

Episode 149: “Why America Must Remain the World’s Preeminent Seapower” with Russ Vought and Arthur Herman

Speaker 1 ([00:04](#)):

Welcome to The Bill Walton Show, featuring conversations with leaders, entrepreneurs, artists and thinkers, fresh perspectives on money, culture, politics and human flourishing, interesting people, interesting things.

Bill Walton ([00:24](#)):

Welcome to The Bill Walton Show. I'm Bill Walton. After decades of cuts to shipbuilding and maintenance, the United States Navy has been stripped down to a fleet barely larger than it was 100 years ago, 1916. Meanwhile, China has dramatically increased its spending on its Navy, as well as on its Air Force, cyberspace and electronic warfare capabilities. Beijing is building islands in the South China Sea threatening trade routes and menacing allies.

Bill Walton ([01:00](#)):

At the same time, China has cut the size of its army by more than half in the last five or six years, clearly signaling they see the actions on the sea, not on land. It may surprise you, it did me to learn that America's historic strategic strength has been as a sea power. As a maritime nation, the US is dependent on control of the sea to protect its people as well as its flow of trade. This is an issue that is barely talked about, but needs to be. With me to explore this is Russ Vought, the founder of The Center for Renewing America.

Bill Walton ([01:37](#)):

He was director of the White House Office of Management and Budget in the Trump administration. He prepared President Trump's last budget proposing a significant increase in spending on our military, on our Navy, specifically the Navy, which Joe Biden with his usual strategic genius promptly eliminated. Arthur Herman, one of my favorite authors and I have a couple of his books here, as a senior fellow at the Hudson Institute focusing on defense, energy and technology issues.

Bill Walton ([02:10](#)):

He was senior adviser to President Trump's national security adviser, focusing on the need to rebuild our Navy. Dr. Herman is the author of 10 books, many of them boasts that bestsellers, like most of them bestsellers. I highly recommend if you want to know the roots of the thought behind our constitution is, How the Scots Invented the Modern World. To Rule the Waves, which gets into the history of how Britain used its Navy and pioneered the use of sea power, pioneers the word, they had a few people before him like the Vikings.

Bill Walton ([02:43](#)):

And he also wrote Freedom Forge, How American Business Produced Victory in World War II. His most recent book is The Viking Heart, which talked about how the Vikings use sea power to propel their way through the world and how their lessons are useful for us even today. Also, it's got 90% foreign five-star ratings on Amazon. So, it's been vetted. And it's great. Russ, Arthur, great to have you guys here. Although we're talking about a pretty alarming topic, which is our strategic capabilities.

Bill Walton ([03:18](#)):

Russ, you were in the weeds on the budget and the whole defense budget. And you proposed to increase the naval spending. Let's start from there.

Russ Vought ([03:28](#)):

Sure. One of our responsibilities that OMB is to execute the President's agenda. And he ran for office on rebuilding our nation's defenses and committed very sizable increases every year to do that. But one of the things we wanted to continue to make sure was below the top line of defense spending, what are the metrics for the American people to be confident that they are secure, that their national security is going to be taken care of?

Russ Vought ([03:56](#)):

What historically has our country relied upon? And that's when we took another step and went deeper. In the last two years, the administration, particularly the last year, the administration, to be able to really make sure on maritime supremacy, which is something that our country has relied upon since its founding, to be the real foundation of what keeps us secure.

Russ Vought ([04:22](#)):

How are we doing on that? And as you mentioned in your opening, Bill, Obama administration took us down to the lowest in 100 years. We haven't been that low since 1916, somewhere in the neighborhood of 270 battleships. We were able to get that back up to around 300 and put it on trajectory towards the statutory goal of 355 ships. That is in our mind a good bellwether for where we need to be and increase it. But what we really wanted to do is to make sure we were on the right trajectory. And along the way, we learned a lot and we can talk into what we learned.

Bill Walton ([05:03](#)):

We were down from what 6,500 ships at its peak?

Russ Vought ([05:07](#)):

Yeah. Well, we were sizeable levels in World War II, but we were at the Cold War levels-

Bill Walton ([05:13](#)):

Cold War levels.

Russ Vought ([05:14](#)):

... in the 400, 500 realm under John Lehman.

Bill Walton ([05:19](#)):

And China has how many right now?

Russ Vought ([05:20](#)):

They're approaching 400. I don't know if they're over it or not. But they're over us numerically, although not capability.

Bill Walton ([05:28](#)):

So, China has traditionally been a land power, had right to sea power. I mean, what's the difference between the sea power and land power if you diverse?

Arthur Herman ([05:39](#)):

Well, the differences are profound. And one of them is both in terms of the evolution of political institutions. Because how you exercise control over large tracts of land, land mass, especially the Eurasian landmass depends upon command, economies. It depends on an imperial outlook. Whereas, nations, and historically, nations that look to the sea as the means by which to make a living, first of all, through trade, through fishing, humble pursuits like that.

Arthur Herman ([06:16](#)):

But also, as a means by which to protect themselves from invaders and interlopers. And to project power, which in the modern age, has become really the key distinguishing mark of what separates a great power from a second- or third-class power. Sea power demands not just ships, they're not just ship building capacity. It also demands a different mentality. It demands a willingness to be more flexible about how you set your goals and objectives.

Arthur Herman ([06:49](#)):

It demands level of initiative on the part of sea captains. But also, on the part of politicians in terms of setting national goals and how to arrive at those. And it also tends to demand a level of voluntary cooperation, just as we would have on a ship, or just as we would have in the teamwork that goes into sustaining a first-class Navy. And it's not coincidence, Bill, that if you look through history, that the great land-based powers have tended to be autocracies, have tended to be totalitarian regimes in the modern age, think Soviet Union, think Communist China, think Nazi Germany.

Arthur Herman ([07:30](#)):

Whereas, the nations that rely upon and look upon the sea and maritime wealth, as the source of their wealth and prosperity and well-being have tended to become democracies. They tend to be open societies, and have a much more deeper sense of a participatory role for citizens. And for evolving political institutions.

Bill Walton ([07:58](#)):

Well, just putting a historical focus, Venice was not only a great sea power, but it was also the longest surviving republic. And then, Great Britain obviously, with its Navy and the Dutch.

Arthur Herman ([08:10](#)):

The Dutch, that's right. And also, of course, the United States. And so, in the end, you have to completely ignore the lessons of history, to think that you can allow your maritime and naval power to slide out of first class levels, or to allow an antagonist particularly one like Communist China, whose attitudes are not only hostile to the US, but hostile to democracy, and to our allies as well, to allow that power to rise in competition with this. You have to ignore lessons of history going back to the Vikings, my most recent book on the Vikings.

Arthur Herman ([08:58](#)):

They're the original exponents of sea power, not just as a way to project power, but also as a means by which to sustain themselves for the trade routes that made them really the precursors of globalization. It also at the same time, means ignoring our own history. And the degree to which our history as a nation was shaped by our relationship with the two oceans that sit on either side of us.

Bill Walton ([09:22](#)):

I guess I'd never really thought of it. But that's one of the things that surprised me to think that we started thinking of ourselves as a sea power first and foremost. And didn't in the constitution, we specified that we had to have a standing Navy?

Arthur Herman ([09:38](#)):

Yup.

Bill Walton ([09:39](#)):

But it wasn't specified that we needed a standing army?

Russ Vought ([09:42](#)):

Yeah. To provide and maintain a Navy, to raise up an army. So, we owe the ones, is meant to fluctuate isn't certainly provided for but this notion in the constitution, this is paramount to our security and who we are as a republic.

Arthur Herman ([09:58](#)):

So, what rest in the Trump administration we're doing by saying we really need to restore and rebuild our naval supremacy, not just in the face of China but as a fundamental part of what it is to protect America. This was an important mission that when I came on board, at the National Security Council, my boss, Robert O'Brien said, "You got to talk to Russ. You got to go down and talk to him, because he's got a plan about how to do that shipbuilding."

Arthur Herman ([10:24](#)):

And I was a little surprised. I got to be honest with you, Bill. Because I was thinking, "Let's see, he's the Director of the Office of Management and Budget. I thought, "What's he going to know about navies and about strategical-"

Bill Walton ([10:37](#)):

Oh, and Russ also was focusing on cultural issues that heritage before you came in board.

Arthur Herman ([10:40](#)):

Before you came on board.

Bill Walton ([10:40](#)):

Yeah. Where'd this come from?

Arthur Herman ([10:42](#)):

Well, I thought, you're director of OMB, you imagine a green eyeshade type, right, who just can't wait to cross items off that shouldn't be paid for. So, a big goal of a tight budget.

Bill Walton ([10:55](#)):

I work my way through business school teaching accounting, majors accounting. So, I'm going to throw my lot in with it.

Arthur Herman ([11:00](#)):

Absolutely, the green eyeshade brigade. And gosh knows they're important. But for nameless... for my first conversation with you, I realized you got it. And that there was someone who was really crafting a plan, a long standing 12-year plan to rebuild American naval supremacy. But also, to relaunch us off in the direction of maritime supremacy.

Arthur Herman ([11:23](#)):

And that means shipbuilding. It means a commercial maritime fleet that's going to be second to none. Because if you look at history, last point I'll make on this, look at history, you've never had a nation which has been able to have naval supremacy that isn't built on a foundation of strong commercial maritime trade, and a maritime merchant fleet to match. It doesn't exist.

Bill Walton ([11:49](#)):

Russ, how did you get interested in the Navy? I mean, what sparked the-

Russ Vought ([11:54](#)):

Well, all of government execution on behalf of the President, so it was constantly getting brought into meetings with the Secretary of Defense and great frustration with where we were making progress and where we were not. Our defense levels were high. Secretary Mattis focused heavily on things like readiness and lethality. But in terms of modernization, we did not have an all of government plan based on convictional principles that you would think of in terms of, all right, what is the America first perspective mean?

Russ Vought ([12:26](#)):

And what does that look like when you go beneath the top line for defense? And so, the thing that got me specifically was the President asked me to go and tour the Ford carrier, because he viewed that largely as inefficient in its first build. And so, we really needed to unpack that. But over time, the more you investigate the history, the more you investigate the research on this, the more you come away with a conviction that this is the foundation for a republic.

Russ Vought ([12:58](#)):

And this is not something you skimp on. This is something you can be efficient with. But this is something that has to be there. And we're spending a ton of money on our nation's defenses. The idea that we can't afford this is just not true.

Bill Walton ([13:11](#)):

So, were total spins, what 700 billion, roughly?

Russ Vought ([13:14](#)):

Correct. Yeah.

Bill Walton ([13:15](#)):

And how's that divided among land base, sea base, air?

Russ Vought ([13:21](#)):

So, it is about a third, third, and third of Army, Navy and Air Force. And that is one of the challenges is that it is a bureaucratic division of resources. It's not based on strategic choices. It is not based on the presidential decision memos that say this is the national security strategy. And so, one of the things that Arthur and I, and Robert we're trying to do is to really unpack that.

Bill Walton ([13:49](#)):

Watching The Bill Walton Show, I'm here with Russ Vought and Arthur Herman. We're talking about our defense budget and how it gets allocated among all the various forces when you just said something that stuck me. You're saying nobody's really thinking about the strategy when they divide up how much, who gets what?

Arthur Herman ([14:05](#)):

I'm afraid that's true.

Bill Walton ([14:06](#)):

It's just a product of institutional inertia?

Arthur Herman ([14:09](#)):

It's to keep the different services happy. And that is, is that even though we're not getting all what we want, no one is getting any more than we are. And so, that's going to make Army, Navy and the Air Force feel like even though their budgetary allotment may not match what America needs strategically, that at least everybody feels that we're all being shortchanged at the same rate.

Bill Walton ([14:39](#)):

Well, so the totalitarian Chinese Communist Party didn't suffer from that problem?

Arthur Herman ([14:45](#)):

They sure didn't.

Bill Walton ([14:46](#)):

They simply said to the army, they said we're cutting you in half, because it doesn't make sense strategically.

Arthur Herman ([14:52](#)):

Right. And the army was not in a position to say no, where they?

Bill Walton ([14:55](#)):

No.

Arthur Herman ([14:56](#)):

See, this is the interesting thing. In the 2000s, Chinese made an important strategic decision. You can watch the evolution of this if you read the Chinese military journals, which are written not by scholars, they're written by the generals and admirals themselves. That's part of how you become, you rise up through the ranks in the People's Liberation Army and in the PLAN, is by authorship as well as by leadership. And reflects a strategic thinking at the time.

Arthur Herman ([15:27](#)):

And part of it was, that China was no longer going to be just a land-based power. That we was going to become a hybrid power. That's actually the term they used. We would be invisible on land, but we would also have this ability to project power by the seas and in our maritime presence, which is why they started building aircraft carriers unheard of, but crucial to China's new vision of itself as a global hedge.

Bill Walton ([15:57](#)):

So, Russ, did you get to referee any of the discussions about how much you go where? Because you came to conclusion that we were vastly under spending on Navy, did you guys get a chance to litigate that?

Russ Vought ([16:08](#)):

We were in the process of. And we've made substantial progress. And we have the Chairman of the Joint Chiefs of Staff come out in a speech.

Bill Walton ([16:15](#)):

Who is that then?

Russ Vought ([16:15](#)):

This was Milley, who came out at the very end and said, "Look, this budget that's being crafted, army's going to need to take a hit, because we're a maritime nation." That it was after a year of reverse engineering, what was necessary to actually achieve the President's objectives by this-

Bill Walton ([16:31](#)):

That's because he thought there was less White rage in the Navy.

Russ Vought ([16:33](#)):

That's right. That's right. Exactly. But from the standpoint of that year, it was required to be able to fix the bureaucracy and do what we needed to be able to come to a place where we were going to achieve the presence of the-

Bill Walton ([16:46](#)):

How much do the cultural issues affect how we divide things up? I mean, if you're a maritime nation, you wrote eloquently about the West Country in England, about how that was a very rough peninsula. And they were all very close to the sea. And they develop that culture that voluntary cooperation aid of

mentality. But it was part of the British culture in a way to think of themselves as sea. In America, we've seemed to lost that.

Bill Walton ([17:12](#)):

We seem to think of ourselves as army. And I guess I'm making a statement also leading to a question. To what extent to things like the Green Berets who've been romanticized and all the boots on the ground we've had disproportionately given people to think that that's where we ought to put our money?

Arthur Herman ([17:31](#)):

You want to take it?

Russ Vought ([17:32](#)):

Yeah. So, I think you're-

Arthur Herman ([17:33](#)):

I think I asked a question in there. I'm not sure, but discuss.

Russ Vought ([17:35](#)):

You're absolutely right in the sense that we are very army centric right now as a culture and in terms of bureaucracy. And that we saw that in government. One of the things that we are trying to prompt a debate about and we wanted to use our last budget. The year five budget that we were building to is to make it so that we are once again a Bluewater school of strategic thought.

Russ Vought ([18:02](#)):

So that, the American people when they think about their national security identify with a strong Navy that leads to maritime supremacy. So that, we can always properly resource it. We never want to be in a situation where you have to just fight for yourself under a top line of what we can afford as a country. You won't want to be able to say what's strategically the most necessary and build from there for threats.

Arthur Herman ([18:26](#)):

Yet naval supremacy doesn't exclude the other services or the other types of military power, or military force. What it really does is give them an additional agility and an additional flexibility in terms of where they can go, how they can be resupplied, and where they can strike an enemy and catch them unawares. That's one of the things the Vikings had. They took the best nautical technology, which was their long ships with a very shallow draft that could go from ocean going to river going without missing a beat.

Arthur Herman ([19:01](#)):

And the square sail, and they use that with devastating effect against their enemies. What we have now is a Navy that is poised to have a similar role. The advanced technologies that are coming on board for example, unmanned and autonomous systems have to be included in the picture of what naval supremacy looks like in the future, but so does air power, so does special operations.

Arthur Herman ([19:26](#)):

All of these are about being able to project for us quickly and cleanly, and surgically in ways that will preserve and protect American power and American interests without bogging us down in the kinds of nightmares that we saw unfolding in Iraq and Afghanistan, or Vietnam before that.

Bill Walton ([19:46](#)):

Is the division among the branches ossified thinking, is that all backward looking? I mean, I think about addressing the China issue. Is that an economic threat? Is it a military threat? Is it a cultural threat? I mean, you think about it and you think why... I've talked about the way some think tanks organize. They get the economic people on one side. And they're saying, "We've got to have unilateral free trade." Then, you get the national defense people on the other and they said, "No, no, no, the Chinese, we can't do that. We got to look at what they're doing."

Bill Walton ([20:16](#)):

And then, the cultural issues, we can get into. But is it a time to do a whole new rethink about defense, and should we think about reorganizing that? Is that even conceivable?

Arthur Herman ([20:28](#)):

That's what these guys were doing. That's what the administration was doing.

Bill Walton ([20:30](#)):

That's what I want to dig into. Because I suspect that Trump would view this pretty much the way I'm saying it.

Russ Vought ([20:35](#)):

I do you think it's time to make at least reforms in the right direction, upsetting a little bit the allocations. I think the Navy has been heard ever since they were under the Secretary of Defense and not having their own cabinet spot, which is where they originally started with. So, I think it is a-

Bill Walton ([20:56](#)):

I'm sorry, what happened historically? Navy, they had a Secretary of the Navy that was co-equal with the?

Arthur Herman ([21:01](#)):

Secretary of War.

Russ Vought ([21:03](#)):

And Secretary of Navy. You had a Secretary of War and Secretary of Navy.

Arthur Herman ([21:06](#)):

That's right. And they were co-equals in cabinet. And then, with the reorganization of the Armed Forces after World War II, the 1946, the creation of the Defense Department, both became subsumed under a single head.

Bill Walton ([21:20](#)):

So, our focus on the Navy from the founders lingered on until the Cold War?

Arthur Herman ([21:25](#)):

Certainly did. You're absolutely right though.

Russ Vought ([21:27](#)):

Yeah. I mean, your assistant secretaries are two Roosevelts that went on to very prominent positions after that role. So, I do think a lot of it is cultural. And just the nature of the way that the bureaucracy runs, it's almost on autopilot, Bill. They get a number every year they say, "Okay. We'll take that number and we'll factor it into our different formulas." And even the secretaries have very little ability to impact the change that they're being asked to from a president, unless they start a year or two, or three years in advance.

Russ Vought ([22:03](#)):

And reverse engineer it and saying, I understand a lot of things are going to happen but we're going to come out the other side. And we're going to have this number of ships and what's necessary to achieve that.

Bill Walton ([22:14](#)):

How long does it take to design and build a modern naval ship?

Russ Vought ([22:21](#)):

Yeah. It depends on the ship. But to just give you a sense, you take the Columbia class submarine, which is the replacement for our nuclear subs. The decision on that was, to go in that direction was 2008. It's not going to hit its first patrol until 2031. So, that's another reason why this is so important. You can't just make a mistake and fix it in 10 years. You might be able to raise up an army or train them, get them ready. But when you're talking about building ships, this is a long lead time.

Bill Walton ([22:53](#)):

You're testing my math skills. That's like 23 years.

Russ Vought ([22:56](#)):

That's 23 years.

Arthur Herman ([22:58](#)):

That's stunning. It is. But this is not just the case for the US Navy, it's true for all navies. It's always been the problem throughout history, that building a strong naval fleet requires time and crazy years of investment, years of instruction, years of integrating new technologies as you go along. And that's one of the reasons why focusing on building up army or even marine corps is a lot faster. It's a lot quicker to train people than it is to build a ship standing-

Bill Walton ([23:30](#)):

How big of standing army should we really have?

Russ Vought ([23:34](#)):

We are right now about 485,000 active. I think part of the question is not just how big it is, but what's the proportion that's active versus National Guard. And we can save a lot of money by transitioning the size into the National Guard. So that, it's basically three times more expensive for an Active Guard versus National Guard. So, there's things like that, that I do believe we need to have a smaller army. But I think you can also be able to keep similar numbers in a different capacity and still get the job done for the various requirements that the military has.

Arthur Herman ([24:10](#)):

And we also have to be honest about another thing, Bill. And that is, is that the biggest increase, the fastest growing increases in our defense budget has been in the area of personnel, providing health benefits, providing additional pay, providing all the other ways in which an all villain volunteer force can remain all volunteer. Because there are incentives to people to enlist, to stay on, and to make careers out of their life in the military, whether it's navy or the air Force, or its army or marine.

Bill Walton ([24:38](#)):

But the ratio tip disappears infinitesimally, is it not? I mean, the number of people actually go out to fight versus the people supporting them is... isn't that ratio like 25 to one? I mean, we don't really have an army. We've got health care system that has guns.

Arthur Herman ([24:55](#)):

Yup. And part of the transition to the new technologies such as unmanned systems, such as moving from big cumbersome systems, I'm afraid the Columbia-class submarine, or the Ford class aircraft carrier is, is that you can help to reduce the personnel costs as a way of increasing savings while you're investing more in what really counts. And that is the weapons systems that you need to deter and defeat enemies. And that's what the defense budget should really be about. What is it we need in order to defeat and deter enemies?

Arthur Herman ([25:38](#)):

And instead, it's become, over the years, it's nothing new. It's been a part and parcel of how we've had a defense establishment grow a military industrial complex and the size and complexity that it is, is that it has become instead, ways of protecting vested interests and preserving sacred cows, instead of really thinking about what America needs in order to be strong, in order to remain strong.

Bill Walton ([26:12](#)):

You're watching The Bill Walton Show. I'm here with Arthur Herman and Russ Vought. And we're talking about the defense establishment that America really needs, not what the bureaucratic inertia has given us. So, I can't even begin to ask about Joe Biden, I'm sure he didn't. Could he find the Pentagon on the map? I mean, you see-

Arthur Herman ([26:34](#)):

Really, he's been there a long time.

Bill Walton ([26:36](#)):

What about the people around him? What about Milley?

Arthur Herman ([26:37](#)):

I'll tell you what, here's where I came in. Because one of my last tasks at the National Security Council was to prepare a series of memos that could be passed on to the next administration about why we had made amazing progress during the Trump years in certain areas of our defense policy. And one of those areas was in thinking about and relaunching the idea of naval supremacy.

Arthur Herman ([27:06](#)):

So, part of my assignment is to prepare a memo, in effect to say what Russ was doing and his team were doing, you need to stay on this. This is a really good plan. It's one that saves money but also builds ships and gets us to the 355 ship Navy that we feel that every expert feels is going to be the minimum, to confront not just the challenge of China-

Bill Walton ([27:27](#)):

How many carriers would that give us?

Russ Vought ([27:30](#)):

Eleven.

Arthur Herman ([27:32](#)):

Eleven. The idea was to just keep it at 11. And I remember when having 13 was considered to be inadequate to the task.

Bill Walton ([27:39](#)):

And would that allow us to be active in the South China Sea as well as everywhere else we need to be?

Arthur Herman ([27:44](#)):

I think so. Yeah.

Bill Walton ([27:45](#)):

What about the Arctic? I mean, do we have carriers in the Arctic as well?

Russ Vought ([27:50](#)):

The issue in the Arctic is more the Coast Guard icebreakers. And that's another conversation in that, but a definite need. And that's what we were also trying to do in the conjunction of this project is to scale up Coast Guard as well.

Arthur Herman ([28:02](#)):

Yup. That was a big part of the program as well. But what's happened is I'm afraid, is that those memos and those plans were pushed aside. And as we've learned with this administration, their key focuses entirely on their domestic project. It's completing the Obama transformation of America, especially with this new \$3.5 trillion infrastructure plan, which is really going to be about \$5 trillion. And everything else is subordinate to that, whether it's Afghanistan, whether it's the competition and the threat from China, or whether it is protecting American interests.

Arthur Herman ([28:40](#)):

And having a military that really is able to do that as opposed to one which simply has enough of a budget to keep the joint chiefs and others and defense contractors from getting really upset.

Bill Walton ([28:53](#)):

You look at the way Biden's handling Afghanistan and you get the feeling he just doesn't care.

Arthur Herman ([28:59](#)):

It's hard to escape from that-

Bill Walton ([29:02](#)):

And why would he think that? Well, he's thinking there's a bigger priority, which is this domestic project. It's to bring about the transformation, the fundamental transformation.

Arthur Herman ([29:11](#)):

In my view, Bill, and maybe Russ shares this too, is they also feel like they're rushing against the clock. They're racing against the clock. Because what they see is a republican landslide in the house in 2022. And one which will interrupt any credibility to push through parliament agenda.

Bill Walton ([29:30](#)):

Of course. That's also why they're rushing through HR 4, the John Lewis Voting Rights Act, because that would give the Justice Department and the Civil Rights Division complete control over local elections. And they could ensure a win.

Arthur Herman ([29:43](#)):

They could. That's right. But all of them-

Bill Walton ([29:46](#)):

Why does this feel like we're fighting 22 wars on?

Arthur Herman ([29:51](#)):

And the result is, is that these issues that we're discussing, we've been talking about here, which are really vital to protecting Americans and the interests of allies. That's one of the things we mustn't forget. We think about American in relationship with the allies, those allies are most important ones.

Arthur Herman ([30:08](#)):

They're also maritime powers, whether you're talking about, or were, whether you're talking about Great Britain, you're talking about Japan, Taiwan, our maritime power is the oil that keeps the alliances active and lubricated through all of this. If we allow our maritime and naval power to slip into second class status, it's going to be really hard to keep those alliances going and to be able to maintain them.

Bill Walton ([30:41](#)):

What you said in a budget of 700 billion, you needed to shift 6 billion to the Navy? And that could have gotten a lot done that you felt needed to be done? So, that's less than 1%?

Russ Vought ([30:52](#)):

That is the most frustrating aspect about the debate, is we're literally talking about \$4 to \$6 billion. The number that we needed for this year was \$27 billion, Biden proposed \$22.6 billion. So, four and a half billion dollars is what we're talking about here. And that's where you have to really... you need people that are diving down into the weeds to figure out... I guarantee you can always shift that within the Pentagon or with the rest-

Bill Walton ([31:23](#)):

Was there anybody that thought about that on the Biden camp? Because it seems to me sometimes, everything you're doing is just whatever Trump wanted to do. We're going to reverse and we're not able to think about why we're doing it.

Arthur Herman ([31:34](#)):

I think that's what happened with the naval shipbuilding to tell you the truth. I think all, it had the stigma of having been something to come out of the Trump administration. And all the arguments you could present about how necessary this was, how feasible it was, all went by the boards.

Russ Vought ([31:52](#)):

So, we actually put forward a public version of the budget that was to come. Because we didn't know the situation that we were going to find ourselves whether it was going to be us in office or not. We chose a top line that reasonably the Biden administration could have chosen relatively with inflation freeze. And so, we made the trade-offs within that level and we largely reinvested OCO savings, which for your audiences, overseas contingent funds for Afghanistan.

Bill Walton ([32:21](#)):

It's always the audience for me, what does that savings, OCO savings?

Russ Vought ([32:24](#)):

OCO savings, overseas counterinsurgency funding. And we invested that into the Navy, into modernization. And so, we figured out the way to do it. And we kept army in strength. And so, Arthur's right, I mean, this was there on a silver platter. In fact, the budget had been negotiated with all of the brass and had been signed off on, it was ready to go.

Bill Walton ([32:47](#)):

And you put that out in an op-ed, in a journal in December?

Russ Vought ([32:50](#)):

We did.

Bill Walton ([32:50](#)):

So, it's out there for everybody to take a look at it if you want to just Google.

Russ Vought ([32:54](#)):

Yeah. And were in depth than that yet.

Arthur Herman ([32:58](#)):

And it was swept aside. A different set of priorities came into play. And a very different vision of what American defense would look like came onto the stage instead.

Bill Walton ([33:12](#)):

Who's their Secretary of Navy now?

Russ Vought ([33:15](#)):

Del Toro, Secretary Del Toro, if I get that right.

Bill Walton ([33:17](#)):

Does he get this? Is he an advocate for the Navy?

Arthur Herman ([33:23](#)):

I'm not going to say anything bad about Secretary of the Navy currently. What I would say is that if you look at the National Security leadership that we've seen with Afghanistan, I think you're seeing something which is characteristic across the board. So, when it comes to these matters. I think though that the real issue, Bill, we have to be honest about this, is the real issue with the problem is at the top. And it's a president who I think really doesn't care about these issues at all.

Arthur Herman ([33:54](#)):

And when he's focused, the times when he's focused on policy, it's all about placating the democrats left base, and keeping them happy and keeping them from revolting against anything that's put forward here. And so, you have someone with Joe Biden who has spent his career going along with the senate consensus, this is not a place where it builds strong leaders around the world of the senate. And you contrast him with someone like Donald Trump, who whatever else you can say about him.

Arthur Herman ([34:31](#)):

He was never afraid to slay sacred cow. He was quite happy to take a completely fresh look at something. And to say that's where the problem is. And that's the problem.

Bill Walton ([34:40](#)):

It's one of his best qualities.

Arthur Herman ([34:42](#)):

I think without a doubt. And we have a president whose attitude is the opposite. And he's assembled a team who are not going to make waves, if I may use that expression.

Bill Walton ([34:52](#)):

How worried should we be? I mean, could we defend Taiwan?

Arthur Herman ([35:00](#)):

I think that what we're seeing in Afghanistan should trouble us all from the standpoint of they have no ability or seemingly willingness to run a process that we give you any confidence that they can defend the country.

Bill Walton ([35:12](#)):

Well, they're acting like they can't do anything. Wait a second.

Arthur Herman ([35:16](#)):

It's been put entirely in the hands of the Taliban, what they say goes. And that's where the Biden administration-

Bill Walton ([35:23](#)):

So, the question is not whether we could protect Taiwan, it's whether we would protect Taiwan?

Arthur Herman ([35:28](#)):

We would. I think that that's it. We certainly would have the means by which to do it. But we had to think about the relationship between China and Taiwan is being much more than simply a question of an invasion, an operation sea lion that suddenly Chinese troops and landing craft are appearing. There are many other ways in which they can put the squeeze on Taiwan. If you look at what's happened with Tibet for example, the absorption of Tibet into the Chinese Empire has been going on for decades.

Arthur Herman ([36:01](#)):

It's been a long, slow, inexorable process. And I suspect you're going to see more of that with regard to Taiwan. The only way in which the US can deter that slow absorption of Taiwan into the Chinese sphere of influence, which would be catastrophic. I got to tell you in so many respects, not least in terms of where the global semiconductor industries, for example-

Bill Walton ([36:24](#)):

Yeah. I was going to say-

Arthur Herman ([36:25](#)):

For example.

Bill Walton ([36:27](#)):

... the top semiconductor is in Taiwan.

Arthur Herman ([36:31](#)):

It is in Taiwan. And they sell all over the globe, including the United States. It'd be catastrophic on a global scale. But in order to do that, we'll require a firm statement of deterrence that says, we, not just we're going to stand with Taiwan, but that these are the kinds of... to show that strength and to show that support in obvious ways. One would be joint military exercises with the Taiwanese Navy for example. One would be making Taipei a port of call for US warships and Navy ships.

Bill Walton ([37:04](#)):

Where's Japan and Australia?

Arthur Herman ([37:06](#)):

Oh, that's a very interesting question. I spend a lot of time working with Japan, on defense trade and defense issues, as well as technology issues. And I would say right now, my conversations with Japanese officials both high and low, is they're very worried. They were very worried during the Obama years, Bill. Because what they saw was a declared... they saw a declared-

Bill Walton ([37:31](#)):

This is the Japanese calling right now.

Arthur Herman ([37:33](#)):

Calling right now?

Bill Walton ([37:34](#)):

Yeah, They're calling.

Arthur Herman ([37:35](#)):

They're going to say, Dr. Herman is right. He's absolutely correct. That what they saw was the Pacific pivot, which was in words only, had no real substance to it. At first, they were worried about Donald Trump because they had read about Donald Trump and the American media. And so, they thought he was going to be a wild man. They thought he was going to be someone who was going to turn his back on the rest of the world, and America first, and so on.

Arthur Herman ([38:01](#)):

What they didn't realize is that America first, what that really meant was American leadership. And what they're seeing now, what they fear, in the case of the Biden administration, is a reversion to Obama 2.0, in other words, declarations of support, but no concrete action in order to limit the power that China can bring to bear in regionally but also globally.

Bill Walton ([38:30](#)):

Russ, you think that's-

Russ Vought ([38:32](#)):

No. I think that's a great encapsulation of where we are. I would also go back to another point and be a little more provocative in that. I do believe that the Navy needs to do more to articulate its interests. If we're talking about the Air Force of the army, they are not bashful about what their interests are. And they're very clear about what it will take to defend the country. And the Navy just has gotten used to not doing that.

Russ Vought ([39:00](#)):

The Navy seems to think that a little bit more contextually and say, "Oh, my gosh. I'm not going to be able to get the Columbia funded or I'm not going to be able to have the readiness dollars, I need to train my seamen, unless I go along politically. And we just need something more from the Navy than that. I

joke around, I used to tell NASA, I used to tell them, "For one day, can you act like NASA?" NASA just does press releases about their needs.

Russ Vought ([39:26](#)):

They never stick to process. Just one day, can you tell me what you need? So, I don't have to figure it out. I just need to know what you need. And we need them to step up in that way.

Bill Walton ([39:36](#)):

You're watching The Bill Walton Show. I'm here with Arthur Herman and Russ Vought. And Russ is informing us that the Navy needs to behave more like NASA and step up and get some of that money. I quite agree. That's a great way to put it, but they just don't. Now, how much does it mean, we read about the critical race theory training and the desire to move to the domestic agenda. I mean, how much is that colored all these strategic decisions that we're talking about?

Bill Walton ([40:06](#)):

Because we're talking about in terms of traditional national defense as if we actually want to defend our country. There seems to be people involved that don't really care about that.

Arthur Herman ([40:15](#)):

I don't know. I think that there's still-

Bill Walton ([40:21](#)):

I was trying to up, run up Russ on provocative.

Arthur Herman ([40:24](#)):

On provocative? I think there's a deep reservoir of patriotism. And there's a deep reservoir of concern about America's ability to defend itself. And the reasons why we do it.

Bill Walton ([40:35](#)):

At the top?

Arthur Herman ([40:35](#)):

Across the board. But I think that there is a lot of fear that speaking out on these subjects can cost you your job. And we saw the same thing in the 1970s, were those who spoke out about the growth of Soviet naval power, for example, were silenced, were told to shut up, where you had a Secretary of the Navy by the name of Jim Webb, who was very forthright about it. Webb could be-

Bill Walton ([41:05](#)):

He was strong.

Arthur Herman ([41:07](#)):

He could be a little bit of a loose cannon to borrow nautical Navy metaphor. But at the same time, he was very forthright about what the threat was and what something needed to be done about it. And the ruffled a lot of feathers. We also have to understand too, that the investment in large scale weapons

systems that take decades to develop and enormous investment of technologies of all kinds, complex ones, and even ones that stretch out beyond the horizon is a very good living for defense contractors.

Arthur Herman ([41:48](#)):

And I say that having some of my closest friends are defense contractors. I work closely with companies like Lockheed Martin and Northrop Grumman, and General Atomics. But there is a degree of comfort that comes with knowing that you're going to be making money on a project, defense project-

Russ Vought ([42:06](#)):

For two decades.

Arthur Herman ([42:06](#)):

... and it is branched out for two decades.

Bill Walton ([42:08](#)):

Yeah, I got you.

Arthur Herman ([42:09](#)):

And it's not so much that they only care about making money. It's that this is the way in which they'd become quiescent, and are made to be... like with the Navy spokesman, are made to go along with a situation that they know is not sustainable.

Russ Vought ([42:25](#)):

And there's cheaper and better ways to do. I mean, look at the frigate and the frigate is the small surface combatant one step smaller than your destroyer. The frigate was competitively bid based on that current design. So, instead of having to go and start over and add 15 new things, which is part of the reasons why the Ford carrier is so complicated and delayed, they knew what they were dealing with. And they got, they said, "We're going to bid this out based on what we know, what will work across the globe."

Russ Vought ([42:59](#)):

And it was much cheaper and much quicker. So, I think there's ways to do it.

Bill Walton ([43:03](#)):

But you have to have enough people in there who think like that.

Russ Vought ([43:05](#)):

You do. You absolutely.

Arthur Herman ([43:06](#)):

And who understand the value of that. I mean, one of the lessons from my book, *To Rule the Waves* about the British Navy and its history is, is that quantity has its own quality. And so, simply having a lot of ships that can accomplish certain kinds of specific missions, can do a lot to project power and to deter

aggressors in ways that waiting for the biggest, and the most advanced systems simply can't do and simply won't be able to achieve.

Arthur Herman ([43:37](#)):

And I think this is also one of the things which I've seen with regard to this latest budget from the Biden administration is there is... and I've seen this trick before, is that well, they're going to be advanced systems in the future that will make existing fleet or our existing aircraft, for example, the F/A-18 obsolete. So, we're investing in the future, right? In systems that will come offline in 10 or 15 years. So, therefore, we can begin the process of retiring or allowing these other systems to fall into disquietude.

Arthur Herman ([44:13](#)):

It's a self-delusion trick, but it has happened before where the pretense of investing advanced technologies takes you off the hook of having to invest in and to refurbish-

Bill Walton ([44:28](#)):

Just fixing what you already have.

Arthur Herman ([44:30](#)):

And mobilize what you already have.

Bill Walton ([44:31](#)):

[crosstalk 00:44:31]. The ICBM, we've got an ICBM capability that we're not sure whether it's going to work or not. Because we stopped all the testing.

Russ Vought ([44:41](#)):

Yeah. What Arthur's referring to is the budget version of a magic asterisk. Let's just say, call it unmanned, and somehow it will materialize in 10 years. Well, we need to plan so it does materialize. But we certainly can't bet the house on unmanned in its entirety. We need to do both.

Bill Walton ([44:58](#)):

I've got a question for the former head of the OMB, our national debt, we're now running towards a \$5 trillion another spending bill, our national debt, where we now \$23, \$28?

Russ Vought ([45:09](#)):

\$28, yeah.

Bill Walton ([45:10](#)):

\$28 trillion?

Russ Vought ([45:11](#)):

Yup.

Bill Walton ([45:12](#)):

So, we're now at about 110%, 120% of GDP?

Russ Vought ([45:17](#)):

Yeah. We just went over 100% of GDP during the COVID.

Bill Walton ([45:19](#)):

Okay. So, it's higher than it was in World War II and counting. And you can fund the debt with... or you can fund the spending with the taxes, there's not enough people to tax to do that. You can do it with debt or you can do with inflation. If we get inflation, we get rising interest rates, interest on the national debt, where are we now, that's about \$400 billion?

Russ Vought ([45:42](#)):

Mm-hmm (affirmative).

Bill Walton ([45:43](#)):

And their defense budgets about \$700 billion. And then, the estimate is that the deficits supposed to go from like where we aren't \$28 trillion to \$50 trillion. And almost half the money that builds up is interest, financing interest on the debt, it's like your credit card? We just get underwater and you never recover. To what point is that interest... does spending on interest in a national debt swamp national defense?

Arthur Herman ([46:11](#)):

I mean, we really are underwater.

Bill Walton ([46:13](#)):

Yeah. I mean, there's a bigger issue here that we're just acting like this is-

Russ Vought ([46:19](#)):

Those numbers fluctuate. And sometimes, we're within five to six years of being inverse with regard to national defense in interest. So, it's a real problem. We are benefited right now because of the low interest rates. But those change and they are higher than when we were dealing with. And so, this idea that they don't move is not true.

Bill Walton ([46:43](#)):

Was Trump worried about that? Because he spent a lot of money. He was hardly-

Russ Vought ([46:48](#)):

So, his view on these issues was we have a house that's burning in front of us, let's put out the fire. And then, let's have a strong economy, knowing that you can't deal with the balancing budgets and debt without a strong economy. But he always gave us the ability and backed us to propose big budgets that congress ignored. But we were strategically, that political capital was there to build towards a spending fight for this reason. But as the former budget director, I mean, this is an efficient way to go to be able to guard your national security.

Russ Vought ([47:24](#)):

To invest in maritime supremacy is something that I actually came away with it from an efficiency standpoint and said, if we have a national security strategy that's built on this, we will be able to save ourselves from having nation building and being stuck in continental skirmishes that we can't ever get out of. And in the wash, we will have a much cheaper way to go from that standpoint.

Bill Walton ([47:51](#)):

Yeah. The leadership of our land forces hardly as a stellar track record to stand on. Our time is about done. I want to get some final thoughts. Who wants to go first, Arthur?

Arthur Herman ([48:04](#)):

I think we're at a tipping point here in reflection point in where America is going to go in the next couple of years. And I think what we've seen is in the larger picture, is America hit by two devastating blows in this last couple of years. One has been COVID. The other one is now Afghanistan. And I think it's a question that we need to ask ourselves, will America be able to recover from those two? Will we be able to rise up, be as strong as we were, or even stronger in the shadow of those two twin catastrophes?

Arthur Herman ([48:43](#)):

Or are we going to slide into second class power status? The way France did after World War I, or the way Great Britain did after World War II. Now, in both cases, they paid a much higher price for falling from the great powers. In case of France, you had a large portion of its male population wiped out during the Great War. You had in the case of Britain, one quarter of its national wealth destroyed in World War II. We don't face penalties of that kind in any respect.

Arthur Herman ([49:19](#)):

What we do face is a lack of political will, and a lack of political leadership. And unless that's restored, Bill, not just with regard to the Navy or maritime supremacy. But in terms of America's position in the world, I really worry about where we're going to be in the next two years.

Bill Walton ([49:38](#)):

Well, if that happens, and I fear you may be right, there's only one candidate for the ascendant power in the world. That's China.

Arthur Herman ([49:46](#)):

That's all that's left. France and Britain were able to hand off their global responsibilities as protectors and defenders of democracy to the United States. There's no one waiting in the wings if we fail.

Bill Walton ([49:59](#)):

Yeah. Russ? Yeah.

Russ Vought ([50:02](#)):

China's the fight we need to be doing everything we can to prepare for that confrontation and hope it never happens, because we are strong enough to be able to be strong enough. So, that confrontation never happens, we need to be strong from the standpoint of our maritime supremacy. And so, I'm optimistic in one sense and that is this with education, with the American people coming alongside and

saying this is something that's important, we have an opportunity in the next several years to get it right.

Russ Vought ([50:33](#)):

To some extent, I don't think President Biden's going to get it. But I do think we have the opportunity to build and catch up in the years ahead, if we get it right.

Bill Walton ([50:44](#)):

I think we can operate under these assumptions, Biden's not going to get it. But the rest of us can. Why? Let's do some more of this. Because we really need to get the word out about these issues. And it's not being talked about right now, and it should be. It's essential. Russ Vought, Arthur Herman, thank you. This is fantastic.

Russ Vought ([51:01](#)):

Thank you, Bill.

Bill Walton ([51:01](#)):

I want to get you guys back. We've covered about 1/10 of what we have to cover, and happy you're all watching The Bill Walton Show. And you can find us on YouTube, or all the major podcast platforms. And you can also see us live on Monday nights on CPAC NOW. And we'll be talking with you again soon. So, thanks for joining.

Bill Walton ([51:21](#)):

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