Thinking the Unthinkable Part II: What if Putin Wins the War in Ukraine?

TRANSCRIPT

Discussion

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- Bill Schneider, Senior Fellow

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A video of the event is available: https://www.hudson.org/events/2123-virtual-event-thinking-the-unthinkable-part-ii-what-if-putin-wins-in-ukraine-62022

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Ken Weinstein:

Good afternoon and welcome to this special live Hudson Institute event. I'm Ken Weinstein, the Walter P. Stern Distinguished Fellow at Hudson Institute. I'm delighted to be joined by a team of Hudson Institute all-stars: David Asher to my right here at the Betsy and Walter Stern Policy Center on Pennsylvania Avenue; Rebeccah Heinrichs to my left; and behind me, Bryan Clark and Bill Schneider who are with us virtually for our panel on Thinking the Unthinkable Part Two: What if Vladimir Putin Wins in Ukraine?

Now, the first Thinking the Unthinkable event we held with this esteemed group of colleagues was back in late March, and it focused on the question of whether Vladimir Putin might use weapons of mass destruction in Ukraine. That panel, in the spirit of Hudson Institute founder Herman Kahn, thought to think through the most dangerous possibility out there in terms of the war in Ukraine for precisely the same reason Herman sought to think through the possibility of nuclear exchanges between the Soviet Union and the United States during the Cold War. That is to say, to think through the worst possibilities in order to help prevent them. None of our panelists that day thought that the use of weapons of mass destruction was very likely, but we all thought that this most dangerous, most challenging scenario had to be examined in order to prevent it from taking place.

Now we’re back thinking through another dangerous scenario, another dangerous possibility, that of a significant change of momentum in the war in Ukraine leading to a Putin victory. I think it's fair to say, although each of us has differing assessments of the direction of the war, we each think that it's fair to say that despite massive Ukrainian resistance, four months into Putin's invasion of Ukraine, he is beginning, we're seeing, to consolidate some gains across about a fifth of Ukraine, focused in the east, obviously Donbas and surrounding areas, and in some parts of the Black Sea. Especially noteworthy is Russia, stepping up its efforts in the east in Donbas, in Severodonetsk, in the key transport city of Kharkiv and also keeping up his blockade of Ukraine's historic critical port city of Odessa and heavily threatening Mykolaiv, a major port city of about a half million before the war, as well as other Southern Ukrainian ports, key entry points into the Black Sea which are critical to wheat exports, food exports, fuel exports.

So given the situation on the ground and noting that this is not simply a military campaign, that it's also an economic, diplomatic, and political campaign as well. Just want to open up with those remarks and first turn it over to senior fellow David Asher. He's got a PowerPoint presentation on how he sees the state of play in Ukraine. Over to you, David.

David Asher:

Yeah, I'm just going to move relatively quickly, starting with the British defense intelligence latest map of Russian’s positions in the Ukraine. And you can see, as Ken said, how much they are consolidating in the east. They've had, of course, their position in Crimea in the south from
2014. But they really are, I believe getting prepared to make a significant movement into the west toward Odessa. This is what Putin says is a sort of crowning objective. So far, he's more or less done what he said beyond taking Kyiv, which he obviously failed. But his focus is on basically the economic strangulation of the Ukrainian economy as far as I can see as an economist who works in military issues as well. Mykolaiv is not under siege, but it's under significant pressure from Russian artillery, and Russian forces are just getting poised to make a larger move.

Kherson has essentially been taken, but there is resistance. Odessa is just being fired upon with missiles. But we're not talking at enormous distance. Of course, this is why, and I know Rebeccah and Bryan and Bill will comment on it, we should be giving the long-range MLRS systems that we have, not the intermediate range systems, so that the Ukrainians can protect Odessa at all costs. I mean, losing Odessa is the key seaport for the Ukrainian economy and combined with the other losses so far, it would be just a total disaster and probably the end of the ability for the Ukrainians, at least in any reasonable amount of time, displace the Russian advances that have been made.

Next slide is just headlines from the newspapers. Russia being propelled by a flood of cash that could average $800 million a day, June 1st Bloomberg. The fact the Russian federal budget surplus is rising significantly. Fossil fuel exports have been a key enabler of the Ukrainian military. They're skyrocketing in value. Okay. So even though there is an impact of sanctions, oil export prices have gone up and so has oil revenue. Natural gas has skyrocketed. So is Putin actually economically winning? I'd say despite his own braggadocio the other day declaring that he is, I hate to tell you, my estimate is he actually probably is prevailing and certainly in his mind. Even if the Russian economy is suffering, there's still indicators to show that it remains relatively robust.

Russia's current account deficits, the next slide, it's up. You can see it year on year. Imports from Russia have fallen, of course, in the United States, but elsewhere they're up. China, Euro area, they've been increasing. Or they've been decreasing, I guess, in the Euro area in not a significant way. Russia has put natural gas futures through the roof. They've come down a bit recently due to the seasonal impact of we're not in the winter, but the Russian ruble has continuously appreciated.

The next slide is on European consumer confidence and natural gas. Consumer confidence in Europe is falling in the toilet, unfortunately, as natural gas prices spike. The next slide is just simply Russian's oil money being generated. You can see it's significantly up year on year. Then I'll just say that, and we can put these slides on the website, the overall impact... Turning to the next two slides, the one after this one, please. What the Russians are doing is they're having a massive impact on global food prices. This is a significant aspect that Putin will build a leverage as he combines the Ukrainian and Russian grain exports to the world economy, which are in the 25% range of the total amount of exported grain available.

He's going to be able to basically hold our sanctions accountable and basically say if we don't lift the sanctions, he's not going to allow exports of grain to go forward. So I'll just conclude on
that. Let me just go to the slide number 13, which is just actually there's this slide, right before it, please. Just understand that inflation is one of the things that historically has broken down long economic cycles of prosperity in the world. The major driver of inflation historically has been wars and pandemics and famines. And we have all of those going on right now. Putin knows it. So let's not forget that he can play a global economic game against us as he expands his strategy forward. Thank you.

Ken Weinstein:

Great. Thank you, David. Extremely insightful. A lot for us to digest. Let me turn it over to you, Bryan, to get your sense of where you see the current state of play in Ukraine. Thank you.

Bryan Clark:

Yeah. Thanks, Ken. I'll build on David's comments and talk a little bit about what's happening on the ground and at sea. So now that Russia has been able to consolidate their troops and their territorial holdings down in the south and east, they've been able to go back to the playbook they originally had in the Donbas during the war between 2014 and today, which is they use their electromagnetic spectrum systems to find enemy troop locations, meaning Ukrainian troop locations, and then use that to guide artillery and rocket fire against those troops. Then they go indiscriminately and attack local civilian infrastructure. Once those troops and the civilian infrastructure is damaged or attrited, they just move up the artillery and the rockets to the next step, and they just keep grinding away in that manner and slowly accrete territory over time. So it's a very grinding attritional form of warfare that they've got the luxury of being able to sustain because they're operating close to home.

They've got interior lines of communication back to Russia. They have lots of rounds of ordinance to bring out there, and it doesn't require sophisticated weapons like we saw earlier in the war. So they've got a large inventory of these sort of relatively unsophisticated or unguided rockets in artillery. As a matter of fact, right now, they have about a 10 times firepower advantage over Ukraine in terms of how many shells they can throw across the front line versus how many shells the Ukrainians can throw back across. So at a 10 to 1 advantage, the Russians are just going to continue to overwhelm Ukrainian positions, drive them back and move along towards Odessa, which as David said is their near term objective in terms of being able to establish a hold over the entire southern coast of Ukraine and essentially make it a landlocked country.

What this suggests, though, is that just giving Ukraine more artillery pieces and more rounds of ordinance is probably not the right way to go about this. We need to start equipping Ukraine to fight like NATO would've fought the Russians. We never planned to fight the Russians toe-to-toe in an artillery battle. We have never set up our militaries to do that because we understood that they were always going to have an advantage as the home team. So the idea was we were always going to use precision network forces, electromagnetic spectrum operations, cyber warfare to go after the Russians and target their key enablers, their logistics lines, their
command and control centers, their sensors. Well, the Ukrainians can't do that. They're not equipped to do that. We need to start equipping them in a manner that allows them to fight like NATO would've fought had they fought the Russians, because at this point they're essentially doing this as a proxy for the NATO forces. We should be equipping them to do that.

Now at sea, the bigger problem is the blockade of Ukrainian ports by Russian ships of the Black Sea fleet. 22 to two dozen Russian ships, including a half dozen submarines are out there preventing Ukrainian exports from reaching market. We've done some very token efforts to support them by handing off some harpoon cruise missiles from Denmark and also some Neptune cruise missiles that the Ukrainians had have been able to be employed. Neither one of those cruise missiles can reach more than about 70 miles, which means the 300-mile trip from Odessa to the Bosphorus Strait is mostly unprotected. So there's no way that Ukraine can break this blockade on their own. We need to equip them in a manner that allows them to protect their shipping all the way from Odessa to the Bosphorus. Otherwise, Putin is going to always have this ability to close off the food access for the world.

Even if they negotiate a settlement and he opens up access to the Black Sea again, he can always close it off at his leisure, which allows him to use this as a valve to control the food flow to the rest of the world. And whenever he is unhappy with the negotiating position, the agreements that he's reached, he's going to do that, get a new series of concessions and move on. So really, we need to equip the Ukrainians to fight like NATO would've fought at sea and ashore, and there's paths to do that using unmanned systems, using some precision weapons, using longer range weapons as David said. And we can talk about that a little bit more as we go. Thanks.

Ken Weinstein:

Thank you, Bryan, for those characteristically insightful remarks. Bill, over to you.

Bill Schneider:

Yeah. Thanks, Ken. There's lots going on as we can see, just as a footnote to Bryan's observations about the struggle in the Black Sea. RFERL released some dramatic satellite images today of showing that Russia is transporting grain from Southern Ukraine through Crimea to ships that then take the grain to favored allies, that they have a particularly clear image of the shipping of grain to Syria. But about half a million tons of it have already been shipped, and that seems to be part of the Russian game plan. So also the media coverage is now pretty extensive in focusing on the aspirations of the key NATO players.

Rebeccah Heinrichs:

... domestic is very focused on as they communicate how they're interacting and engaging in support for Ukraine. So it's very important that we understand truly what is happening. One point that Bryan made, and we recently wrote a piece on how to help Ukraine win, and one of
the points we made was all of the weapons supplies, much of it good, that we support, it's not enough; it's not coming fast enough. It's not the higher capability, the more lethal weapon systems they need for the ground operation, but all of it will be for naught if we do not help Ukraine break the naval blockade. That is where we are. Odessa really is the key here.

So Ukraine deserves great credit for being able to thwart the initial objective, which was a quick sharp victory and the sack of Kyiv. They thwarted them from doing that. The Russians kind of moved in and changed their objectives, but now they are really focused on Odessa. It is absolutely possible for Russia to win this particular military objective. So our military objective for Ukraine should be to do whatever is necessary to prevent Odessa from falling into the hands of Russia. That means that we cannot hamstring Ukrainians in terms of their target sets, in terms of what they're able to do. We need to give them the kinds of weapons that Bryan mentioned specifically that will be necessary to achieve that objective.

Then with that, I would humbly suggest that the U.S. government has been inclined to speak in very clear terms about what the United States is willing to do and not willing to do. This is a time probably to be quiet, to go quiet and to simply state that we are committed to seeing Ukraine not go completely under the subjugation of the Russian Federation because with Ukraine, especially Odessa goes, well, NATO's basically ability to control food security in Europe and to keep those ports open. So I'll leave it at that and then turn to the conversation that Ken's going to lead us in.

Ken Weinstein:

Thank you, Rebeccah. We've had four superb presentations. It is funny because you look at the situation on the ground and it was clear a month ago, two months ago, well, first you had Secretary Austin talking about an outright Ukrainian victory publicly, and then you also had a sense that the narrative, the Russians had lost the information war and that Ukraine had obviously, Zelensky has done an amazing job rallying public support around the world, not just in democratic countries, not just in Europe. Now we sort of see Russia using this economic tool in addition to rattling the nuclear saber as well.

Let's talk about the divisions within the Biden administration. I know this is a little bit of a shift. Where do you see the Biden team coming out? Do you see divisions internally between those pushing for a stronger response, those pushing for diplomacy? What's your sense? Let me throw that out [inaudible 00:16:14]

David Asher:

Well, the president sort of suggested there was going to have to be a diplomatic outcome just last week. I think that's what his intention is. I think it's a horrible consequence of his inaction in the face of a tremendous stream of strategic intelligence, going back over a year, that Putin was seriously interested in doing this. I was just reading Putin's speeches over the last few years last night. You can go back several years and you actually go back to 2007, to Munich where you
probably were in attendance as maybe others were. I mean, he's sort of done what he's been saying, but the problem is, what else is he saying? He's talking about Kaliningrad where Lithuania just implemented the sanctions against the Russians movement of goods into Kaliningrad, which is obviously their key port that ties them into the Atlantic seaboard.

This could get much worse if this... I'm afraid the administration, in order to avoid so-called World War III, is actually precipitating the grounds of what could actually create a situation where we can end up in a World War III type situation. I would say Kaliningrad would certainly bring in NATO, at least in my estimation. We'd be in all-out probable conflict with the Russians. So I'd like to certainly hear from Rebeccah and Bill and Bryan and Ken, yourself. Like, we got to expand our air cover. Maybe NATO should get involved in providing air cover to Odessa, maybe at the very least we should be giving them every unmanned system we've got in the Mojave desert of which there's many. I've been out there not long ago. There's a whole ton of General Atomics Predators out there. We should be moving all of this in now, not waiting. I'm afraid the administration has no intention of doing it. I don't think they've even really planned it.

Ken Weinstein:

Rebeccah. And then I'll turn to Bryan and Bill.

Rebeccah Heinrichs:

Sure. I would say I think that there is a differing view of how much the United States should contribute. I think that I don't even want to use the term sort of hawkish. I think that these folks are the ones that are being very realistic about what's at stake and understanding that sometimes you have to take on more risk early on so that you're not taking on enormous risk later on in the conflict. I think we're already there. If the United States had not telegraphed, unfortunately, weakness in the beginning for the sake of being very fearful of escalation, our risk aversion actually caused escalation, just the escalation control on the part of the Russian Federation rather than the United States NATO effort. But I think that there are some people in there who understand.

Let me just give you an example. So this was in the media, reported on June 6th, that Secretary Blinken was at a roundtable talking about food security and he accused the Russian forces of planting explosives in captured farmland hoarding Ukraine's food exports. So we're talking about a naval blockade. They are targeting food across the board. Secretary Blinken said Russian President Vladimir Putin is doing this quote, "aggressively using his propaganda machine to deflate or distort responsibility because he hopes it will get the world to give in to him and then the sanctions. In other words, quite simply put, it's blackmail." End quote. That was Secretary Blinken.

So we do have individuals within the administration who seem to clearly have a clear-eyed view, but again, you have political considerations domestically that can cloud, I think, the judgments and there's extreme bias against understanding what's going to happen in a hope
that this might go away if we get a deal with the Russians. But of course, peace at any cost is just going to be delayed warfare, much worse than we're probably already seeing it. So how we end this conflict matters a great deal, and it can't be after the Russians capture Odessa.

Ken Weinstein:

And the domestic consequences being the inflation from fuel prices and food prices, that's the fear that a deal will-

Rebeccah Heinrichs:

So there is... My view has been inflation high, fuel prices are high going into an election where individuals don't understand what the causes of all these things are. It's a confluence of all kinds of different events that are happening. A lot of it in my view is the result of this administration's prioritization of green policies that have prevented them from doing things that could alleviate some of these problems. All that to say, they've got a domestic audience that clearly doesn't want to have a major war in Europe, but because we've got domestic problems here, but not fully understanding that if you don't want a major war in Europe, you've got to do some things on the front end to deter a major war in Europe. That's where I think this administration has not done so well.

Ken Weinstein:

Sure, Bryan.

Bryan Clark:

Yeah. To build on what Rebeccah said, looking at the Kaliningrad example is a great one because what's happening is you've got NATO members freelancing in an effort to try to do something to slow down the Russian advance. So Lithuania decides to close the Suwalki Gap to Russian imports to Kaliningrad. Well, Kaliningrad's part of Russia. It's not some remote outpost. So it'd be like Canada cutting Maine off from the rest of the United States. We wouldn't like that very much. So Russia will take some action against that. Well, that's the moral hazard then is that now Lithuania has brought NATO into a conflict with Russia because Lithuania was frustrated with the lack of activity on the part of NATO when it comes to Ukraine. So we have to be stronger with regard to what we're supporting Ukraine with to try to prevent these kinds of freelancer operations from happening in the future, because it will continue.

So giving them the weapons they need in order to hold back the Russian advance is going to be essential and it doesn't have to be necessarily NATO coming in and fighting on behalf of the Ukrainians. They are more than capable of fighting for themselves, but we need to equip them in a way that allows them to fight differently than how they're having to fight right now.

I think there's a lot to be said for going after Russian logistics that are coming in from the
Russian territory proper through the Donbas to the front lines over close to Crimea and Odessa. Going after those logistics lines with longer range guided missiles, even maybe ATACMS, which is the longer range version of GMLRS that David referred to, and then using unmanned aircraft like the Predator or the Gray Eagles that we said we were going to give to Ukraine would be ways to go after those logistics lines and reestablish some of the conditions that happened around Kyiv when the Russians had difficulty getting into logistics all the way to Kyiv and as a result bogged down. Well, we need to bog them down in the east as well. Otherwise, you're going to continue to have this effort by some NATO countries to do something, to push back on Russia in their own regions, which is likely to perpetuate some conflict there. Thanks.

Ken Weinstein:

Thank you, Bill.

Bill Schneider:

Yeah, these are excellent points, and I think underscore the earlier discussion about the way in which U.S. choices have permitted Russia to control escalation rather than us controlling escalation. Now, we are supposed to be in the deterrence business and we're not. We're allowing Russia to do so. The failure to provide unmanned aerial systems is really perhaps the most fundamental bad choice. The Air Force has more than 300 of the MQ-9 Reaper aircraft that it no longer wants in its inventory. The Army has large numbers of the Gray Eagle, but to refuse to provide it because an agency within the DoD is concerned about the compromise of the technology in the aircraft suggests something other than technology security. It's part of this broad reluctance to enable Ukraine to win, and it's likely to have the kind of consequences Bryan referred to.

Ken Weinstein:

Bill, can I ask you, is that decision being made at the DoD level, at the White House level? What's your sense?

Bill Schneider:

Well, the technology security decision was made by the Defense Technology Security Administration, but the secretary has the authority to overrule it. This is frequently done in the interest of serving U.S. national security. So this decision is more likely to reflect the broader decision on the part of the administration to squeeze Ukraine's capacity so that they lose more slowly, so that a diplomatic solution can be posed that would oblige Ukraine to give up some of its territory.

Ken Weinstein:

Yeah. Let me ask you, Bill, let me turn to you first this time in the round of questions. So last
week we saw the trip to Kyiv by French president Macron, German chancellor Scholz, and Italian prime minister Draghi, arguably the three Western leaders who have been arguably the least in favor of sort of the all-out victory in Ukraine option. The talks with Zelensky led to a promise of EU candidacy for Ukraine. Just something that Ukraine wants. What's your sense of what's behind those talks and what they discussed and what the Biden administration's relation to what happened in these talks is? If you have a sense on that.

**Bill Schneider:**

Those three countries are perhaps the most vulnerable to Russian blackmail on energy because all three of them get more than 40% of their energy from Russia. I think they're looking at pretty much a train wreck to their economy once the demands for fuel or energy are accelerated. The U.S. is not prepared to increase supply because it conflicts with the aims that the Climate Envoy Kerry has expressed for a green future. As a result, we're not going to help Europe with increased natural gas production, which could readily be done if we chose to do so. So the convergence of these things, as Rebeccah was also pointing to is creating a situation where grave damage to our national security is likely to be a consequence.

**Ken Weinstein:**

Any other thoughts on the trip by the European leaders to Kyiv?

**Rebeccah Heinrichs:**

Nothing specifically about the trip. But on the broader point about allies, I would just say this ties in with something that Bryan just said, too, about other NATO allies that are going to start acting out on their own too. This is why U.S. leadership is so important. You have a very different view of what needs to happen across the Alliance. Obviously, those that are closer to the Russian violence, military aggression, imperialism want a much more robust... understand that the security threat, and they also have assessed that Ukraine will... That's not where Russia will stop if they are not stopped, that Putin will continue to go. So you have the Western, some of the other allies having a very different assessment and then aims. Then when you have a breakdown and you don't have strong leadership provided by the United States, you're going to have these other countries making decisions that they believe are in their best interest. They're frustrated.

The Poles are similarly situation. I just got back from Warsaw, had a lot of great conversations with the folks out there, that the language that they use when they talk about the Russian threat is they understand that this is an imperialist mission, that this is not going to stop with Ukraine if the Russians are not stopped in Ukraine. So of course the same thing is going to happen with Lithuania and these other countries.

Then one more thing is these other countries that are in the region have been warning the United States, and this is not just to say I mean, it's kind of a funny thing to make a comment, I
guess, in the midst of this, but we should have been paying attention. This was all predictable for years. The Romanians have been sounding the alarm bell about the militarization of the Black Sea for years. And so we should have seen this coming, but again, now is the time to stop it and to do what is necessary.

One last point I would make. Bryan had talked and Bill had mentioned the kinds of weapon systems that they need. The American people sort of believe that we have sent tens of billions of dollars to Ukraine, but really according to just a fact sheet by the DoD just sent out very recently, less than $7 billion actually goes towards the military effort that the United States has pledged to Ukraine. The rest of it is economic aid and other things for U.S. AID. So I think it's important to understand too, to Bryan's point, there's a lot more the United States can be providing that we have available to arm and equip the Ukrainians to do what they are able to do if they had the ability to do it.

**David Asher:**

Can I just jump in with one thing?

**Ken Weinstein:**

Yeah. Yeah.

**David Asher:**

So there's something else we could be doing. We have the world's greatest military in the Pacific. We could be stirring up trouble in the Russian Far East right now to create a problem for Putin. I think that the idea of us playing this sort of go straight up the middle, follow the rules of the road thing is ridiculous. We need to be engaged in unconventional irregular warfare effort to try to complicate his battle picture that it's not going to lead to escalation. This is what we did in the Cold War. Undersecretary Schneider was deeply involved in it, and I think it'd be great to get his perspective, but we were going head-to-head with the Russians in the Far East day in and day out in the mid 1980s all the way up to the end of the fall of the wall when I was first getting involved in Asia.

We're not doing things which will complicate his picture. I think it's increasing his cockiness and confidence. That's why I'm so worried about him making a move, even if it seems sort of tactically ridiculous, sort of like Kaliningrad or something. He's capable of expanding, and let's not forget he hasn't mobilized his full population under 40. There's a huge number of people that haven't been called up. He's just sort of hit the front lines of people who called up. He's welcomed older people to sign up again who've got battle hardened capabilities. But he hasn't fully mobilized his population and he can.

What we need to do is to start to use NATO, if not to do overwatch over Odessa, at least we should be providing unmanned systems and other capabilities directly. Then let's not forget
about all the, what I'll call the third offset capabilities we have, which we can't talk about. But I think the Russians have some idea that there exists. If there's ever a time to start to unveil certain things to throw off his sort of sense of mojo, it's right now, I don't think we should wait. Invisible deterrence is not deterrence.

**Ken Weinstein:**

Bryan, let me turn it over to you for comments on that.

**Bryan Clark:**

Yeah. So I think David great brings a great point. One of the things we have to start thinking about in terms of great power competition is not just deterring through threats of denial. That ship has sailed. It doesn't seem like denial is really deterring folks anymore. We need to start thinking about how do we dissuade them from conflict because we start creating enough uncertainty regarding their likelihood of success, start undermining their confidence in their plans, start making them think twice about their day-to-day stability. Those kinds of actions can be used to dissuade an adversary like Russia. We did that during the Cold War. Bill can talk about that. But we built the kinds of playbooks and executed them to make the Soviets feel like they weren't completely sure that the plans they had for taking over Europe, for example, were going to work in terms that would be acceptable to them. So those are the kinds of things we could be doing today. It's not something you have to talk about. You want to communicate that to the target via the means that make the most sense for whatever the action is.

But those are actions we should be taking in concert with equipping Ukraine to fight the way that NATO would've fought.

**Ken Weinstein:**

Okay. Thank you. Let me turn to the question of the upcoming NATO summit in Madrid in a week, and the new NATO strategic concept. Rebeccah talked about her trip to Poland. I was recently in the Czech Republic for a transatlantic security workshop, which had a number of officials from a number of countries and was interesting to see the discussions about Germany and the frustration about Germany that the periphery countries feel, which is deep. It is intense, and it's significant.

Now, this past Sunday in the Biltansontag NATO General Secretary Stoltenberg mentioned that the war in Ukraine could last years. It was his term. As we head into this, the summit, there is a possibility... The Biden team seems to be putting pressure more on the diplomatic solution as we're going in. This is not the same. The tenor of this NATO summit's not going to be the same as the special session that was held back, I guess, it was in March. Bill, what's your sense of the direction of NATO, what NATO needs to do and what impact that might have in the medium term in Ukraine?
Bill Schneider:

Well, there's a lot that can be done by NATO and certainly in the military sphere as Bryan suggested. There are things that could be done. The biggest thing that could be done that can strengthen NATO solidarity and collaboration in this matter is for the U.S. energy policy to facilitate the lifting of oil and gas and shipping that to Europe to deprive Russia of their ability to blackmaill the three main countries of Europe, and in doing so disrupt the unity that the president has otherwise been very successful in achieving at a diplomatic level. So I think the high value issue is a combination of energy policy that blunts the Russian blackmail threat, the provision of airborne assets to open the Black Sea to commerce, and then the provision of related NATO capabilities as Bryan suggested to Ukraine that would enable them to defeat Russia's efforts to take over Ukraine.

Ken Weinstein:


Rebeccah Heinrichs:

No, I would just say the one point I'd make on that is for years, people wonder why Turkey is a part of NATO. Well, this is why Turkey's part of NATO. We really need Turkey to help us get the Black Sea opened up and get grain flowing back through there. So that's a very critical role that Turkey can play. As a matter of fact, when I was back in Bucharest talking with the Romanians and others years ago, several years ago, I think it was 2018. This was something that they constantly reminded me to sort of admonish me whenever I would be too harsh with my criticisms of Turkey is this is why you want them inside the team and not on the outside of the team. We've got a great scholar here, Mike Duran, who can speak really well on that particular issue, but wanted to put that on the table.

Then just say that you, again, just to hammer on this point, United States needs to actually have a leadership role here. So I agree with Ken's point that there is a weariness and a pressure to have peace, but it cannot be peace at any cost. It has to be peace on terms most favorable to Ukraine when Ukraine has just scored the military victories. If you do it right after these series of tactical, which are really amounting to strategic victories that favor Russia, then essentially you've just lost the entire campaign to the Russians with major strategic consequences.

Ken Weinstein:

Let's turn the page and now talk about China in the few minutes that remain. I was recently in Japan, met with a Japanese official who said, "Look. No one is watching what's going on in Ukraine more closely than Xi Jinping." What lessons does he take away, David?

David Asher:
Well, I don't think he's taken away the lesson that he shouldn't try to take control of Taiwan. I think it's sobered up his military leaders as to the costs of a direct invasion, but I've been focused and I was the senior official in the East Asia Bureau who was able to go to Taiwan when I was senior advisor. So I wasn't the assistant secretary, deputy assistant secretary. So I was able to go there and I went there very frequently during the Bush administration.

One thing that we've not focused on is China's irregular warfare capability, covert action capability in Taiwan. There's an awful lot that they could do to disrupt Taiwan state and society under the table. I think that there's plenty of ambitions to do that. The military would essentially be a reserve force for that. They would come in to protect whatever disruption occurred in the event that we tried to help facilitate the reversion of it.

Why does that matter to everybody in the United States? It's called semiconductors. Okay, we've got something on the order of its 52% of the semiconductors in the world that we consume are coming from Taiwan. The total amount from Asia is higher than that. It's over about 80%. Of course, China's ability to use that as a tool of economic warfare, much like Putin is using oil, natural gas, and food. You combine these things, what you get is literally some of maybe the most pernicious inflation we've had in world history. People just don't understand the cascading effects of the recovery of COVID, the shutdown of COVID and the recovery, the massive monetary impulse from the Fed and all the Europeans and Asian central banks, and then the threat of an economic related conflict in Asia that would cut us off from our critical source of supply for electronics, microelectronics, which is Taiwan. This could turn into an absolute global disaster. That would be a prelude to some sort of world war in my mind.

Ken Weinstein:

Bryan, over to you.

Bryan Clark:

Yeah. I think that the Chinese has certainly taken some less lessons from the Ukraine invasion. It's going to be more difficult to take Taiwan than they may have thought. I think any analysis, I mean, any analysis I've been involved in of the China-Taiwan fight has shown that it's a very tough slog once you get on the ground. I don't think that China ever thought it was going to be a cakewalk. I do think though that they're starting to rethink the utility of other scenarios to try to bring Taiwan back into the fold. So as David said, irregular warfare, blockade, quarantine, doing the same kind of thing to Taiwan as we did to Cuba during the Cuban missile crisis. There's a lot of approaches that China could take that are going to be more antiseptic, if you will, for them than trying to go the ground invasion route. That might be something they reserve as an absolute last resort.

I think the Ukraine invasion kind of highlighted that for them. But for us, that's a challenge because now that means that other scenarios are going to be on the table to a degree they may
not have been before, which drives a different set of military demands for the US, that we may have not been preparing for to the same degree, because we've been building our forces around this one canonical scenario of the China-Taiwan invasion. So we need to start rethinking other options like a blockade and what kind of military do we need to counter a Chinese blockade of Taiwan or deal with a Chinese bombardment of Taiwan that happens over the course of months or years?

Ken Weinstein:

Bill, your thoughts?

Bill Schneider:

Yeah. It's a very pertinent question. I think we should bear in mind that China has been conspicuously unsuccessful in its assault on its various neighbors over time. The Russians beat them up in '69 in the struggle in the Amur River and Damansky Island. The Korean War was not a success for them. They tried to beat up the Vietnamese in '79. That failed. They lost the Indo-Chinese war in 1962 where they attempted to grab some of India's territory. So China does not have a good track record of trying to pressure its neighbors through military power.

One of the things that may be a consideration here is China's recent shift to a massive increase in its nuclear capability. We've witnessed for more than a decade China increasing its conventional power and its increasing focus on electronics and data and so forth. But it's a shift in the last two years to a massive increase in land-based ICBMs, mobile, land-based ICBMs, full range of medium and intermediate-range missiles, and a rapid pace of modernization of their nuclear forces suggests that perhaps they are going to have a different path as they try to influence the outcome with Taiwan than either the classic invasion that we've been concerned about or perhaps not even with subversion, but try to use their regional nuclear preponderance as a means of leverage.

Ken Weinstein:

Rebeccah.

Rebeccah Heinrichs:

I would just say, too, I appreciate the question because every conversation about what is going on geopolitically with Russia and Europe needs to fit into the larger context of what the PRC is thinking. The PRC has backed Russia's back. What I mean by that is it is supportive of Russia's war against Ukraine and wants Russia to be successful. There are some analysts who think that China is sort of secretly hoping that Russia fails. That doesn't at all make any sense to me at all. China wants Russia to prevail, for Russia to weaken NATO, and that fits in with the PRC's larger aims, which is to of course take Taiwan, be able to push the United States out of the Indo-Pacific and then expand its aims even beyond that particular region.
So I mean, one point that I would just hammer home is that we, the United States, needs to be looking to see what have we failed to do with Ukraine and what do we need to be doing very, very on an aggressive timetable to make sure that we don't get too comfortable with hoping that the PRC has taken the right lessons, that they would be unsuccessful in taking Taiwan. We should be doing all the things to convince the Chinese now that we would complicate their war aims. So we should be aggressively arming Taiwan now. We should be doing the things we need to harden, to be able to fight for and fight from Guam and other U.S. territories in the region so that we can project force and power.

All of this is meant to convince the PRC that, again, any aim that they have still doesn't make sense, then that the cost would simply be far too high for what the United States and our allies in the region will be able to bring to bear as a penalty to their attempts to take Taiwan in whatever method they decide to do it. So that needs to be a lesson learned.

Then also it is true that we are running out of certain kinds of weapon systems, for instance, the Stinger weapon, which has been great in Ukraine. That doesn't have a warm line. If we run out of that, we run out of that. So we’re looking to replace the Stinger missile and that Taiwanese wants Stinger, but the lesson is not then to give up on Ukraine so that we can focus on Taiwan. That would be the horrifically wrong answer. The answer is we need to have an industrial-based capability so that we can produce at scale the weapons necessary to handle the kinds of threat the United States of America faces today, and not just the kinds of threats and the wars that we would prefer to have but just the reality that we have, which is that we have the PRC and the Russian Federation, essentially a de facto alliance cooperative effort to undermine the United States in our Alliance architectures that we have both in Europe, in the Middle East, and then also in the Indo-Pacific.

**Ken Weinstein:**

Great. Okay. Superb way to end what's been an absolutely remarkable panel. I want to thank my colleagues David Asher, Rebecca Heinrichs here, Bryan Clark and Bill Schneider virtually. Hudson Institute has been thinking the unthinkable since July 7th, 1961. Glad to see the tradition is alive and well. Sorry to see that global affairs requires us to do that, but so be it. Looking forward to perhaps a third panel, God willing, a few months out on Thinking the Unthinkable Part Three. Thank you very much, and thank you to the public affairs team here at Hudson for pulling the event together.