Rebuilding American Naval Dominance

TRANSCRIPT

Discussion

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- Timothy A. Walton, Senior Fellow, Center for Defense Concepts and Technology
- Jeremy Hunt, Media Fellow

Disclaimer: This transcript is based off of a recorded video conference and breaks in the stream may have resulted in mistranscriptions in the text.

A video of the event is available: https://www.youtube.com/watch?v=qIFXnnf9ykc

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Jeremy Hunt:

Well, good morning, and welcome to Hudson Institute here in D.C. We are a research organization, promoting American leadership for a secure, free and prosperous future. My name is Jeremy Hunt, and I'm a media fellow here. And today we'll be discussing what it means to rebuild American naval dominance. And we have with us Dr. Jerry Hendrix, who is a retired Navy captain, having served 26 years on active duty following his commissioning through the Navy ROTC program at Purdue University. And during his career, Dr. Hendrix served in a variety of maritime patrol, aviation squadrons, as well as on super carriers, and light amphibious assault ships. His shore duty assignments were as a strategist on the staff of the chief of naval operations, the Secretary of the Navy, under Secretary of Defense for policy, and within the Office of Net Assessment.

And following his retirement from the Navy, following a standout tour as the director of the Navy History and Heritage Command, he has worked as a senior fellow at the Center for a New American Security, and currently served as senior fellow at the Sagamore Institute. And Dr. Hendrix, of course, holds a bachelor's degree from Purdue, Master's in national security affairs from Naval Postgraduate School, and also a master's in history from Harvard, and a PhD in war studies from King's College in London. Thank you so much for being here with us Dr. Hendrix. And-

Dr. Jerry Hendrix:

It's a pleasure to be here.

Jeremy Hunt:

Yeah. So we also have our very own Timothy Walton, who is a senior fellow here at Hudson Institute, who supports the work of the Center for Defense Concepts and Technology. And he has conducted numerous maritime studies, including ones on logistics, the maritime industrial base, naval aviation, anti-submarine warfare, and surface combatants, in addition to Secretary of Defense, and congressionally directed fleet architecture studies as well. So we're thankful to have you here as well, Tim.

Tim Walton:

Thank you, Jeremy.

Jeremy Hunt:

Yeah, so I wanted to just kind of open up our discussion by hearing... I'll start with you, Dr. Hendrix, hearing your thoughts on America's place in the world, and this discussion about, are we considered... Do you consider America's place to be maritime in nature, or are we more of an aerospace nation? How do you see us landing, and where do you fall on that discussion?

Dr. Jerry Hendrix:

So I think that's actually the most important question that we have, because it's the question that we forgot to ask ourselves, and so we've sort of lost our place in the world. So geo strategically, we exist in the Western Hemisphere on the American continents, North and South America. We are separated from the Great World Island, and also from Africa. And so everywhere that we
have to go, have to go either by air or by sea, and that's the way that we always have been since the founding of the nation, the 13 original colonies then becoming the 13 states. We are a maritime nation. And so I say that because it's important that we understand that we are a sea power, and in many ways, a sea power that's transformed into air power as well as space power. We are a nation that's sort of designed to exist in the commons, whether it's the maritime environment, or whether it's the air, or whether it's space or cyberspace, we are a nation whose very laws and culture exists within the commons.

And in many ways, I think that over the last century, with the two excursions to Europe and World War I, World War II, then Korea, then Vietnam, we got used to thinking in terms of being a continental land power, where all of our continental movements were by land forces on someone else's soil. And so we forgot how we got there, by sea, by air, and we just began to think strategically as a land power, when in fact, we are not, we are a maritime power. And when I say maritime vis naval, it's important to understand we're maritime in terms of trade and the economics, as well as maritime in a way that we interact with the world militarily. So again, a maritime nation in a maritime world.

Jeremy Hunt:

Wow. And Timothy, would you like to add on to that?

Tim Walton:

I think Jerry captured it perfectly. The Mitchell Institute I think has a great motto, hearkening to The US being an aerospace nation, and I think that's certainly right, but The US is, as Jerry was capturing, a maritime nation, and has been since its very inception. In the very first Congress, 1789, Alexander Hamilton for instance, led the passage of a law regulating coastwise trade, it was one of the very first laws that we passed, and it was focused on, how do we ensure that we set up the policy environment in which US shippers would have an advantage, and we can promote us exports. So from the very beginning, our Founding Fathers have been considering, what's the linkage between our economy, our security, and the sea? And moving forward, I think we need to remember that linkage that is sort of essential to our nation's policy structure, but then continue to build it forward, and answer the questions that Jerry's raised on us being a maritime nation.

Jeremy Hunt:

Interesting. Well, and on that point, I also want to just get your thoughts too about... I want to go back in history actually a little bit, and just hear, how would you describe the world before American naval dominance? I mean, we've heard a lot about how when America's Navy is strong and the fleet is out and the force, the world is a safer place. But I want to just first, for folks at home, just from a historical perspective, Dr. Hendrix, would you mind just walking us through what the world was like before America became the dominant naval power?

Dr. Jerry Hendrix:

Well, it's an interesting question, because since the end of World War II when we emerged from the Second World War with 6,700 chips, the largest navy ever assembled, the largest navy in the world, the aspirations that we had to have a free sea, a free trade became the mandate, we created that after World War II. So all of the things that we had written about within the Atlantic Charter, within the United Nations, we sort of wrote all these rules down during the war as sort
of aspirational goals after the war, and then after the war, we imposed it. And now we've been some 70 years since the end of World War II, and we have...

So there's no one basically alive today that can remember when the world was anything other than the way it is today. Free sea is assumed, free trade is assumed, when in fact, if you go back, of course, in the 1930s, 1920s, it was a time of strife, whether it was economic strife, or whether it was war beginning to be waged in Europe, or war that was beginning to be waged in the Asia-Pacific region, and the oceans were battlefields, to use that term from a really good movie.

And if you roll back even before that, there was heightened risk of piracy, and there was... Even the time of the Great Britain's imperial rule, the seas were still contested, there were still small nations, and Great Britain could not be anywhere. So really, the world that we live in now has only existed since 1945, August of 1945. But it has existed for so long, and it has existed so well that it's now the assumed condition, when in fact, the vast, vast, vast majority of human history has been a time when oceans were contested, when piracy was there, when there was wars between nations, when the idea of the free sea was not accepted, and in fact, there was an ongoing debate between the free sea and the closed sea, where nations wanted to extend territoriality.

And we're beginning to see those arguments come back. The Chinese and the Russians are beginning to talk about the closed sea, whether it's in the Arctic or the South China Sea, this is the language that they have. And the reason why they brought that back is because essentially we've gotten a lot smaller, and no longer can just impose our will by fiat.

**Jeremy Hunt:**

Wow.

**Tim Walton:**

Yeah. Jerry, by adding that, I think World War II left The US maritime industry and the Navy in a dominant position, as you were pointing out, and that allowed us to craft this international order that you were discussing. It's also interesting to, I think point, out some of the historical facts that happened right at the end of World War II, where at the end of the war, had 60% of international commerce was taking place on US flagged merchant marine ships, we had an active shipbuilding industrial base. And then basically, US leaders, to some extent, squandered that advantage. So there was this act in 1946, the Merchant Ship Sales Act, where we took our enormous global tonnage of ships, and we sold them at bargain-basement prices, principally to foreign ship owners. So that basically stimulated the growth in foreign commercial fleets, and then allowed them to undercut The US merchant marine industry, and then also gutted the need for new US construction, because if you have all these ships on the open market, there's really no need to build other ones here in The United States.

So in that one act, I think we went from being at the pinnacle of our maritime power, to setting ourselves up for a series of challenges throughout the 20th century. And I think now, we're finding ourselves in this position where, as you were pointing out, there are these international challengers to an open view of the commons. And then for a long time, in the 1990s and in the early 2000s, there was this view that the market would provide the shipping capacity needed for The US economy. But I think some of the recent disruptions we've seen in the supply chain
crises and others, we are starting to cause some policymakers in the business community to even consider, "Do we need to think about a more robust US maritime industrial base?"

Jeremy Hunt:

And Dr. Hendrix, to go back to you, and on the same question of having a robust maritime industrial base, we know that also, I mean, we've seen a series of cuts over the years. I mean, it seems like since the 1970s the naval fleet first experienced a series of cuts, and then there was a slight uptick during the Reagan era, but then it was reduced once again. So why do you think this has happened? Our naval fleet I think sit a little bit below 300 now, and it was near 1,000 in the time after World War II. Why do you think the naval fleet has experienced some of these cuts? What is it about the Navy that makes it such low-hanging fruit for those seeking to cut military spending?

Dr. Jerry Hendrix:

Well, in the 1970s, there was a broad movement because of Vietnam, and then coming out of Vietnam, there was a desire to reduce defense spending, especially because there was a number of economic crises that hit The United States, whether it was the oil crisis with the embargo, or whether it was inflation that was running away for a period of time, that we needed to try and become more efficient with the government. So the Navy took cuts as we came into the 1990s, the Air Force took cuts, the Army, especially after Vietnam, took some significant cuts. And then there was that moment when Ronald Reagan came into office in 1981, where the Navy got a plus-up. And it was really a significant plus-up, we expanded the Navy by 15% in a seven-year period of time, which is rather substantial when you think about the overall scheme of things today, where we really put a pulse of money and energy into that industrial base.

The problem we run into is then after the Cold War ends, that essentially, not only did we slash the Navy, cutting 100 ships out of the nearly 600 ship Navy in the first year after the Cold War was ended, but also, we went to the industrial base, and there was an event called the Last Supper, where the Deputy Secretary of Defense brought in all the big major firms, and told them, "Look, the money’s going away, and you either consolidate or die." And so we had Lockheed and Martin Marietta combined to become Lockheed Martin. You had Boeing buyout McDonnell Douglass, which in of itself, was a combination of two companies. And it went on like this for a number of years, until we got down to the industrial base that we have today, which is greatly compressed. All of the major aircraft manufacturing shipbuilders are reduced into a very small number.

And so now, as we enter this new period of great power competition, we lack the sufficient industrial base to rapidly re-expand. If we told the Navy that we want to expand you by 15% in the next seven years, the industrial base is going to come back, and say, "We can't do that." Well, I would disagree with that, I think we need to touch other parts of the industrial base that we haven't touched in a while. But the fact of the matter is, is they have a legitimate reason for saying, "Hey, you told us to get smaller and more efficient to provide ships just in time to you. Now you want to do a surge, and we're not set up for that." That's an issue. The other issue is that the same time that we are cutting the military, we also pulled all of our government subsidies away from our commercial shipbuilding.

So not only did we dry up the defense industrial base, we dried up the commercial industrial base. And that's really important, because that's a great source of workers, that's a great source of downstream parts suppliers, and for that matter, even innovation within shipbuilding can
occur in your commercial side, and we pulled all the subsidies away from that, as Tim was just saying earlier, because the market will provide. And you're right, the international market did provide, but today now, we're finding that the average price of the US Navy ship, even adjusted for inflation, is double the price that it was at the end of the Cold War, simply because there's not a market to support that. So these are the culmination of issues that have all come home to impact us now, and it's things that we have to take on in very broadly.

Jeremy Hunt:

And do you think, especially going back to the Vietnam era, do you think that the advent of the all volunteer force played a part in this as well? And how do you think that impacted our naval strategy in some of the cuts?

Dr. Jerry Hendrix:

That's a really good point, because when we left the draft, and we went to all volunteer force, we knew that we were going to get smaller, simply because of the means, we weren't going to have the mandatory access of manpower at the time. So we set ourselves up, really, for what we called the second offset, where we were going to take a technological advance in order to offset the Soviet Union's numerical advantage at that point in time. So we made investments in things like the Aegis class cruisers and then the destroyers. We went with guided precision weapons, we went with stealth, which we thought we could buy in smaller numbers, but still have a comparative advantage over the larger forces of the Soviet Union at that time.

The problem that we have now is that, first of all, that technological advantage has decreased, and there still is a moment when quantity has a quality all of its own. If you only have 290 ships, they can only be in so many places at once. And if your opponent, in this case the Chinese Communist Navy, if they have 400 chips, well, they can be a lot more places, and they exert much greater influence. So this is that point I think where we've reached a tipping point of comparative advantages running against us now.

Jeremy Hunt:

Yeah, and on that note of the great power competition, I want to ask Tim about this, I'll go to you first, Tim, about how has Russia and China began to fill the void that The US Navy has left on the high seas?

Tim Walton:

That's an excellent question. In terms of Russia, I think we can talk a little bit more about the war in Ukraine, but it's evident that even though the size of Russia's naval forces has greatly contracted since the Soviet days, the capability of its undersea forces continues to be top-notch. And US naval forces and the Allied naval forces are actively engaged, tracking Russian naval forces, so the capability that Russian naval forces continue to generate is significant. And then I think the greater challenge is posed by China. The Chinese Communist Party took the gospel of Mahan to heart, they literally extensively translated Alfred Thayer Mahan, and then decided to embark on a calculated program to generate the world's largest maritime industry. And so China is now the world's greatest maritime power. I want to reiterate that, just 'cause I think it's a shock to some US audiences, where, again, China, not The United States, is the world's greatest maritime power, is the world's greatest merchant marine, commercial maritime industrial base, and the world's largest navy.
And on that commercial side, it decided to develop a strong commercial base, where since 2010, it's had the world's largest shipbuilding industry, it has the world's largest port operations sector, the world's largest merchant marine, that it's incorporated into a formal merchant marine that regularly exercises to support different combat operations. And then on the naval power side, it has the world's largest navy and coast guard, and it's increasingly transiting and conducting operations abroad. Just this week, we saw that a new Chinese aircraft carrier task force was operating near Guam, US territory, Guam in the Western Pacific. And previous operations have taken them as far as Alaska and different types of circumnavigations around the world. So Chinese naval power is building off of the inroads that have been set by Chinese commercial maritime power across the world.

Jeremy Hunt:

Wow. And Dr. Hendrix, would you agree with that assessment as well?

Dr. Jerry Hendrix:

I absolutely agree with it. The one thing I would say though is that China is the greatest maritime nation in the world today because we allow it to be. It derives its power because it builds more ships, which we allow to visit our ports. China is a purely export economy, they do not have a sufficiently sized middle class to be able to consume their own goods, so they need those ships to take their manufactured goods, and then export them around the world in these gigantic container ship fleets. But should The United States decouple, should The United States hold up the visitation of some of those ships, or those products, or if we stop buying those products, or if we offshore where we want things like Apple phones or Nike shoes to be manufactured someplace else, then we hold, in many ways, powers of influence over that Chinese economy.

So I agree completely. I mean, one Chinese shipbuilding yard exceeds capacity of all US shipbuilding yards combined. So we know that they have that industrial capacity, but at the same time, we have certain levers and certain pressure points that we could push on that if we would so choose.

Jeremy Hunt:

Yeah. Wow. And what would you say are some of our greatest vulnerabilities in terms of what China and Russia are looking to exploit in our own navy, and our own ability to build ships and deploy them quickly?

Dr. Jerry Hendrix:

Well, the problem is that we have positioned ourselves as a global great power. So we have interests everywhere in the world, and so that has created this paradigm where we must be everywhere, we must exert influence everywhere, from the Arctic, to the Mediterranean, to the Arabian Gulf, to the Indian Ocean, et cetera. We have to be everywhere, because that's the world that we have created. China and Russia, either one of them could make that truth a lie simply by exerting pressure in just one region of the world. So let's say that Russia surges out and assumes control over the Arctic, which they have the capability to do so because we haven't invested significantly in the Arctic, or China surges out militarily, captures a place like Taiwan, thus securing the South China Sea and the East China Sea, thus putting our allies in the Philippines and Japan at risk.
If they do that, and The United States is unable or unwilling to come in to reset the status quo ante in that situation, then in fact, it causes the entire edifice of our global structure to fall and collapse. If you're proven that you cannot come to the aide of your allies in this region, it raises questions about your ability to come the aide of your allies in other regions. So it puts the entire system at risk if they move forward. This is one of the reasons why I've been arguing, and Tim's been arguing, and Brian's been arguing for a number of years about how do we get back to a larger size navy so that we can be out and about to work with allies and partners to rebuild this global system of exchange that we spent 70 years creating.

Jeremy Hunt:

Tim, do you have any thoughts on that as well?

Tim Walton:

It's an excellent question. I think I'd offer my remarks focused on what are some recommendations to improve the current state of affairs. And much of our analysis at Hudson has focused on, how do we address shortfalls and maritime logistics to support the fleet afloat, but then also join forces ashore? Because we found, for a fair amount of our analysis, is that if you invest more in logistics, such as the ability to refuel combatants, or re-arm them at sea or the like, you can usually increase the combat power of those combatants more than if you perhaps spent the same amount of money on combatants alone. So it's a high value investment for the force moving forward. Similarly, the joint force is heavily reliant on maritime delivery of bulk supplies. So for instance, the Air Force aspires to be able to conduct agile combat employment, which is this concept for distributing aircraft to different air fields and operating them in a dynamic manner.

But that concept is heavily reliant on the ability to deliver bulk fuel supplies over the shore, from maritime tankers, from the Military Sealift Command, from the Maritime Administration, from the broader merchant marine. So we need more logistics that come from our maritime sector, both to support the Navy's effective employment, and then the joint forces effective employment. Another area that we've been highlighting in some of our research is in the area of munitions. Nadia Schadlow led a report that I contributed to on energetics and munitions, and we're finding that DoD lacks the preferred munitions necessary to successfully execute stressing campaigns at moderate levels of risk, such as a country like China. And so we need to greatly increase the production of some preferred munitions, such as the Long-Range Anti-Ship Missile, JASSM.

We also need to incorporate some new energetics, such as China Lake 20 or CL-20 into our munitions. These are energetic compounds that can make our existing and program munitions more effective, because they could either go longer distance, they can have a greater effect when they arrive at their target. And then the third category of munitions improvements we've been focusing on is, what are new classes of weapons that can provide the affordable mass we need, to not only be able to strike hundreds of targets, but thousands of targets in a large campaign? Power JDAM is one example of this, that could be developed in the coming years, but I think there are others that industry are developing.

And the goal is to be able to compliment some of these preferred munitions with an affordable set of weapons that we can get in mass. The last thought I'd have is just building off some of our earlier conversation on the poor state of the commercial maritime industry, and I think we could dive into that a little bit more later, but in general, the commercial maritime industry and the
broader maritime industrial base needs to be improved, so that we can have an effective naval and broader maritime strategy, that can not only deter against, I think, a high-end conflict, but can also be the persistent forward presence force that we need to be able to shape and proactively campaign on a day-to-day basis.

Jeremy Hunt:

Yeah. And Dr. Hendrix, would love to hear from you on this as well, about specific recommendations that you would make that would maintain The US naval dominance in this great power competition. What are the changes that you see that you think would actually make the greatest impact?

Dr. Jerry Hendrix:

Well, this is actually a place that I've been going, and largely, I've been led there by some of Tim's work, and what's been going on at Hudson. Because we can talk all we want about a 355 ship navy, which is a number, and we can even talk about number of aircraft carriers, or the number of cruisers, number of fast attack submarines. We can lay that down within that, and say, "This is how many we think that we want." Those are aspirational numbers. But until you get at the specifics, until you get at the idea of, how are you going to produce that? Where is the industrial base to produce that? And I think the even more crucial question that Tim was just talking about, which is, where are we going to find the munitions to be able to resupply those? We only have so many Tomahawk missiles, and we may exhaust those within the first 72 hours of war, so where does the next batch come from?

And then, quite frankly, how do we get those uploaded onto our ships? Do we have to pull them all the way back to San Diego, or Pearl Harbor, or Guam? Guam, which is going to be highly vulnerable to these types of attacks. So rebuilding the combat logistics force, to be able to resupply, and do repairs at sea, I think, crucial. It's the great enabler. This is something that we understood during World War II, where a great percentage of that overall 6,700 ship navy was in fact a logistics aspect of the Navy. We sort of pared that down to where we focus on the pointy tip of the spear, when in fact, we're ignoring the spear, which is really some of the important work that Tim and Hudson's been doing. So I'm pleased to every chance that he gets to talk about it, to get that word out there, because it is at the fine granular level that the next war will be won, especially if that next war occurs anytime within the Davidson window.

In the near term for instance, if something were to go down with Taiwan, we're going to have to take what we have now, and make the most efficient use of this, most effective use of it, really. And quite frankly, I don't think that we've gotten our heads around that. I certainly don't think that the Navy's leadership has gotten its heads around it. So I'm glad that there are multiple voices out there asking them to look at these problems.

Jeremy Hunt:

Yeah, wow. I appreciate you sharing. For a lot of folks at home, sometimes we don't even think about all the logistics that go behind making sure that we can actually project combat power, and making sure that those systems are in place. That's huge. And now, we've talked about this quite a bit, just this linkage between the Navy and the civilian merchant fleet, but I want to just crystallize this a little bit. So it seems like you can't have one without the other. Is that right? And where are we at now? Is there a crosstalk happening? And how do you see that relationship
improving, so that our civilian merchant fleet can respond quickly if something were to happen abroad?

Dr. Jerry Hendrix:

Well, yeah, it seems self-evident to me that you cannot have one without the other, and yet we've spent the last 30 years trying to do just that, where we've allowed the civilian merchant fleet to really atrophy, really just on life support, building maybe one to two ships per year at certain key installations. We have sufficient, or significant capacity in places like Philadelphia or San Diego, where we could build more merchant. There's other yards out there, whether it's VT Halter, or some of the yards are on the West Coast, up near Oregon and Washington, where we could be building additional capacity there. But yes, in fact, the Navy should be stepping out hand-in-hand with the civilian merchant fleet. And for that matter, think about this, think about it from the economic standpoint. First of all, there's some voices out there that said, "No government subsidies. It's a civilian shipbuilding industry, we should let the market provide." My point there is to come back to a phrase that's been used several times in the last few years by both parties, which is free trade, but fair trade. Meaning, I want to have the same rule set that my competitors have. And I'm not talking just about the Chinese, I'm talking about the level of subsidies that are given to South Korean shipbuilders, or Japanese shipbuilders, which are the second and third-largest shipbuilders in the world, or even the subsidies that are provided to civilian shipbuilders in Europe, which are fifth and seventh in terms of large shipbuilders in the world.

I want to make sure that American shipbuilders are on the same level, so that our industrial capacity is competing on that same level plane as everyone else. Second of all, I think it's important to understand that as we are returning to being a manufacturing nation, where we're starting to create goods, or energy supplies, or raw oars that are being exported overseas to partners in Europe, wouldn't it be good if we benefitted economically by having at least a portion of those goods travel on US built holes, under US flags, so that we are getting essentially the payment that goes along with that, whether it's payments for fees, or whether it's payments for the expenses that go in and out of these nations.

We ought to be participating in that maritime trade, and in fact, we, instead, out of an economic purist argument, stepped back from that in the 1980s, and said, "We will allow the global market to provide." Well, we've seen what that approach has taken, or what the result is, in that we basically have no civilian shipbuilding capacity in this nation at all, and that has created a national security risk for us.

Jeremy Hunt:

And Tim, would you agree with that? What are your thoughts on that point?

Tim Walton:

Yeah, absolutely. I think Jerry's been a leader in effectively articulating the linkage between the two here in The United States. And I'd argue that The US is truly running this dangerous experiment, that's at odds with the historical record. Can a country be a pre-eminent naval power without being a strong overall maritime power? I'd argue that over the long run, the answer is likely no. So as a nation, we need to start to think about, how do we cultivate a healthy and competitive commercial maritime industry that can engage in commerce, contribute
Jeremy Hunt:

I understand. Well, thank you for sharing those thoughts. And I want to shift gears a little bit, and talk about just the overall naval force structure, and the way that our forces are deployed today, and your thoughts on just at the strategic level. I guess we'll begin with you. Dr. Hendrix. What are your thoughts on that? Do you see any reforms needed in terms of the way our force structure, the naval force structure in particular, is developed today?

Dr. Jerry Hendrix:

There are so many places to go with this, and Tim is grinning right now because we've had these conversations in the past. I think, first of all, we are a carrier-based force, so we have the 11 aircraft carriers mandated by law, we build our Navy around the aircraft carrier. Ever since the Battle of Midway, it is the pre-eminent platform in our Navy, and yet, because of our lack of investment in the carrier air wing itself, the carriers themselves are losing their relevance. We're actually seeing this in war game activities, whether it's war games in the commercial, or civilian sector, or academic sector, or the things we're hearing out of the Pentagon, where the carriers are having lesser and lesser roles to play in some of these war games. So if you want the carrier to remain relevant in the centerpiece, you have to make significant investments in that carrier air wing to get long-range penetrating strike capacity back, to be able to allow those carriers to operate in anti-access, area-denial environments.

Second thing is we need to look at that force mix about, what is the force that I need in the Atlantic versus the Russian threat, and the pacing great power there? Versus what I would need in the Pacific against the Chinese threat. Those two fleets do not necessarily look alike, for instance, I think that we need greater submarine capacity in the Pacific than I do necessarily in the Atlantic, although the Russian primary threat is some of their fast attack submarine boats, so I still need to retain that. And I think you have to start looking at that mix. There are also other things like for instance, frigates. Frigates are something we moved away from for the better part of decade, we're now getting back into. And we need to have the frigate be a frigate, meaning providing presence, being convoy escort duties, to be able to do the frigate role in future warfare.

Don't ask every frigate to be a destroyer, and don't ask every destroyer to be a cruiser in a battleship, which is kind of what we've done in recent years. Which again, coming back to some of Tim's work at Hudson, we need to look at that small-end, small capacity, small surface combatant force, and drive more investment into whether it's manned or unmanned, getting back out there to be able to operate in small confined spaces, but also build more platforms at a cheaper price. This is very much Wayne Hughesian thought from his New Navy fighting machine days, where I think we have to make some significant investments there. So I would see us really departing from the tried and the true, the standard method of one carrier, two cruisers, four destroyers, and two attack submarines, I want to see the fleet of the future looks significantly different than the fleet of today, and in fact, if it doesn't, we've made a strategic mistake at that point. And I'll be very interested to sit back and listen to Tim, because he's done some really great breakthrough work in this area.

Tim Walton:
Thanks, Jerry. I'd offer, I think just building off of some of your last points there on smaller surface combatants, and the need for them in our force design. My sense is that the Navy’s overall trend unfortunately still continues to be smaller number of large expensive ships. In particular, I'm thinking about some of the design concepts for DDG(X), SSN(X). Steel and air are cheap, so in many cases, it does make sense to make vessels larger, especially if it's going to reduce the amount of complexity and density in that ship design. But the Navy also needs to consider where are their appropriate performance trades to reduce the size and cost of vessels. And then I think there are also some investments in automation that can help reduce the number of crew needed on vessels. We don't want to just arbitrarily reduce the crew of vessels, and then basically make life difficult for individuals trying to maintain vessels, onboard the ships, or the like.

But we have seen in other navies around the world, some actual investments in automation that can help reduce crew vessels. And as the Navy faces crewing challenges today that I think are going to become more acute given demographic trends, we need to start to get ahead of this, so that we can have more effective vessels in terms of their capability, but ideally, crewed by fewer personnel. Related to that, I think is the topic of uncrewed vessels in general, the Navy started feeling its way in terms of what to do, there's a Task Force 59 active in the Arabian Gulf that's exploring new operational concepts, and testing different technologies on largely commercially derivative unmanned vessels, and I think that's a very promising area. The challenge for the Navy will be identifying what's a viable resourcing approach to link that promising experimentation and testing that's taking place in the fleet with the programatics of what actually gets budgeted here in Washington.

And so being able to develop a closer linkage between the two, where the Navy can rapidly direct, I think, streams of funding towards promising capabilities, and maybe seize funding, or divest of less promising uncrewed systems will be important, as will, I think creating different workflows or mission threads where we don't count on new unmanned systems to be revolutionary and solve all our problems. But rather, it's about identifying, where do we need to insert uncrewed systems? And where do we need to have crewed or manned systems to perform command and control, engagement, or other functions moving forward.

My last thought would be on Jerry's point in terms of force laydown, the Department of Defense has aspired to be able to rebalance to the Indo-Pacific for some time, we really haven't done it much. The reality is, there are pressing concerns around the world, and we are a nation with global responsibilities, that will continue. But moving forward, I think we are going to have to lean forward to meet the rising threat faced by China, and increase the presence of naval forces that are in the Indo-Pacific, especially some of the forces Jerry was mentioning, in terms of submarines, aircraft carrier battle groups and the like, which will play a special role in that theater.

Jeremy Hunt:

So it's funny you bring up the so-called pivot to the Pacific, I remember when I was an army guy, but at West Point, I remember them talking about this so-called pivot to the Pacific that never really was, and that was back in early 2010s. I mean, it's amazing how just certain narratives get out there, you rarely see the follow-through on it. But on that point, I'll be remiss if I didn't talk about the war in Ukraine, and how that has impacted your thoughts on America's naval strategy. A lot of Americans are saying, "Well, this is proof that maybe we should expand our commitments of land force commitments in light of Russia's attack." But how has the war
impacted your view on the importance of naval supremacy? Dr. Hendrix, do have your thoughts on that?

**Dr. Jerry Hendrix:**

Yeah, so this is one of my areas of real frustration with the current administration, and I have numerous areas of frustration, but the point here is, there is a way for us to exert significant influence on the war in Ukraine without becoming involved in terms of boots on the ground. The fact that we have pulled the US Navy out of the Black Sea, and do not operate it there since this conflict began in February of last year is on us. We ought to be there, and in fact, we ought to be restricting Russia's naval opportunities, and its range of options that it could exercise there.

Also, if we were, along with our allies, flooding into the Baltic, and bringing pressure to bear against Russian possessions there, understanding that they are a very large continental land power, they have a lot of interests, and as long as they have all this precise energy being focused on Ukraine right now, pressure that we would bring against areas like Leningrad, or even against some of their possessions in the Pacific, would cause them to distract and pull resources away from this.

Since they've decided to jump ugly with the West, if the West began to bring pressure to bear, and a lot of that pressure can come from the sea, and this would cause them to spread their resources thinner, also spread out their strategic attention at this point in time. And there's also things that we could be doing to aid our Ukrainian allies there. I'm glad to see that some missiles are beginning to flow towards Ukraine right now that we've held up in the past. There are aircraft, we can go. I'm all for sending more equipment there, but I also believe that we can free up the Ukrainians, if in fact, we could remove the maritime flank that they have to worry about.

Right now, they are looking at trying to interdict the long Russian supply chain that comes out of Donetsk, down to Crimea, to the extent that we would operate in the Black Sea, and could pressure that from the sea, would aide the Ukrainians in their desire to try and regain control of their sovereign territory. So I think that there's a maritime strategy for this. Let's just say this, if the Ukrainians can win the battle of Yorktown, are we ready for the French showing up to blockade the British Inn for the Ukrainian thought? Are we ready to be that ally in their moment of need should they have a decisive victory? I would like to think that we could, if we were beginning to think historically and strategically that way.

**Tim Walton:**

That's great points, Jerry. I would add that much of the dominant discourse really has been on what's taking place on land, naturally I think that's the decisive theater in the conflict in Ukraine. But a lot has also taken place on the water and below the water, we've seen that engagement of the Moskva Cruiser, and then NATO forces are actively tracking Russian submarines throughout the North Atlantic, Russian surveillance vessels, which at least seem to be monitoring, and might be potentially interfering with undersea cables. So that's still been a very active front, even though the war has principally been ashore. Now, I think the other consideration for us policymakers is, as we observe the developments taking place in Ukraine, and in particular as we observe Russian land forces becoming increasingly attritted, they will, I think continue to regenerate that capability, continue to seek to innovate.
But the reality is, The US Army has sized its forces to be able to defeat Russia's ground forces. So as that force now becomes increasingly attrited, it might provide an opportunity for the nation. Should we be considering the army starting to rebalance a greater proportion of its resources internally towards other high priority needs, such as air defense, communications, logistics, offensive fires, et cetera, that are needed more in the Indo-Pacific, one. But then two, after a certain amount of rebalancing there, is there an opportunity to take some of those resources and then apply it towards maritime and aero assets that I think can play an even greater role in an Indo-Pacific campaign. I think that conversation is only starting to take place, but as the intelligence assessments regarding the state of Russian forces begin to crystallize, I think that can generate an opportunity here in D.C.

**Dr. Jerry Hendrix:**

If I could just two-finger on that, because I think Tim has touched on a real option here, and the last time that, let's just say that we had a president that had significant military experience, Dwight D. Eisenhower, during the 1950s. He came in, and he looked around, he took a strategic perspective over where the threats were. We had a large standing army of 1.5 million active duty forces at that point in time, Eisenhower cut the army, his army, his beloved army, five-star General Eisenhower, cut it by 500,000 troops, because he just saw that there was not a requirement for 1.5 million, he had a requirement for about 950,000. But he took that cost savings, he made significant investments in the Air Force to build up its bomber force, and he converted the Navy over to nuclear power, supersonic aircraft, and guided missiles on nuclear-powered submarines.

So he made a cost exchange at that point in time, and he understood that, "Hey, 950,000 soldiers was going to be enough to hold the Russians at bay, and for that matter, hold the North Koreans at bay." But he needed that cost savings in order to reinvest in these new capabilities. And that allowed the Navy to modernize, and the Air Force to modernize significantly during that period of time. And that is the type of clear vision that we need to have today. I would like to see larger defense budgets, I think that the 3.71% of GDP is too small right now, but we should also be arguing to spend our money more effectively going forward.

**Jeremy Hunt:**

One question before we get to closing remarks, I also wanted to ask you, Dr. Hendrix, about readiness for a second. I know we've heard about just some of the issues of the last few years, the collisions, and of McCain and Fitzgerald five years ago, the fires in 2020, the Connecticut grounding in ’21, and we also hear just general concern about how ready our naval force is. I wanted to get your thoughts on that before we close as well.

**Dr. Jerry Hendrix:**

Yeah, and so I think that there's a significant readiness hole in the naval force, and that hole is driven, actually, by the size of the force. We have a readiness pattern within the Navy, so far as ships comes home, they go into maintenance, they come out of maintenance, they go into training, they work up, and then they deploy. That is all based upon us having a navy of about 350 ships. But we don't, we have a navy that's about 293, 291 ships, and so there's always going to be a shortcoming. We're either going to sacrifice in one of those three other areas, whether it's ship maintenance, and we've seen that come off, where the material readiness of our fleet has gone down, or we've sacrifice training, and a lot of the 2017 collisions and
groundings were all focused around training, or we’re going to see a drop-off in the number of ships for deployed.

And we’ve seen a significant drop-off, whereby in the past, our average was around 105 to 110 ships at sea at any given day, and today, we’re really struggling to be up to 50 to 60 ships. I mean, the CNO at a recent conference said his goal was to have 75 ships underway on any given day, and in the past, if we were under a hundred, it was a bad day. So we’ve seen that. So that’s really the readiness hole. The hole, we will not get whole as a force until the Navy gets large enough to do those three different things, training, material readiness, maintenance, and then deployment in stride. And right now, something has to give at every point in the process.

Jeremy Hunt:

Wow. Well, I want to move on just to our closing remarks here, and I would like to just hear your thoughts on the future. And Timothy, we’ll come to you first, just about, do you see any growing awareness, or the importance of naval dominance? Where do you see things going in the near future?

Tim Walton:

Yeah, thank you, Jeremy. I think are. We see on Capitol Hill there’s bipartisan support, I think for US naval forces, under both of the committee chairs and ranking members, or have expressed their support for US naval forces, and there’s been consistent budgetary support for The US Navy as well. I think there’s growing recognition as well of the importance of the commercial maritime sector. In part, this has been driven by an interest in different sectors of the carbon initiatives, or being able to lower carbon emissions as part of Build Back Better initiatives and the like, where we looked at offshore wind resources, and other opportunities that the commercial maritime sector can provide.

So I think there’s a confluence of forces where there’s an opportunity moving forward. There is though a lack of strategy. Congress had mandated a comprehensive maritime strategy in the past, but what was released in 2020 really was this anemic mix of assertions rather than a true plan. We now have a Secretary of Transportation who has served in the Navy, and I think he, and others in the White House, have an opportunity to try to link this commercial maritime sector with the national defense needs of our nation, and chart a new strategy and a plan moving forward. We’ll see if that’s done though, but as Jerry was building on, an opportunity, I think this is a generational opportunity that the nation has to pivot towards its competitive advantages in maritime and aerospace power.

Jeremy Hunt:

Dr. Hendrix.

Dr. Jerry Hendrix:

Yeah, so I'll just jump on there. So I think that we're starting to see a greater level of interest in this. My most recent essay, very fortunate to get into the Atlantic, which is not an area that has been a frequent discussant on maritime policy, although it was a significant platform for maritime strategy discussions in the past. I mean, Mohan himself published there, Roosevelt published there, Henry Cabot Lodge had published there, and so it had been a platform. Now, I think that there is a perception on the part of certain communities, intellectual communities that,
"Hey, this is an area that's increasingly becoming important to us. It's a place that we've ignored in the past."

And so we're starting to see this discussion pick up. I want to see that continue, because the fact is, for far too long, we, in the navalist community have preached to the choir, where we published in our own professional journals, and magazines, or within the national security community. We need to get out of that comfort zone and talk more broadly to the American people to make them aware of their nation being a maritime nation in a maritime world.

We need to be able to get to the people who shop at Walmart, so that they can understand that everything that's in Walmart comes to them by container ship and by the sea. Same thing with BJ's Wholesale Club, or Lowe's, or Home Depot. We are a maritime nation, with a maritime economy, because all these things come to us by the sea. We need to make sure that we platform that out to the people so they can pick that up. And Tim's correct, we're starting to see greater attention on Capitol Hill. We have a greater population of veterans, many of them are Navy veterans now, so we have some voices we can speak to, but we need to make sure that we drive home real solutions.

It cannot simply be bumper stickers. We need to have actionable plans on how to expand the industrial base, how to get back the merchant fleet in a way that people can buy into. These are blue collar jobs, this is work, this is identity, this is satisfaction in life, that if we can help create, that we improve the overall nature of our American life. So I'm hoping that this continues to grow as we move forward, and I really appreciate the chance to come here to Hudson and have this conversation with you today along those lines.

Jeremy Hunt:

Thank you. I just appreciate you, sir, and as well as Tim for just being here with us. And even for an army guy, I've really enjoyed this discussion, talking through some of the challenges that our Navy is facing, and thoughts towards the future. So thank you so much. And for those watching at home, thank you for joining us. Please continue to stay updated with us. You can go to hudson.org, and just see all of our upcoming events, and we'd love just to stay engaged with you. Well, thank you so much, and have a great afternoon.