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White Paper



President Trump released his overall security strategy last November, called the 2025 National Security Strategy (or NSS). Then, in the subordinate to the NSS, published in January, the Secretary of War issued the 2026 National Defense Strategy (or NDS), which provides more detail to the NSS. This report, therefore, looks at both integrated strategies to inform clients on this administration's national security priorities and perspectives. The front half of this report focuses on the big picture strategy (again, the NSS) and the second half dives into the subordinate NDS. Finally, the economic implications of the strategies writ large are detailed.

2025 National Security Strategy (NSS):

The NSS is the highest-level statement of U.S. national security policy, integrating diplomacy, defense, economic policy, technological development, and domestic governance into a unified framework.

The 2025 NSS places economic vitality, industrial capacity, and technological leadership at the center of security policy, arguing that political influence and military strength rest on domestic prosperity. Three principles define this worldview: national security is inseparable from economic strength; American engagement abroad must be selective and focused on core interests; and sovereignty and national self-interest are the organizing principles of foreign and domestic policy.

This represents a departure from post–Cold War multilateralism and universal engagement in favor of pragmatic, transactional statecraft grounded in measurable national benefit.

Conception of the International System:

The strategy portrays the international environment as competitive, fragmented, and unstable. It argues that global institutions frequently fail to protect American interests and that traditional alliances have encouraged burden-shifting. Economic interdependence is reinterpreted as a source of vulnerability.

The NSS rejects permanent confrontation with great powers, instead advocating competition managed through leverage, negotiation, and restraint, backed by credible military and economic power.

National Objectives and Strategic Priorities:

Core National Interests: The NSS defines American interests through these objectives:

- Protection of borders and controlled migration
- Security of critical infrastructure and transportation systems
- Maintenance of military superiority (conventional and nuclear)
- Economic resilience and industrial revitalization



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- Energy independence and export capacity
- Leadership in advanced technologies
- Cultural cohesion and civic stability
- Secure and diversified supply chains

Economic and Industrial Strategy: Economic security is central to the NSS. Industrial capacity, workforce stability, and technological innovation are treated as strategic assets.

Key objectives include reindustrialization, reshoring of critical production, intellectual property protection, reducing foreign dependencies, and expanding domestic manufacturing—particularly in semiconductors, advanced materials, defense industries, infrastructure, and energy. The strategy envisions public–private cooperation shaped through procurement, regulation, tariffs, and targeted investment.

Technology and Innovation: Technological leadership is presented as decisive for long-term national power. The strategy prioritizes AI, quantum computing, biotechnology, cybersecurity, advanced manufacturing, space systems, and next-generation communications. Federal policy aims to promote innovation, secure R&D pipelines, protect intellectual capital, and prevent strategic technologies from reaching competitors.

Regional and Geopolitical Framework:

The Western Hemisphere is the foremost regional priority. The NSS argues that Chinese influence has expanded due to past U.S. neglect. Policy focuses on migration, organized crime, instability, regional supply chains, infrastructure, and energy integration.

The Indo-Pacific is the principal arena of economic and technological competition. The strategy emphasizes countering unfair trade practices, securing maritime routes, protecting Taiwan, and strengthening regional partnerships. Supply chain security, semiconductors, and advanced manufacturing anchor regional engagement.

Europe is seen as facing structural economic, demographic, and political challenges. The NSS calls for greater European self-sufficiency, increased defense investment, and reduced dependence on U.S. security guarantees. It advocates negotiating an end to the war in Ukraine and stabilizing relations with Russia.

In the Middle East and Africa, the strategy emphasizes energy security, counterterrorism, trade, and investment in these regions, while avoiding large-scale military commitments.

Strengths:

Strategic Clarity: The NSS articulates priorities directly, grounding policy in defined national interests and improving predictability.

Integration of Economic and Security Policy: Placing economic vitality at the center aligns security objectives with industrial and technological development, recognizing manufacturing and supply chain resilience as components of power.

Emphasis on Technological Leadership: Sustained attention to advanced technologies supports long-term investment, research partnerships, and procurement.

Resource Discipline: The NSS acknowledges fiscal constraints and seeks to avoid military overextension by emphasizing prioritization and return on investment.

Support for Domestic Capacity: Policies favor domestic production, workforce development, infrastructure modernization, and energy expansion.

Weaknesses and Structural Risks:

Alliance Management: Framing alliances primarily through burden-sharing risks erodes trust and encourages hedging behavior among partners.

Threat Prioritization: Heavy emphasis on migration and trade imbalances may divert attention from long-term geopolitical and military challenges.

Internal Inconsistencies: The strategy promotes restraint while maintaining expansive global influence, and advocates non-interventionism while sustaining a global military presence.

Limited Operational Detail: Many priorities remain aspirational, with limited guidance on funding, institutional responsibilities, and timelines.

Trade Volatility: Economic nationalism increases exposure to retaliatory measures, supply chain disruption, and regulatory fragmentation.

Governance Risk: Reduced emphasis on multilateral institutions may weaken global governance structures and increase legal, reputational, and compliance risks.

Iran: Interestingly, Iran is barely mentioned in the NSS despite the massive U.S. military action that is currently underway.

NSS Overall Assessment:

The NSS signals sustained support for defense, aerospace, semiconductors, energy, infrastructure, advanced manufacturing, and digital systems. It encourages supply chain diversification, nearshoring, and reshoring. Public-private partnership is central, with expanded engagement across federal procurement and regulatory bodies expected. Heightened trade volatility and regional instability require more sophisticated geopolitical monitoring and scenario planning.

The 2025 NSS prioritizes domestic capacity, industrial resilience, and strategic leverage over expansive international leadership. It creates favorable conditions for sectors aligned with national priorities while increasing uncertainty in alliance management and global governance. Its effectiveness will depend on consistent implementation, institutional capacity, and sustained investment.

2026 National Defense Strategy: Purpose and Scope:

This section analyzes the NDS within the framework established by the 2025 National Security Strategy (NSS), assessing its intent, priorities, risks, and long-term implications. The NDS translates national objectives into defense policy, force posture, and resource allocation, seeking to recalibrate U.S. military strategy in response to fiscal constraints, geopolitical competition, industrial limitations, and evolving alliance dynamics.

The document's issuance by the Department of War—the renamed Department of Defense—signals the administration's emphasis on warfighting primacy and institutional discipline. Its tone is more declaratory than previous strategies and cites active operations, including Operation MIDNIGHT HAMMER, Operation ABSOLUTE RESOLVE, and Operation ROUGH RIDER, as evidence of its strategic approach in practice.

The NDS grounds American security in domestic resilience, credible deterrence, and sustainable partnerships, placing homeland defense, hemispheric stability, and industrial capacity at the center of military planning. Three principles define its framework: military power is inseparable from economic and industrial strength; the United States must prioritize selectively rather than pursue comprehensive engagement; and alliances must operate on shared responsibility rather than permanent primacy.

This approach marks a departure from post–Cold War strategies built on persistent forward presence and expansive commitments. The international system is portrayed as competitive and unstable, with great power rivalry managed through leverage, restraint, and balance-of-power logic rather than ideological confrontation.

Strategic Framework: Four Lines of Effort:

Defending the Homeland and Western Hemisphere: Homeland defense is the top priority. The NDS integrates military planning with border security, cyber defense, missile and air defense under the Golden Dome program, counter-UAS systems, and critical infrastructure protection. It introduces the “Trump Corollary to the Monroe Doctrine,” asserting U.S. authority to take unilateral action to secure key terrain in the hemisphere, including the Panama Canal, the Gulf of America, and Greenland.

By concentrating Joint Force resources on homeland and regional missions, the strategy reduces U.S. capacity elsewhere. This is a deliberate trade-off, relying explicitly on allied burden-sharing to offset the shift. Its viability depends on partner capacity and political will that remain unproven at scale.

Deterring China Through Strength, Not Confrontation: China is identified as the most consequential long-term challenge. The NDS calls for a denial defense along the First Island Chain (FIC) and deeper coordination with Indo-Pacific allies. It rejects dominance or regime change, defining the objective as preventing China from dominating the United States or its allies.

The strategy expands military-to-military communication with the PLA to support stability and de-escalation. This dual-track approach—strengthened denial capability alongside dialogue—aims to deter without provoking. The resulting ambiguity around long-term U.S. commitments is a risk the

strategy acknowledges but does not resolve.

Expanding Burden-Sharing with Allies and Partners: The NDS frames the risk of simultaneous multi-theater crises as the driver of its burden-sharing approach. Allies in Europe, the Middle East, and the Korean Peninsula are expected to assume primary responsibility for conventional defense, with the United States providing critical but limited support.

Cooperation is tied to performance: allies meeting the 5% GDP defense benchmark and contributing visibly to regional security receive priority engagement. This conditional approach marks a shift in alliance management and carries implications for long-term cohesion, with limited guidance on managing transition risks.

Revitalizing the Defense Industrial Base: Industrial revitalization is framed in near-mobilization terms, drawing parallels to World War and Cold War buildups. The NDS prioritizes expanded production capacity, integration of nontraditional vendors, strengthened sustainment, and deeper allied production networks.

The defense industrial base (DIB) underpins all other lines of effort: without production capacity, deterrence, readiness, and allied support, the base cannot be sustained. While the strategy is clear in intent, it provides limited detail on funding, workforce development, or regulatory reform.

Strengths:

The NDS establishes clear, ranked priorities, a genuine improvement over strategies that distributed emphasis more evenly and created strategic diffusion. The integration of economic, industrial, and military planning reflects a realistic assessment of how power is generated and sustained. The acknowledgment of fiscal constraints and the emphasis on return on investment demonstrate discipline. The DIB focus, if resourced, addresses a long-standing vulnerability.

Weaknesses and Structural Risks:

The strategy's primary analytical risk is its dependency chain. Homeland prioritization works only if burden-sharing succeeds; burden-sharing depends on allied investment and performance, which in turn relies on political conditions outside U.S. control. The document provides no contingency for failure at any point in this chain.

The conditionality built into alliance management—cooperate more with those who spend more—is strategically coherent but operationally risky. Allies most in need of reassurance may be least likely to receive it, creating gaps where deterrence is most fragile.

Internal tensions remain. The strategy promotes restraint and de-escalation with China while simultaneously building denial capability along the FIC and maintaining global strike options. These priorities require consistent messaging and careful sequencing that the document does not fully address.

Limited execution detail is a recurring weakness. The DIB section, in particular, remains aspirational, with a significant gap between mobilization-scale ambition and concrete resourcing guidance.

Furthermore, the top NDS priorities do not include the acute threat from Russia. This may be the result of President Trump's unconventional style of attempting to negotiate and manage adversaries, or it could be an intentional slight against Putin, knowing that Putin wants to be on the U.S. top threat list as a means of deterrence. There could be other reasons for the absence of Russia as a core threat; regardless, Russia remains dangerous with its gross violation of international sovereignty from its invasion of Ukraine, as well as threats to other neighboring European countries.

Finally, Iran, the country the U.S. (and Israel) are currently fighting with the largest commitment of forces since Operation IRAQI FREEDOM, while mentioned in the strategy, did not make it onto the short list of NDS priorities. The reasons for this could vary. One reason could be the transitional and opportunistic nature of President Trump that elevated Iran to a high priority because Iran was the most vulnerable that it's been in decades, and he saw a chance to make dramatic changes and further set back Iran...even possibly regime change down the road. Another reason could be that setting back Iran, especially its nuclear weapons and ballistic missile programs, fits in his highest priority, that of defending the homeland. Regardless, it is interesting that President Trump's most significant military action against Iran is outside of his four main priorities in his strategy, published just two months before the renewed conflict with Iran.

Strategic Implications:

The NDS signals sustained priority investment in missile defense, naval and air capabilities along the FIC, defense industrial production, energy, advanced manufacturing, and digital systems. Supply chain diversification, nearshoring, and reshoring will continue as policy-driven imperatives.

Allied defense spending commitments, particularly the 5% GDP standard set at the Hague Summit, will drive European and Indo-Pacific procurement decisions with downstream implications for defense industrial collaboration and technology transfer. Public/private partnership is central to strategy execution, with procurement integration and regulatory coordination growing in importance.

Heightened geopolitical volatility, alliance reconfiguration, and industrial mobilization priorities will require more sophisticated scenario planning and risk management across sectors aligned with national security objectives.

Economic Implications:

The NDS, aligned with the NSS, treats economic strength as a core foundation of national security. Both documents argue that industrial capacity, resilient supply chains, and technological leadership are indispensable to military readiness, deterrence, and strategic flexibility. Economic vitality is framed not as a supporting element of defense policy, but as a primary determinant of long-term security and global influence. This positioning creates new opportunities for public-private partnerships for expansion of the defense industrial base to modernize the military through dual-use technologies and investment in domestic infrastructure to reduce foreign supply chain dependencies.

The NSS establishes this foundation by placing reindustrialization, supply chain security, intellectual property protection, and technological dominance at the center of national strategy. It

links economic policy directly to geopolitical leverage, arguing that sustained American leadership depends on rebuilding domestic manufacturing, reducing strategic dependencies, and maintaining leadership in advanced technologies. Trade, energy policy, capital markets, and innovation ecosystems are treated as instruments of statecraft.

The NDS operationalizes these principles within defense planning. It places particular emphasis on revitalizing the Defense Industrial Base as a strategic asset. Military readiness is explicitly tied to production capacity, skilled labor, infrastructure reliability, and access to critical materials. The strategy prioritizes expanding defense manufacturing, strengthening sustainment systems, and building supply chains capable of supporting both steady-state operations and rapid mobilization. Reducing dependence on concentrated foreign production hubs and strengthening domestic and allied industrial networks are central objectives.

This emphasis reflects lessons from recent conflicts and supply disruptions that exposed weaknesses in munitions production, logistics resilience, and surge capacity. Industrial preparedness is treated as a prerequisite for credible deterrence and sustained operations. Without reliable production and sustainment capacity, force projection and allied support cannot be maintained at scale.

Strategic competition with China shapes the economic logic of both documents. The NSS frames competition in trade, finance, and technology as a defining feature of the international system. The NDS reinforces this view by identifying rivalry in advanced manufacturing, rare-earth minerals, and emerging technologies as enduring structural challenges. China's influence over supply chains and technology ecosystems reinforces the need for diversification, domestic production, and allied coordination. The strategy does not advocate economic isolation; rather, it seeks to reduce critical vulnerabilities while preserving access to global markets and maintaining interoperability with partners.

Technological leadership is central to this framework. Capabilities in artificial intelligence, cyber systems, space, quantum technologies, and advanced communications are treated as decisive to future military effectiveness. Defense modernization is linked directly to civilian innovation, protected intellectual property, and sustained research and development. Secure innovation ecosystems are, therefore, considered integral to national defense.

The Indo-Pacific occupies particular economic significance. The region hosts concentrated semiconductor production and advanced technology supply chains critical to both commercial and defense sectors. Stability, open sea lanes, and uninterrupted commercial access are essential not only for security but for global economic continuity. Disruption in this region would carry systemic consequences for manufacturing, financial markets, and technological development.

Both strategies emphasize public-private partnership as the mechanism for achieving these goals. Procurement policy, regulatory tools, targeted investment, and allied production networks are intended to align private capital with national priorities. At the same time, the NDS acknowledges fiscal constraints, emphasizing efficiency and disciplined resource management.

Together, the NSS and NDS embed economic policy within national defense planning. They reflect a strategic judgment that long-term American security will depend on integrating industrial strength, technological innovation, resilient supply chains, and allied production capacity into a coherent and sustainable framework.

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