_federal_budget_583550.html.
14 Mackenzie Eaglen, "How the Ukraine Crisis Could Make the US Military Stronger," 19FortyFive, February 28, 2022, https://www.19fortyfive.com/2022/02/how-the-ukraine-crisis-could-make-the-us-military-stronger/.

ment and integration Lt. Gen. Karsten Heckl reiterated the sentiment of many other leaders stating plainly: "If anybody thinks we are moving fast enough, you're crazy." The funding applications proposed by this department and strategy fail to address the most urgent causes—US combat strength and capability in the next five years.

In the coming year, the Pentagon would spend only $1.12 in procurement for every $1.00 spent on RDT&E. This is down 7 percent from FY22, and a stark decrease from the 1980s modernization-era, when the Department spent an average of $2.74 on procurement for every $1.00 on RDT&E. The percentage of the budget devoted to future bets (R&D) does speak to the Department's deep and shortsighted commitment to the idea that America's hardest threats are a decade out. Yet this misguided belief that threats will pause and wait until we're ready to defeat them only invites that aggression earlier given our simultaneous declining conventional and nuclear deterrence.

Of the one-third or so portion of the defense budget that is seemingly spendable (aka, left on DoD's debit card), the Biden Administration only requested 18 percent—or $145 billion—for direct procurement. Once Congress gets a turn, less than 15 percent of funds can actually be invested strategically toward the pacing threat and a strategy of denial.[16]

Mortgaging the present in the hopes of buying the future did not work for the Air Force in the 2008-2011 timeframe, nor will it work for the Marine Corps and other services today. The Marine Corps' *Force Design 2030* permanently gives away capability, capacity, and manpower now to free up funds to invest in modernization and technology tomorrow.[17] Moreover, whether or not one renders the plan appropriate for the challenges facing the United States, the optimistic approach has no plan B. After two consecutive budgets that failed to fully fund inflation and fact-of-life costs, Commandant of the Marine Corps General David Berger has been forced to shed headquarters staffing by 15 percent, cut end strength and legacy systems, and still after all that is left with nothing to fund new programs and projects that advance his vision. He stated last fall that "we have wrung just about everything we can out of the Marine Corps internally. We are at the limits of what I can

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15 Mikayla Easley, "JUST IN: Hyten Says Pentagon Moving 'Unbelievably Slow' with Modernization," National Defense Magazine (National Defense Industrial Association, September 13, 2021), https://www.nationaldefensemagazine.org/articles/2021/9/13/hyten-says-pentagon-is-moving-unbelievably-slow-in-defense-modernization.

16 Forum for American Leadership, "National Defense Strategy," https://img1.wsimg.com/blobby/go/1d008308-a2e8-48d3-ac4d-11267653d021/National%20Defense%20Strategy.pdf.

17 Mackenzie Eaglen and Thomas Spoehr, "What Does the Marine Corps' Return to the Sea Mean for the Army?," 19fortyfive, June 8, 2021, https://www.19fortyfive.com/2021/06/the-marine-corps-tax-on-the-u-s-army/.

do."[18] The service divestments yielded not one penny for investments.

In the latest budget request for 2023, the US Navy is not just proposing a strategy of "divest to invest" according to a longtime Washington observer of defense issues. The sea service, in the case of at least one of the modernized Aegis cruisers and some of the more recently procured Littoral Combat Ships, is in effect proposing a strategy of "*invest*-to-divest."

The Strategy-Resource Conflict, Not Compliment

Let this and the other examples above serve as case studies for how the 2022 National Defense Strategy takes form and comes to fruition, or not. Disguise a declining defense budget under bigger numbers but palpably reduced buying power, squeeze people and ask the smaller force to do more with less, and weaken conventional deterrence. Integrated deterrence by disintegrating the services—it is easier to become whole when you have fewer pieces to the puzzle.

Former Deputy Secretary of Defense Bob Work said it best, "The United States cannot *maintain* force structure on flat defense budgets."[19] This is to say nothing of doing new, more, and better with the defense budget. This Administration is strategic about how they are cutting massive amounts of capacity under the guise of growth. Few understand just how much of the defense budget is on the available "debit card" for change. But the Administration does, and they intentionally allow defense depreciation to spread like wildfire throughout the Department.

The new defense strategy incorporates the most significant themes of the 2018 NDS, which is helpful, but it does so by taking the risky gamble of capacity and capability gaps in the near and medium term while expanding the military's missions. The rampant disease of fixed-costs marbled within the budget will hold back any team that is not full of frothy pitbulls. The first step toward steering this ocean liner of a bureaucracy in a smarter direction toward deterring China is to see the spending handcuffs as they exist and increase funds above inflation where strategy demands—not just where costs are fixed. The 2022 NDS may reiterate familiar points, but the associated budget request is only masquerading as robust. In reality, the military will only continue to shrink and age under this program, and the promised vaunted future,

18 Patricia Kime, "'At the Limits of What I Can Do:' Marine Corps Commandant Makes Plea for Funding," Military.com, June 16, 2021, https://www.military.com/daily-news/2021/06/16/limits-of-what-i-can-do-marine-corps-commandant-makes-plea-funding.html.
19 Work, "Storm Clouds Ahead."

if it ever arrives, will not be until after this team leaves office.[20]

Washington knew the "Terrible 20's" were coming for a long time.[21] But in recent decades, leaders have continuously deferred the hard choices to better phase our internal spending challenges of conventional and nuclear modernization simultaneously over a more agreeable timetable. In the meantime, our competitors have not only caught up but are now out-running us militarily in many ways. Now the United States is at risk of hastening the day Chinese Communist Party leaders conclude they can take Taiwan because in five or so years, we will have (potentially) fielded capability such that its chances of success might diminish. By advertising that we think it is better they move now because they will lose in the future, America may just be inviting the outcome we hope to avoid.

20 Mackenzie Eaglen, "Defense Strategies and Priorities: Topline or Transformation?," Ronald Reagan Presidential Foundation and Institute, https://www.reaganfoundation.org/reagan-institute/publications/defense-strategy-and-priorities-topline-or-transformation/.
21 Mackenzie Eaglen and Hallie Coyne, "The 2020s Tri-Service Modernization Crunch," American Enterprise Institute, March 23, 2021, https://www.aei.org/research-products/report/2020s-tri-service-modernization-crunch/.

Evaluating the Biden Administration's National Defense Strategy and Budget

A Response from Paul Lettow

This is an apt moment to examine the Biden Administration's National Defense Strategy (NDS) and the U.S. defense budget. The administration delivered its classified NDS to Congress on March 28, 2022, but evidently will not produce an unclassified version until it releases its National Security Strategy (NSS), ETA unknown. The NSS should have preceded the NDS. But it has been delayed—reportedly so the White House can rewrite it in light of Putin's invasion of Ukraine and its unfolding aftermath.[1] Looming months from now is a potential change in control of one or both houses of Congress, while conservatives are in the midst of a period of contesting ideas, policies, and personalities that is playing out across primaries, congressional committees, and think tanks.

This is a time of change and consequence. Herewith an attempt—in the spirit of the Reagan Institute Strategy Group—to help guide conservatives on national security and defense strategy, both in internal debates and in pressuring the Biden Administration to promulgate and pursue effective strategy. It builds on similar efforts from the Forum for American Leadership.[2]

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1 Peter Martin and Jennifer Jacobs, "Putin's Invasion of Ukraine Forces Biden to Rewrite US Security Plan," Bloomberg.com (Bloomberg, June 3, 2022), https://www.bloomberg.com/news/articles/2022-06-03/putin-s-war-forces-biden-to-rewrite-security-plan-nod-to-europe.

2 Forum for American Leadership, "National Defense Strategy," https://img1.wsimg.com/blobby/go/1d008308-a2e8-48d3-ac4d-11267653d021/National%20Defense%20Strategy.pdf.

The United States must wage a long-term competition, peacefully and successfully, primarily with the People's Republic of China (PRC) and also with a Putin-led Russia. We must focus on proactively shaping the environment in which the leaderships of those two countries operate, deterring their decision-makers from pursuing potentially catastrophic choices in the near term and compelling them to pursue courses of action more in line with U.S. interests over the long term. That necessitates altering their calculations so as to foreclose them from near-term military adventurism. Now and for the foreseeable future, it means drawing on and playing to U.S. advantages and strengths, and—not to be forgotten or underappreciated—identifying and ruthlessly exploiting those regimes' weaknesses and vulnerabilities across all of the domains and arenas of competition.

U.S. hard power—military and economic power—underpins and enables U.S. advantages in those competitions, from the strength of our alliance and partnerships to the attractiveness of our values. This cannot be overstated, and we must remind our friends in the Biden Administration and in the current majority in Congress of it constantly. When U.S. hard power, *including and especially military power*, is on the rise absolutely and relatively, the power and efficacy of our alliances, the potency of our diplomacy, and the perceived risks and costs by adversaries of attacking or countering our interests are all on the upswing, as well.

The strategic moment, with the PRC threatening Taiwan and elsewhere and Russia having invaded Ukraine, demands a clear focus on building U.S. hard power, quickly and with an eye toward current and long-term capabilities. We should do everything we can to encourage the Biden Administration to see this as a moment comparable to 1950 or 1979, when the Truman and Carter Administrations, respectively, made course corrections and sought significantly increased defense spending, which successive administrations and Congresses worked to sustain over the long haul.

One of the most important steps we can take now to preserve peace and prevail in strategic competition is to provide immediate, real, and sustained increases in the defense budget and to encourage our allies and friends to do the same. The NSS and NDS should prescribe immediate increases in defense spending of at least 5 percent growth above inflation, a number already cited by Senator McConnell. They should underscore the need for sustained, bipartisan support for increased defense spending to meet and overcome the growing threats to U.S. security. That must be prioritized over other choices.

The United States should also focus on getting combatant commanders

the capabilities they need to deter aggression in their respective theaters; encouraging far stronger and complementary capabilities from allies and partners and expanding combined exercises with them; and expediting arms deliveries to threatened democracies.

The United States must prioritize meeting the challenge from the PRC, first in the Indo-Pacific.

- We must act urgently to deter the PRC from using force against Taiwan or elsewhere. That means arming and preparing our allies and partners, especially Taiwan, against the threat from the PRC, and our possessing the ability to reinforce them quickly and to attrite rapidly the PRC's attacking assets.
- The United States faces the urgent necessity of enhancing readiness and increasing combat capability and capacity in the near term, while simultaneously accelerating innovation and developing new concepts of operation. Both of those steps are essential. They cannot be achieved without defense budgets that stay well ahead of inflation.
- Priority areas for investment include capabilities that would allow us to counter the PRC's naval and air forces quickly: long-range fires, anti-ship missiles, submarines, smart mines, and unmanned vehicles; air and missile defense in the region; and air battle management capabilities.
- Essential to these tasks is continuing to build on integrated joint and combined operations and forward basing with allies and partners.

We also have vital, enduring interests in Europe and the Middle East. U.S. security rests on the foundation of a favorable balance of power in each region. If we fail to secure those interests, the world will be more dangerous—that is, more likely to result in wars—and less conducive to allowing Americans to thrive.

Preventing the domination or destabilization of Europe and the Middle East will help, not hurt, in meeting the comprehensive challenge posed by the PRC. Preserving peace and stability in those regions is necessary to achieve our objectives against the PRC, which seeks to exercise global power and influence. Failing to do so will backfire, making competition with the PRC more difficult to pursue and win: we will end up spending more time, resources, and attention quelling crises after they arise rather than heading them off before they begin. Our posture will and should be tailored to each region, with allies and partners in each case being encouraged to spend, cooperate, and more in ways that complement and reinforce their defense—and ours.

Two final notes:

First, Mackenzie Eaglen's paper properly emphasizes just how much of what we call defense spending is *not actually devoted to developing and procuring the sinews of military power*. That is mirrored in the broader disaster of U.S. government spending, which is being swamped by spending on entitlements and interest on the federal debt. These trends are not inevitable. Indeed, they will not last, because they cannot last; we will face a crisis, perhaps a cascade of crises, that will force us to change course, and to do so when the stakes and the pain of the course correction will be much higher than they would be now. Our children and grandchildren will ask us tough questions about when we decided to stop being selfish and afraid and actually confronted the spending problems we knew threatened us and them. A good answer would be: Now.

Second, it is self-evident that our efforts over much of the last 30 years to facilitate the economic rise of the PRC and thereby turn it into a responsible international actor have backfired. At long last—after playing an essential role in creating the comprehensive strength of the principal adversary that now threatens us and after its "unlimited partner" Putin has invaded countries friendly to us—the dangers, even the absurdity, of the United States and our allies and friends relying on them for crucial resources, materials, supplies, and goods should be clear. If an immediate decoupling from Russia has proven disruptive, the consequences of doing so with the PRC amidst an escalating crisis would be far greater.

Despite short-term adjustment costs, we must thus begin a planned and proactive strategic, economic decoupling from the PRC to avoid the potentially catastrophic consequences of a hasty and reactive fracture amidst a future crisis. The NSS and NDS should set out that strategically necessary course forthrightly, and all of us—in and out of government or the private sector—should pay heed and take action.

Evaluating the Biden Administration's National Defense Strategy and Budget[1]

A Response from Diem Salmon

The shift towards the Indo-Pacific has been stated U.S. policy for over a decade, tracing at least as far back as President Obama's decision to "pivot to Asia" in late 2011. The United States recently affirmed this policy by identifying China as the priority (or "pacing") threat in both the 2018 and 2022 National Defense Strategy (NDS). Yet during this extended period of time—despite the urgent rhetoric and the seriousness of the threat—the Department of Defense (DOD) has not implemented the type of meaningful change one would expect following such a profound shift in strategy. Nor has it implemented the type of meaningful change that one would expect given the gravity of the adversary. Unsurprisingly, the competitive landscape vis-à-vis China (whether that is defined as being able to deter aggressive acts or increasing military overmatch) has worsened—not improved.

If the DOD has been struggling to implement (or even internalize) the general intent of the past two strategies, nuanced arguments about distinguishing concepts like "Dynamic Force Employment" in the 2018 NDS from "Campaigning" in the 2022 NDS, or the specific meaning and applications of "Integrated Deterrence," miss the forest for the trees.

1 A disclaimer worth noting up front, I have not read the classified version of the 2022 National Defense Strategy (NDS). While the Department of Defense (DOD) should publish a more in-depth unclassified version of the 2022 NDS to facilitate a broader and more rigorous discussion of the strategy, it still stands that the NDS and its contents will have a limited ability to impart the necessary changes on the DOD to improve our ability to compete with China in the near-term.

The issue is not the core strategy itself. Rather, it is the lack of requisite follow-on activities and decision-making that support the broader "planning and programming" phase that would allow for implementation of a strategy.

This does not owe to a lack of trying. The Department's initial effort to develop a Joint Warfighting Concept, an effort to address how we would fight peer adversaries, which in turn would help determine modernization priorities, is left wanting. Force design efforts, like the Navy's Unmanned Task Force, remain works in progress. Efforts to determine innovative and technical solutions to improve capabilities have produced very few actionable answers. For example, despite conducting Advanced Battle Management System (ABMS) or Joint All-Domain Command and Control (JADC2) experimentations for over two years, there are still no clear solutions the services can start investing in. Without the above as guidance, the Department will not make big-swing changes or investments.

As a result, the United States has lost what precious little time it had. Forecasts of future competition with China occurring in 10-plus years have shrunk. At first, military leaders warned of the United States "eroding overmatch;" several years later the situation was dire enough for the 2018 NDS Commission to state we would potentially lose the next major war.[2] The trajectory of the state of competition is worsening, and the DOD is increasingly focused on the near term.

If one is to interpret these signals for what they mean in plain language—that a conflict with China could occur in the near term, and that the United States could lose such a conflict—then it is imperative that the Department focus on changes that will have immediate impact on both deterrence and combat credible forces.

One such change is accepting there is no longer time to study the problem or explore a wide range of solutions. Discovery efforts or experimentation, on the off-chance they reveal meaningful solutions, will likely not produce useful options in the near term. In other words, the leaders within DOD, with congressional support, must make decisions with imperfect data. There will be risk and inefficiencies associated with these decisions, but this is a cost that must be borne if we expect any impactful changes to occur in short order.

In particular, the Department leaders should focus their efforts on the following:

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2 "Providing for the Common Defense: The Assessment and Recommendations of the National Defense Strategy Commission," 14, https://www.usip.org/sites/default/files/2019-07/providing-for-the-common-defense.pdf.

- **Rely on policy as a tool for deterrence.** One of the most impactful and immediate actions the DOD and White House could take to improve our ability to deter war with China is making key policy decisions about how the United States would engage in war with China. What actions does the United States consider to be escalatory behavior, and what actions might we take in response to them? What is the U.S. position on mainland strikes? Policy changes and statements are free, they can be done relatively quickly, and they can have an outsized impact on influencing Chinese behavior.

- **Change military force posture.** U.S. force posture should be re-balanced to reflect the prioritization of U.S. Indo-Pacific Command with China as the pacing threat. This should be characterized by distributed and resilient basing. The Department has not been able to make significant gains on this front, and the latest Global Posture Review did little to advance the effort. Changing force posture is hard; however, changes in force posture can have immediate impacts on combat credibility and deterrence and can be achieved with the current force size and structure. This is an area worthy of the attention of the Secretary of Defense and other key leaders in the White House and Congress.

- **Focus on the technical capabilities that close gaps in the near term.** Modernization efforts can take 10-15 years to implement, which is the case for many of our priority programs. The current reality requires the DOD to ensure we remain effective and can deter and possibly win a war with the force that we have today. Unfortunately, some critical capability gaps exist that will require technical innovation. DOD and industry will not be able to solve all of them at once, but some technologies can be accelerated for fielding within the next five years. DOD and the service leaders need to make key bets on a handful of technologies that have a chance of fielding in the near term and put their energy and money behind them by pulling them through the acquisition Gordian knot.

- **Funding the defense budget.** Giving the DOD a higher budget will not on its own solve our eroding comparative advantage as it relates to China, but a lower budget will almost certainly worsen the problem. Funding provided to the defense budget should reflect our tolerance for risk. We find our nation engaged in strategic competition with a peer competitor who poses an existential threat to our way of life in a time when our competitive advantage is eroding. Why would the United States opt for resource levels that require us to make hard

choices and trade-offs that impose greater risk on the military? And while an ever-growing budget will seem gluttonous to some and may well result in some level of wasteful spending, it is a small trade-off to ensure we have the means to maintain our position in the world.

The ability to make major changes in a short period of time runs counter to the bureaucracy that is the Department of Defense. Left to its own devices, the DOD—even with the most ardent, capable, and focused leadership—would not be able to implement many of the necessary changes with anything resembling speed. Congress is the necessary partner who can cut through bureaucratic nay-sayers, provide additional funding that would circumvent most internal roadblocks, and force change throughout the military in a short period of time.

Moreover, Members of Congress has proven they will support the Department if they believe it will strengthen our competitive position against China. Whichever items the Department chooses to prioritize when implementing the 2022 NDS, leadership should accept that it can only be done in partnership with Congress if it is to be impactful in time to turn the tide.

Notes

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