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**Perils of the U.S. Defense Budget: Silver  
Lining or Dark Abyss?**

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# Perils of the U.S. Defense Budget: Silver Lining or Dark Abyss?

By Edgar P. Tam | March 25, 2024

*Over the past several years, the U.S. defense budget has become a political football between Congressional factions pitting “America First” Republicans against the rest of their Congressional colleagues.*

*As the 2024 US general election draws closer, GMF Non-Resident Fellow Edgar P. Tam examines the upcoming defense budget and how President Biden or former President Trump might seek to continue current policies or—perhaps more likely—chart different paths, with transatlantic implications.*

“Don’t tell me what you value. Show me your budget and I’ll tell you what you value.” When President Biden [said](#) this in 2022, the world was in a different state. Russia’s full-scale invasion of Ukraine was struggling in the face of a surprisingly determined Ukrainian military. The Middle East had its unique but expected challenges, including Iran’s nuclear program. And President Xi Jinping of the People’s Republic of China (PRC) was seeking an unprecedented third term as Communist Party chief.

Barely two years later, Ukraine is at best in a stalemate with Russia and, at worst, is faltering. Houthi militants, with materiel support from Tehran, have on a near-weekly basis attacked US and Western ships in the Red Sea. An emboldened Xi is becoming more assertive in the South China Sea, and the PRC has lobbed ballistic missiles over Taiwan for the first time. If the US defense budget in 2022 valued a set of national security priorities—funding Ukraine, countering the PRC, supporting NATO—those priorities are coming under threat in this year’s defense budget.

## **Biden and Trump’s Shared Defense Priorities**

Make no mistake—the 2024 US Presidential election is at the heart of this shifting strategic landscape. With former President Trump potentially returning to the White House next January, Republican supporters in Congress—who hold the purse strings of the largest military in the world—are prioritizing political expediency over security policy. Despite this, there are a couple of areas that are surprisingly consistent across political parties.

First, the latest US defense budget prioritizes strategic competition with the PRC. A Trump defense budget would have focused on this to a similar degree. The Trump administration [first established](#) the outlines of a counter-PRC funding mechanism called the Pacific Deterrence Initiative (PDI) in 2020. As one of the most bipartisan defense initiatives, the Biden administration has continued—and in many areas expanded—the PDI. Indeed, Trump would tout continued funding for PDI as a hallmark of his foreign policy achievements, as it emphasizes building US military capability to counter the PRC—a Republican policy lynchpin—but does not aggravate isolationist Republicans opposed to building Taiwan’s capabilities using taxpayer dollars.

Strong support for PDI provides more funding for US military collaboration with regional partners in the Indo-Pacific such as Australia, Japan, and South Korea, which in turn translates into more combined military exercises with potential European partners in the region (in particular France, Germany, and the

United Kingdom). PDI also boosts support for the AUKUS submarine initiative through [increased funding](#) for the US submarine industrial base, which means greater collaboration with British partners to enable Australian partners to deter the PRC.

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Second, Biden's focus on [expanding cyberspace activities](#) will mean increased resources for US Cyber Command's "Hunt Forward" operations, in which the US military's cyber warriors help allies and partners—including in [Europe](#)—to identify and root out malicious cyber actors who threaten their military and critical national infrastructure. This effort would likely continue to gain prominence under a renewed Trump administration. A Trump White House might well use Hunt Forward operations as part of its broader defense diplomacy with receptive European partners [such as the United Kingdom](#) even as it would seek to cut fundamental US programs directly supporting European defense.

### **Show Me What You (Don't) Value**

Despite the two examples above (the PRC and cyberspace), areas where Biden and a potential second Trump administration find common ground, there are many more areas of potential difference. Significant disagreements would have implications for transatlantic security and cooperation.

Perhaps the most striking difference between Biden's and Trump's defense budget priorities has to do with the provision to Ukraine of military equipment and materiel. The two proposals are quite simple: Biden—with the support of Democrats and many Republicans—proposes to continue to fund Ukraine's defense. Trump, on the other hand, probably would eliminate any funding for Ukraine, believing, paradoxically, that ceasing support for Ukraine would bring the two warring sides to the negotiating table and therefore achieve "peace." The ripple effects of this rupture are already playing out, most recently with French President Macron publicly calling for European nations to explore ways to expand their military support for Ukraine in light of the potential end of US support.

By extension, a re-elected Trump could [eliminate](#) expanded funding for Taiwan's defense as a priority if isolationist congressional Republicans continue to emphasize border security and other "America First" priorities over support to partners and allies. Although [most Republicans](#) currently support some form of assistance to Taiwan, some Taiwan officials [believe](#) the ongoing debate over Ukraine funding does not bode well for Taiwan in a cross-Strait conflict—especially if Republicans view Trump's "America First" ambitions as unfulfilled. Biden, however, has strongly supported Taiwan's defense in both [word](#) and [deed](#).

Another example of significant divergence between Biden and Trump has to do with US force posture in Europe. One recalls the former President's decision in mid-2020 to order a [downsizing](#) of the US military footprint in Germany, the home to America's warfighting headquarters in Europe. Extrapolating from this, we could argue that a second Trump presidency would call for the United States to reduce its commitment to NATO—at a time of heightened conflict on the European continent with implications not just for Europe but for also for US security. This reduced commitment could take the form of significant cuts to the European Defense Initiative, the defense budget's funding mechanism for nearly all military activities for defending US interests in Europe. Biden has increased funding for the initiative in his most recent defense budget proposal. Perhaps Trump would instead seek to shift these funds

to activities related to the southern US border, which he appears to view as a more pressing national security matter than defending the post–World War II security architecture, as the former aligns more closely with his “America First” political objectives.

With the November elections fast approaching, we already see a proxy war between Trump and Biden in Congress over defense budget priorities. One question worth asking is whether, even if he loses, Trump would claim some victory if Congressional opposition to funding for Ukraine continues, or if Congress continues to seek high levels of commitment from NATO countries. If so, then transatlantic partners are already seeing what the United States is telling the world about what it values—and it is not Europe.

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### **About the Author**

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