Intro:

Today on *Political Economy*, I talk with Mackenzie Eaglen about the Pentagon's evolving strategy to confront today's national defense challenges. Mackenzie and I take a look at the military doctrine of recent administrations compared to that of today. We discuss America's state of preparedness, the changing defense-industrial base, and the role of automation.

Eaglen is a senior fellow here at AEI where her research focuses on defense strategy, budgets, and readiness. She is a member of the Commission on the Future of the Navy and is one of 12 members of the US Army War College Board of Visitors. She serves on the US Army Science Board, and was a staff member on both the National Defense Strategy Commission and the National Defense Panel.

Pethokoukis: If I were to judge US military doctrine purely by looking at the Pentagon budget, what would I conclude about that doctrine? What is it all about?

Eaglen: That's a trick question because we're straddling two different administrations. The lumbering and large Pentagon bureaucracy has its sort of institutional answer to that, but the new administration's going to put their own stamp on it, which we don't yet fully have a sense of that — although we do have Trump 1 administration and their guidance.

What I would tell you, more importantly, and what AEI has talked about many times over the years, is that different administrations do come and go, but the relative size, and trajectory, and interest duties, and responsibilities of the military largely stay mostly consistent, if not just expand every administration, meaning the job jar tasks simply grow. But in terms of what do you want your military to do and for what purpose, those are relatively stable throughout history since the end of World War II.

Our national habits, and why we have a large standing armed force — which we do — to defeat foreign adversaries primarily, but including here, as well, is pretty consistent over time. We have national interests in every corner of the globe. We seek a relative balance of power across Eurasia and the Middle East all the time for our own economic self-interests back home.

So we had a big defense budget when we had the Soviet Union, and then that went away and we cut defense spending. Then we started worrying about terrorism and we had a long, costly war. Now we're concerned about China — and it seems like we've pivoted toward China and away from worrying so much about Europe, while at the same time, a non-Soviet Russia is looking a little bit more like Soviet Russia and starts the biggest war in Europe since World War II. Despite all those changes, has our basic objective not really changed?

I think your characterization for the last half-century or so is accurate. The former Soviet Union, the big bear, the "end of history," as we call it in foreign policy—which of course it was not, but it was the great disarmament by the United States in the expectation that we weren't going to use the military, when, of course, it turned out Bill Clinton used the armed forces more than any president in modern history in the '90s, followed by two long grinding wars, which were a blend of terrorism, counter-terrorism, and counterinsurgencies, to today where we find ourselves confronting what the Department of Defense

would call a “peer adversary”: someone as good as we are with as much technologically capable stuff as our military, and perhaps somewhat less battle-tested than ours, and that would be China.

But then we don't take our eye off of Europe because of all that's happening with Putin and his seemingly insatiable appetite to defy sovereign borders by use of force. Of course, Israel is in its second year of war against Hamas and we are supporting Israel, our key ally, with weapons, and intelligence, and troops, in some cases — standoff, not stand-in, not on the ground. And then the threat of terrorism, which is all the places we've abandoned, like Afghanistan, those groups are regrouping.

That's the unfortunate burden of being a superpower with global interests, is all of these regions or zones of instability have the potential to affect us, which is why we try to be proactive, to be forward deployed, present, showing the flag with our navy, training other foreign militaries because you don't want problems to become crises, and crises to become wars. That's way more expensive.

From my layman’s perspective, it seemed like the goal of the US military pre-rising China was to be able to fight two regional wars simultaneously. Then the goal seemed to be the ability to fight one regional war and keep the other one on hold until that first one was over. Was that part of the doctrine?

Well, you said you didn't know much about this, but you're accurately reflecting all of our recent history. That's all true. So what you saw slowly at the tail end of the height of the wars and the tail end of the Bush administration into Obama, then Trump, and then Biden, what you basically saw was the degradation of the slow-moving from being a two-war military, being capable of fighting two enemies nearly simultaneously, to a one plus some change, the one and the hold strategy that you talked about. Now we're kind of just really just a straight up one-war power, which makes us a regional power, not a superpower.

There are lots of countries on the planet who are one-war powers. The challenge for us is that one, we don't have the luxury given our interests here at home; two, we have a pretty open society, so we're much more vulnerable; and three, we always play an away game. We don't fight Canada and Mexico on a regular basis, thank goodness.

Yet! Yet!

Knock on wood — I know, “51st state,” haha, Gulf of America, but thank goodness for our two oceans and our two relatively friendly neighbors. What you're seeing here is a three-theater global military with our interests. But when you mismatch it with a one-war capable military, what you get is a gap, and China sees the gap, Putin sees the gap, Iran and North Korea see the gap, and what we say we need them to do, and what we actually are capable of doing.

Are you fine with the ability to just be a one-war power, or is that really enough in a big dangerous world? Even if that gap were closed and we could fight that one war, no problem, is that enough?

It's not enough because nature abhors a vacuum and our enemies, the “League of Darkness,” or the “Axis of Evil,” or whatever we want to call that nexus of China, Russia, North Korea, Iran, they are not just increasingly working together because it's good for business, they're increasingly ideologically aligned

against the West — whether that's our economic power, our trade power, our military power, our technological power, our innovation power, it doesn't matter. It's becoming truly not just bigger of a challenge, but a more dangerous one because of that.

At AEI, we have led the cause, and I've testified and published for a decade that we need to be a three-theater military as opposed to any sized war-capable military because I have advocated our military should be sized for war and peace, because peace is pretty unsteady anyway. Even in "peace," it's often in air quotes because we have Operation Midnight Hammer against Iran just a few months ago. We're regularly using violence in the name of the state here to achieve our national objectives all the time. Peace and war are relative terms, unfortunately, these days.

Plus, the two partners we're supporting — Israel and Ukraine — are in unquestionable, violent, bloody conflicts and they can't prosecute them or win without us. Those are proxy wars, by extension, for America. We've never lived in a one-war world in my lifetime, so when you size to the world as you want it to be, the world will only get worse and force you to ramp up again.

We spend a lot of money on defense. Do we need to spend more money and to what extent does it need to be spent differently?

As a headline reader, all I hear is that, "All the rules for war are changing," that because of AI and drones, that big navies are a liability, or tanks are a liability, that we need to totally rethink how we spend. Do we need to spend more and do we need to spend in a radically different way?

Yes, and. Now, I'd rather deconstruct the defense budget and build it back up in how I think it should be spent, and then see if you need a little more. That's the fairytale world. Until Trump 2 came along with his DOGE chainsaw, I've long advocated for rebuilding and reform because they really should never not go together. Congress seems to agree this is public money. These investments could go to any other cause federal government pursues, so it's important to make sure it's wisely spent.

But no Congress since the end of the Cold War has been willing to take on the hard, multi-year, multi-coalition, multi-partisan effort to take on the stakeholder interest within the defense budget. It's just like the federal budget — there are pockets of siphoned money that is basically inaccessible unless you take on . . . insert organization: labor unions, veterans, retirees, and it goes on and on, and no one's been willing to do that. When the money's calcified in the budget, that's when Congress says, "Well, the only thing we can do is add because we're not willing to muster the political courage to change.

This team seems to want to do a little bit of all three: cut, change, and add, which I think is the right recipe. There needs to be a scrub of people. I'll just give you one example: The active duty armed forces have been pretty radically shrinking, starting in the height of Iraq and Afghanistan, which is really unusual for America — but the behemoth civilian army that supports those in uniform has only been growing, under Republicans, under Democrats, under everybody. I think those two workforces should always rise or shrink in tandem, for example. Same thing with infrastructure and real property, but that's only been steady-state, not declining, as those in uniform, the number goes down. I can give you all kinds of different trends like that, but it all needs a scrub and a relook.

There needs to be a right-sizing of certain priorities to what's already happening, and then there needs to be either reinvestment or some select new investment because the drone and the AI and the mass challenges we see in other potential enemies, it is real and it's changing things. It's not saying . . . I've seen those debates too, Jim: "Long live the tank," "the tank is dead," aircraft carriers, you name it. I don't see our Congress supporting killer robots exclusively. It's just not going to happen. They don't even want

the airplanes to fully land anymore using the computer, because you always have that moment of Sully Sullenberger on the Hudson. They're not going to take away the man or the woman in the cockpit yet, but there is change. The man-and-machine teaming is here to stay.

In theory, maybe, 21st-century wars were supposed to be like the Gulf War: high-tech and over quickly. But we see Ukraine something that looks more like traditional whole-of-society war, with a draft and all of industry contributing to this national effort. Is the idea that we're preparing for a lightning-fast, two-week war against China over Taiwan, or would our whole industrial base need to be mobilized to win that war?

For a while, it was the former, and that was just to sound smart while cutting defense in the Obama administration. They called it the pivot, but they slashed everything and there was no pivot to Asia. It was really just to be cheap and sound smart. And this team is coming to the realization that we're out of Schlitz, whether that's munitions or other kit in weeks, in some cases, against a peer adversary, like a China, and so it's going to require the industrial base to mobilize — and beyond the industrial base, companies that never have participated in it, very much like Operation Warp Speed in Covid where you had distilleries in Kentucky making hand sanitizer, et cetera, companies that make cars making ventilators. We'll see the same thing, if there is a big long war. We will have to, there's no way out of it. All of that's being reconsidered right now.

The Pentagon leadership is often a lagging indicator of reality. They're only just catching up to our shallow magazine depth. And because of technology, in some cases, as you've noted, instead of AI and drones making tanks in particular vulnerable, what it's done is made the entire battlefield transparent, and when the battlefield is transparent, everything's vulnerable, and so everything's frozen. Nothing moves, because if you move, you die. We're learning all of this in real time and deciding how to update our doctrine and our kit and also, at the same time, industrialized to bring back surge capacity should it be needed for a war longer than, truly, mere weeks, which is what the defense department had previously said was the plan, which we all know would've been laughable had it ever been called.

I guess you could think of doctrine in two different ways: One is, are we prepared to fight one war or one big war plus a regional war? But also there's just how you fight that war. And I guess that's what I was getting. You mentioned that those assumptions are changing with how you fight and win a war in the 2020s and 2030s. It would seem to me that that's a very slow-moving, bureaucratic process. Has that process been accelerated by seeing what's going on in Ukraine with Russia?

In some cases, yes, and you can see it reflected in the One Big Beautiful Bill Act, the reconciliation bill pushed through by one party on Capitol Hill recently, but they had a big wedge for the United States military because, when you take basically a generation of . . . not cuts, per se, but status quo, you fall behind, and to catch back up and get ahead requires accelerated investment and additional funds, which is what Congress deemed true.

In there, you see a lot of big bets about the future of war. So, for example, new companies that have never really played with the defense department before, there's a lot of money. It's not just to strengthen the existing industrial base, but it's to take some bets on new companies and broaden it, and I think pretty substantially.

The way I read the reconciliation bill investments, which are pretty once-in-a-generation, Congress is seeking to do to the Defense Department what Uber did to the taxi industry, and I think they're going to be able to do it in some cases, because the private capital is there. They are ready and lined up. Not only is it there, their people are at the top of Trump's Pentagon. Every corner of the Defense Department that I look for, presidentially appointed, Senate-confirmed people, they're all private equity or venture capital. They all know each other. They're already primed to go.

It's kind of exciting because everybody needs a shake-up — not just those in uniform, not just the thinking inside the building and the war plans, but also the companies that equip our warfighters. Doesn't mean, though, carriers and submarines are going to go away. It just means they're going to be sailing, hopefully within the next 10 years, with armadas of unmanned robotic drone trucks, whether that's undersea, or surface or in the air carrying fuel, weapons, whatever it is, cargo of some sort. That's the future.

To me, it would seem profoundly weird that when we talk about what are the strengths of America, I mean, right there at the top of the list, people would say our entrepreneurial culture, our startups, obviously Silicon Valley being a big part of that. To me, it would seem weird if that somehow wasn't also a national security strength, and it seems like maybe it hasn't been as much as it could have been until now.

I think that's fair. And I think both sides turned their backs on each other for a while — even though Silicon Valley, as it exists today, is largely the result of Defense Department. Ironic, isn't it?

It's ironic, given where it came from.

And then politically, think back to Project Maven and some of the other very high-profile Google and Alphabet employees taking out ads in the New York Times saying, "We won't do this drone work" and "We won't do this AI work for the Defense Department to kill people." That was a long 10, 15 years, and then there was a shift with a couple of companies people would know well — SpaceX and Anduril come to mind. Palantir has been around a lot longer than people think, actually, working for the Army for forever.

But SpaceX said, "Hey, we can do rockets." And the Air Force was like, "No, you can't." "And we can do launch." "No, you can't." Basically, these weren't rocket people, but sometimes, it turns out, as they know in Silicon Valley, you just need people who know how to solve problems, they don't need to be an expert in that problem. And Elon Musk sued and fought his way in, and then, after multiple attempts, the Air Force finally embraced SpaceX and said, "We'll teach you now all the things you could never learn without us," and now there is that partnership.

Anduril's doing a similar model, although they didn't have to sue their way in, they just had to win, and win, and win again to prove that they could do the kind of work that the big companies can do as well. All of that is changing in real time.

So with those two companies showing that this customer can be lucrative if you have a game-changing product for the warfighter, there's now a shift that I am seeing with these startup companies where it's very patriotic. They're often former military and veteran status, and they believe they're doing it for the cause, for freedom, for the West. They believe in the reindustrialization that Trump's pursuing. It's very interesting how it swung fully the other way.

What are your expectations that, in a future significant conflict, that our allies will be really helpful?

I am very bullish on our allies. There hasn't been a conflict that I can remember — Korea, Vietnam, Desert Storm, Iraqi Freedom, Enduring Freedom, the list goes on — where they haven't bled and died alongside our forces.

I see NATO as strong as ever, even though it may look through the headlines that that's not the case. We all know families have disagreements, you just hope they don't always spill out into the open, and you're stronger for it when you work through it. I think our best partners and alliances, and even just friends, that list, it's not a foregone conclusion. We have to work constantly to maintain it, and too often, I think, we issue our edicts and just assume everyone will go along.

China's playing the global map to create new allies or take some of our existing ones. I think we have the winning argument and the winning case for freedom, and human flourishing, and dignity, and safety, but it takes effort and time. Long story short, I would always bet yes on our allies. I truly would.