Arsenal of Democracy

Arming Taiwan, Ukraine, and Israel While Strengthening the U.S. Industrial Base

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Executive Summary

China, Russia, Iran, and North Korea are sprinting to strengthen their military capabilities and are increasingly working together to threaten the United States and its interests. Thankfully, Taiwan, Ukraine, and Israel are willing to fight to defend themselves and the interests they share with the United States. But they need American weapons to deter and defeat aggression. Transferring arms is preferable to sending American troops into battle, and the United States has the means to simultaneously arm all three partners. However, longstanding issues in the American defense industrial base (DIB) and the arms transfer process require urgent reform.

- America's Interests in the Defense of Taiwan, Ukraine, and Israel: Abandoning America's democratic partners would empower adversaries, invite additional aggression, and deal a serious blow to U.S. security, credibility, and prosperity. Transferring weapons to partners helps them counter aggression and is far less costly than sending U.S. troops to fight wars that could have been prevented.
- Methodology: In this major new report, the authors investigated 25 weapon systems and munitions, examining two issues: 1) the duration of any delays to orders placed by Taiwan or Israel resulting or likely resulting from the United States providing the systems to Ukraine; and 2) the overall health of the DIB supporting the production of each system.
- Findings:
  1. **Don't Blame Delays in Deliveries to Taiwan or Israel on Ukraine**: None of the examined systems experienced a delay in delivery of more than one year to Taiwan or Israel due to the commitment of that system to Ukraine. With smart decisions and reforms, the United States can continue to support all three partners simultaneously and indefinitely.
  2. **The Arsenal of Democracy Requires Additional Attention:** For the 25 weapon systems examined, seven of the respective DIBs were assessed as strong, or 28 percent. Meanwhile, 14 require attention, and four are weak, putting 72 percent in those two categories, demonstrating the need for additional reforms.

Analysis

- **Why Supporting Ukraine Didn't Cause Delays:** The provision or potential provision of the examined weapon systems to Ukraine did not materially delay their provision to Taiwan or Israel because:
  1. The three partners have somewhat different needs due to variability in their geography, the capabilities of their adversaries, and the nature of the conflict in which they are or might be engaged;
  2. Where there is overlap in the needs of each partner, the respective production lines are often healthy and/or expanding;
  3. In several cases — but not all — the United States possesses a large inventory or stockpile of the relevant system; and
  4. Most of the weapons Taipei and Jerusalem seek from Washington are being acquired through contracts for new systems rather than the transfer of older systems.
- **Continued Weakness in the DIB:** The report identifies three primary reasons why 72 percent of examined weapons had an associated DIB that was assessed as requiring attention or being weak.
  1. In some instances, production of a particular system or munition had ceased, as was the case with the Stinger missile;
  2. A system or munition may have experienced large swings in procurement quantities over time, reducing the incentive for industry to invest in production or maintain sufficient production capacity; and
  3. A system or munition may have recently entered service, not giving production capacity a chance to expand yet.

- **How Did the DIB Get So Weak?** Following the Cold War, leaders of both political parties oversaw an excessive reduction in defense spending that damaged the DIB and reduced production capacity. The Budget Control Act of 2011, and the associated implementation of sequestration, put additional downward pressure on the defense budget. In July 2024, the bipartisan National Defense Strategy Commission cited "insufficient defense budgets" as a leading cause of weakness in the DIB. Despite confronting a growing "axis of aggressors" and the most dangerous geostrategic environment since 1945, the United States continues to spend near post-World War II lows on defense, measured as a percentage of GDP.
- **What's Up With Security Assistance?** In addition to addressing deficient defense spending and continued issues with the DIB, Washington must urgently reform U.S. security assistance. It often takes far too long to get beleaguered democratic partners the weapons and munitions they need. A major source of delay is the slow Pentagon contracting process that does not reflect the urgency of threats to the United States and its partners. Washington frequently waits until multiple foreign orders have been placed for a system before awarding contracts. Any savings associated with this "bundling" approach must be weighed against the risks associated with delays in delivery to beleaguered partners. Sometimes, speed of delivery is more important than cost savings.

Policy Recommendations

To address these challenges, the authors offer 18 recommendations:

U.S. Defense Industrial Base

- Procure the maximum or near-maximum quantity industry can produce for key munitions and weapon systems in the coming fiscal year.
- Require maximum production plans from the Pentagon and industry.
- Prioritize speed and scale over risk mitigation.
- Approve DOD's requests for more expansive use of multiyear procurement authorities.
- Revamp the process for establishing munitions requirements.
- Scrutinize Pentagon assumptions and requirements.
- Make greater use of existing infrastructure to reduce procurement costs and delivery timelines.

Allies and Partners

- Provide Ukraine with the weapons it needs.
- Work with allies and partners to maximize production.
- Expand U.S. arms sales to allies and partners.
- Review and reform the armed services' Foreign Military Sales contracting processes.
- Update congressional reporting threshold values.
- Implement a time-bound State Department review process.
- Require an annual report on weapons delivery queues and timelines.
- Reduce the number of systems on the FMS-Only list.
- Expand the use of Presidential Drawdown Authority for Taiwan.

Defense Spending

- Increase defense spending by at least 3 to 5 percent above inflation each year.
- Pass the annual defense appropriation bill before the end of the fiscal year.

Full monograph available at: https://www.fdd.org/analysis/2025/04/07/arsenal-of-democracy/