



Hudson Institute

2021 Annual Report • 60TH ANNIVERSARY

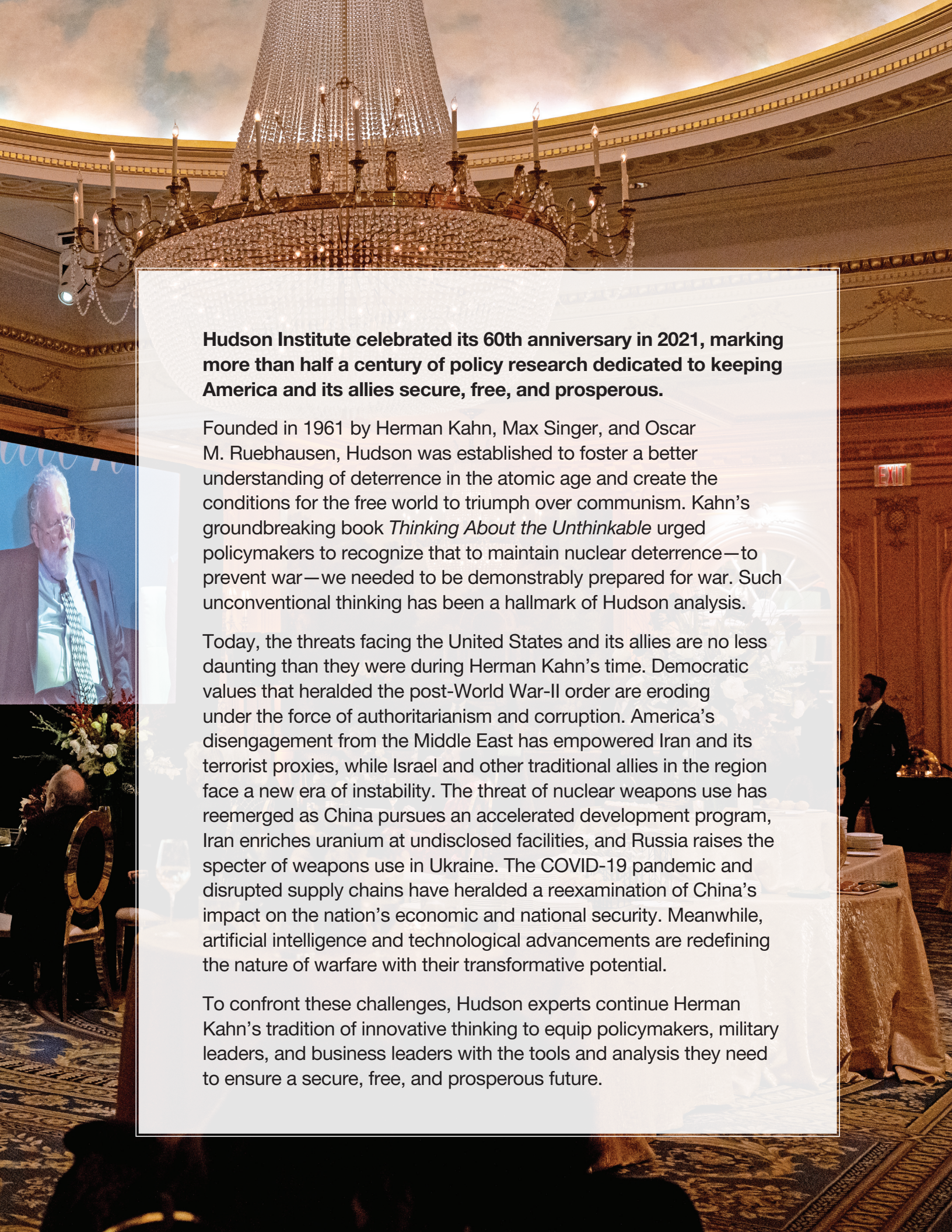
HI

Hudson Celebrates 60 Years

Hudson Institute

60th ANNIVERSARY
celebration





Hudson Institute celebrated its 60th anniversary in 2021, marking more than half a century of policy research dedicated to keeping America and its allies secure, free, and prosperous.

Founded in 1961 by Herman Kahn, Max Singer, and Oscar M. Ruebhausen, Hudson was established to foster a better understanding of deterrence in the atomic age and create the conditions for the free world to triumph over communism. Kahn's groundbreaking book *Thinking About the Unthinkable* urged policymakers to recognize that to maintain nuclear deterrence—to prevent war—we needed to be demonstrably prepared for war. Such unconventional thinking has been a hallmark of Hudson analysis.

Today, the threats facing the United States and its allies are no less daunting than they were during Herman Kahn's time. Democratic values that heralded the post-World War-II order are eroding under the force of authoritarianism and corruption. America's disengagement from the Middle East has empowered Iran and its terrorist proxies, while Israel and other traditional allies in the region face a new era of instability. The threat of nuclear weapons use has reemerged as China pursues an accelerated development program, Iran enriches uranium at undisclosed facilities, and Russia raises the specter of weapons use in Ukraine. The COVID-19 pandemic and disrupted supply chains have heralded a reexamination of China's impact on the nation's economic and national security. Meanwhile, artificial intelligence and technological advancements are redefining the nature of warfare with their transformative potential.

To confront these challenges, Hudson experts continue Herman Kahn's tradition of innovative thinking to equip policymakers, military leaders, and business leaders with the tools and analysis they need to ensure a secure, free, and prosperous future.

Hudson Institute

2021 Annual Report



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Letter from the Chairman of the Board of Trustees and the President and CEO

2021 began with most of the United States still shuttered by the COVID-19 pandemic—and ended with most of the world on edge due to the massing of Russian military forces on Ukraine’s border. It was an unusual year. But as has been true for sixty years since our founding, Hudson continued to produce rigorous analysis and challenge conventional wisdom on the most pressing foreign policy and defense issues of the day.



Hudson President and CEO John Walters and Hudson Chairman of the Board Sarah Stern pose with Herman Kahn Award recipients Neal and Linden Blue.

We have developed and advocated for policies to strengthen America’s defenses in evolving fields of military competition, enhance and refocus key alliances, maintain economic security and US leadership in technology and innovation, secure critical supply chains, promote and protect human rights, and revitalize our domestic institutions. And we are extremely proud of the work that Hudson’s experts have done to advance our core mission of keeping America and its allies secure, free, and prosperous.

In an era of sharp partisan divides, Hudson is a place where policymakers from both sides of the aisle convene to address challenges that transcend our domestic disagreements. Throughout 2021, policymakers, business leaders, and opinion-makers both at home and abroad turned to Hudson as a crucial source of ideas and advice. And through hundreds of op-eds, long-form articles, reports, and policy memos; countless media appearances; and more than 100 public events, private briefings, and congressional testimonies in Washington, DC, and other international capitals, Hudson sought to strengthen our national security to protect American interests and allies.

Notably, we honored Linden and Neal Blue at the Institute’s Herman Kahn Award Gala in San Diego last fall. And in December, we celebrated our sixtieth anniversary in New York City with a special tribute to our “north star” and chairman emeritus Walter P. Stern for his decades of leadership. We were profoundly sad to have to say goodbye to dear Wally in February 2022. We wouldn’t be what we are today without the decades of support and guidance this remarkable man provided us. (See our tribute to Wally on the following page.)

Of course, our accomplishments would not be possible without the generous support and intellectual partnership we receive from you, our friends. We thank you for your continued commitment to Hudson.

Sincerely,

Sarah May Stern
Chairman of the Board

John P. Walters
President and CEO

Remembering Walter P. ‘Wally’ Stern

(1928-2022)

In early 2022, Hudson Institute lost Walter “Wally” Stern. Wally guided Hudson through the administrations of ten US presidents and three interstate headquarter moves. With his counsel, Hudson has become one of the world’s most respected policy organizations, dedicated to promoting American leadership in order to create a secure, free, and prosperous future.

Wally’s involvement with Hudson Institute began nearly fifty years ago when he attended a lecture given by Hudson founder Herman Kahn. Over dinner after Kahn’s talk, Wally asked about Hudson’s structure and financial situation. Kahn invited him to join the Institute’s Board of Trustees, where he served until his passing. Kahn immediately recognized that Wally was special, possessed of a remarkable, analytic mind that would make him a legend on Wall Street.

Born in New York on September 26, 1928, Wally graduated from Williams College and served in the US Air Force. After earning his MBA from Harvard Business School, he went on to establish himself as one of the most respected minds on Wall Street, guided at all times by unshakeable integrity and superior research. When he first joined Hudson’s Board of Trustees, he was working for Drexel Burnham & Co. in New York City. He later joined the Capital Group Companies, from which he retired in 2018 at age eighty-nine.

In 2016, Hudson inaugurated its new, Washington, DC, headquarters, the Betsy and Walter P. Stern Policy Center. Wally’s daughter



Sarah has served with distinction as chairman of Hudson Institute’s Board for almost a decade, and she continues to lead Hudson with the same dedication, generosity, and wisdom as her father.

“We all admired Wally for his humility, generosity, and love of country, which was only surpassed by his love for his dear family,” President and CEO John P. Walters stated. “Hudson Institute wouldn’t be what it is today without his decades of support and guidance.”

H New to Hudson Institute



The Honorable Michael R. Pompeo, 70th US secretary of state, joined Hudson Institute as a distinguished fellow leading analysis on the threats posed by authoritarian powers such as China, North Korea, Russia, and Iran.

“Secretary Pompeo’s exemplary record of public service and his commitment to the values underpinning our mission makes this an exciting opportunity for collaboration.”

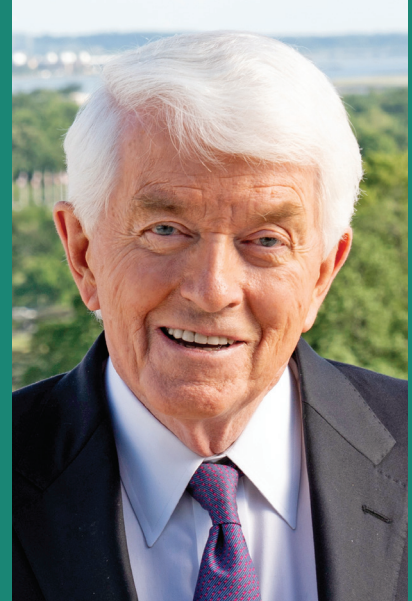
—Sarah May Stern



The Honorable Elaine L. Chao, 18th US secretary of transportation, returned to Hudson Institute as a distinguished fellow leading a public policy program on labor, transportation policy, and economic leadership.

“At a time when the US economy has come under unprecedented strain as a result of the COVID-19 pandemic, Secretary Chao’s perspective will help drive important policy conversations and further enhance Hudson’s scholarship on a host of cutting-edge issues.”

—John P. Walters



Thomas J. Donohue, former president and chief executive officer of the US Chamber of Commerce, rejoined Hudson Institute’s Board of Trustees.

“Mr. Donohue’s business and political acumen are second to none, and we are fortunate to have the benefit of his expertise as Hudson continues to lead the way in developing policies that advance US leadership, global security, and prosperity.”

—Sarah May Stern

New to Hudson

Mohammed Khalid Alyahya, former editor-in-chief of Al Arabiya English, has joined as a visiting fellow focusing on Middle Eastern foreign policy issues.

James Barnett, former analyst with AEI's Critical Threats Project, has joined as a research fellow focusing on geopolitics and conflict in Africa and the Middle East.

Alexander Benard, senior managing director at Cerberus and former member of the US EXIM Chair's Council on China Competition, has joined as an adjunct fellow.

Ambassador Marshall Billingslea, former special presidential envoy for arms control at the US Department of State and assistant secretary for terrorist financing at the US Department of the Treasury, has joined as a senior fellow focusing on arms control and illicit finance.

Josh Block, former spokesman for the US Agency for International Development, has joined as an adjunct fellow focusing on the Middle East and Iran's nuclear weapons development.



Mohammed
Khalid Alyahya



Ambassador
Marshall
Billingslea



Ezra Cohen

Ezra Cohen, former acting undersecretary of defense for intelligence and security and director for defense intelligence at the Office of the Director of National Intelligence, has joined as an adjunct fellow focusing on US intelligence policy.

Thomas DiNanno, former professional staff member of the House Permanent Select Committee on Intelligence and acting assistant secretary of state of the Arms Control, Verification and Compliance Bureau, has joined as an adjunct fellow.

Robert Greenway, principal architect of the Abraham Accords and former deputy assistant to the president and senior director of the National Security Council's Middle Eastern and North African Affairs Directorate, has joined as an adjunct fellow.

Devlin Hartline, previously an assistant professor at the George Mason University Antonin Scalia Law School, joined as a legal fellow with Hudson's Forum for Intellectual Property.



Robert Greenway



Nury Turkel



Alex Wong



Miles Yu

Casey Michel, former Senior Investigative/ Global Magnitsky Fellow with the Human Rights Foundation, has joined as an adjunct fellow with the Kleptocracy Initiative.

Michael O’Rielly, former commissioner with the Federal Communications Commission, has joined as a visiting fellow with Hudson’s Center for the Economics of the Internet.

James J. Przystup, former senior fellow at National Defense University, has joined as a senior fellow with Hudson’s Japan Chair and will focus on alliance management across the Indo-Pacific region and on China’s challenges to the rules-based regional and international order.

Nury Turkel, commissioner with the US Commission on International Religious Freedom and an attorney specializing in international corporate compliance, has joined as a senior fellow specializing in issues

of global justice enforcement, forced labor, and supply chain risk.

Riley Walters, previously a senior policy analyst in the Asian Studies Center at the Heritage Foundation, has joined as deputy director of the Hudson Institute Japan Chair.

Alex Wong, former deputy special representative for North Korea and the deputy assistant secretary for North Korea at the US Department of State, has joined as a senior fellow addressing US strategy in the Indo-Pacific region and the future of the Korean Peninsula.

Miles Yu, former China policy adviser to Secretary of State Michael R. Pompeo and professor at the United States Naval Academy, has joined as a senior fellow specializing in US policy toward China.

An MQ-9 Reaper drone is shown in flight, viewed from a low angle. The drone is grey and has a large sensor pod mounted on its nose. It is carrying several missiles on its wings. The tail section is visible, featuring the letters 'CH' and the number '243' with 'AF 14' above it. The background consists of a clear blue sky and a desert landscape with mountains in the distance.

H Hudson's Impact and Influence

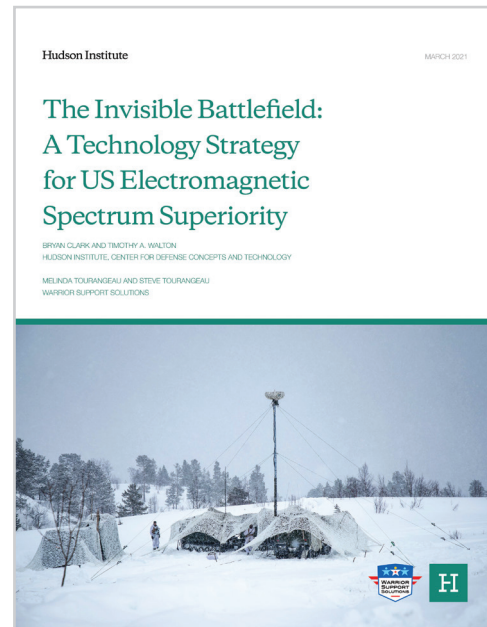
An MQ-9 Reaper
flies a training
mission over the
Nevada Test and
Training Range.

Defending the United States and Our Allies

ENSURING A MODERNIZED AND AGILE US MILITARY

America’s great-power adversaries are increasingly relying on gray-zone operations to press their advantage, from Russia’s use of cyber and information operations targeting Ukraine to China’s provocations and militarization of the South China Sea. Hudson’s **Center for Defense Concepts and Technology** focused on addressing these challenges and modernizing the US military’s defense strategy by developing new operational concepts; assessing the weapons and systems needed to implement new concepts; and evaluating the necessary commitment of resources. Led by Senior Fellow **Bryan Clark** and including **Dan Patt** and **Timothy Walton**, the center advised policymakers, military leaders, and industry professionals on the growing centrality of information and decision-making in military operations.

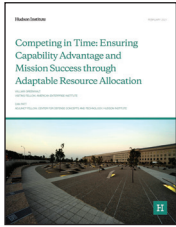
The center’s work impacted government efforts to improve the agility of the US military’s technological innovation, operational resilience, mission integration, and budgeting to ensure a robust and secure defense industrial base. The report *Competing in Time: Ensuring Capability Advantage and Mission Success through Adaptable Resource Allocation* by Dan Patt



The Invisible Battlefield: A Technology Strategy for US Electromagnetic Spectrum Superiority by Hudson’s Center for Defense Concepts and Technology

and contributor William Greenwalt resulted in the establishment of an independent commission to assess changes to the defense budgeting process. The center’s two reports on decision-centric warfare informed the development of the Department of Defense’s new classified Joint Command and Control Concept, Joint Warfighting Concept, and National Defense Strategy.

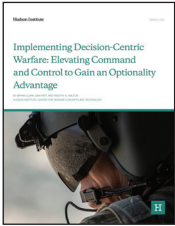
Impact Study: The Center for Defense Concepts and Technology



Report
Competing in Time: Ensuring Capability Advantage and Mission Success through Adaptable Resource Allocation (Dan Patt, William Greenwalt)



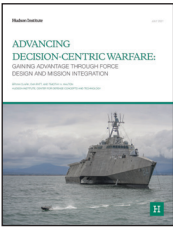
Policy Leadership
Briefed members of Congress and staff from the Senate Armed Services and House Armed Services Committees on critical need for DOD budget reform



Report
Implementing Decision-Centric Warfare: Elevating Command and Control to Gain an Optionality Advantage (Bryan Clark, Dan Patt, Tim Walton)



Policy Leadership
Briefed members of Congress and Pentagon leadership on adapting US military capabilities to address China's gray-zone warfare



Report
Advancing Decision-Centric Warfare: Gaining Advantage through Force Design and Mission Integration (Bryan Clark, Dan Patt, Tim Walton)



Military Briefings
Briefed the secretary of the navy, the chief of naval operations, and commandant of the marine corps on incorporating mission integration into future joint force design



Thought Leadership

- “Give Combatant Commanders the Tools to Innovate” by Bryan Clark and Dan Patt in *Defense News*
- “Fix the Pacific Deterrence Fund—and the Deeper Problem It Reveals” by Bryan Clark and Dan Patt in *Defense One*



Impact

Hudson’s research led to a **legislative provision in the FY2022 National Defense Authorization Act** creating a new independent commission to assess changes to the defense budgeting process



The Take Video Briefing

A primer by Bryan Clark on how the US military can counter gray-zone tactics with decision-centric strategies



Thought Leadership

- “The Realistic Path to Deterring China” Dan Patt and Bryan Clark in *National Review*
- Public discussion with David Spirk, DOD chief data officer, and Dr. Timothy Grayson, DARPA Strategic Technology Office director



Impact

The DOD’s new **Joint Command and Control Concept, Joint Warfighting Concept, and National Defense Strategy** were shaped by Hudson’s research

July

Aug.

Sept

Oct.

Nov.

Dec.



Thought Leadership

- Public discussion with Michael Brown, DOD Defense Innovation Unit director, and Lieutenant General S. Clinton Hinote, Air Force Deputy chief of staff for strategy, Integration and Requirements



Impact

Hudson’s research led to a **legislative provision in the FY2022 National Defense Authorization Act** creating a DOD pilot project on mission integration

The center hosted leading policymakers including Senator Mark Warner (D-VA) and Representatives Elaine Luria (D-VA), Mikie Sherrill (D-NJ), Jim Himes (D-CT), Jim Langevin (D-RI), Don Bacon (R-NE), Seth Moulton (D-MA), Rob Wittman (R-VA), and Mike Gallagher (R-WI). Defense leaders offered their perspectives, including the Honorable Ellen Lord, under secretary of defense for acquisition

and sustainment; Dr. Tim Grayson, DARPA director of the Strategic Technology Office; Dave Tremper, director of electromagnetic warfare, Office of the Under Secretary of Defense for Acquisition and Sustainment; General Stephen Lyons, commander of US Transportation Command; Dr. Victoria Coleman, US Air Force chief scientist; David Spirk, US Department of Defense chief data

WSJ | OPINION

OPINION | COMMENTARY

China Sees Its Nuclear Arsenal as More Than a Deterrent

Beijing is adding warheads, missiles and subs at an alarming rate. The goal is global dominance.

By William Schneider Jr.
Sept. 7, 2021 6:09 pm ET

The military threat from Beijing is accelerating at a pace few anticipated. Recently released satellite imagery shows that China is rapidly constructing nearly 300 hardened underground silos in its western desert to house intercontinental ballistic missiles. Also unexpected was the revelation that China recently began work on a third site of similar size near Ordos City that was not previously associated with ICBMs.

This indicates that the Chinese have dramatically increased their operationally deployed strategic nuclear warheads beyond even what was forecast by the Defense Department a year ago. The type of Chinese missile expected to be loaded into these particular silos is currently in serial production, so it won't be long before these sites reach their full

“The military threat from Beijing is accelerating at a pace few anticipated. Why was the West caught so off-guard? The US and its allies have a persistent difficulty grasping the underlying aspirations of China’s economic, foreign and defense policy, resulting in dangerous misestimations of China’s security advances. The US assumed China would always retain Mao’s ‘minimum deterrence’ approach to nuclear weapons.”

—William Schneider Jr.,
“China Sees Its Nuclear Arsenal as More Than a Deterrent,”
The Wall Street Journal,
September 7, 2021



US Strategic Command's Admiral Charles Richard joins Rebecca Heinrichs for a conversation about China's strategic nuclear breakout and its implications for US national security.

“Rather than intentionally keeping the American people vulnerable to Chinese and Russian ICBMs or new long-range nuclear systems, we should invest in defensive capabilities to protect against the most likely peer-threat homeland defense attacks. The Cold War paradigm of mutual vulnerability is untenable when the U.S. faces two threats instead of just one.”

—Rebecca Heinrichs,
“Learn the Right Lessons from the Chinese Hypersonic Missile Test,”
Newsweek,
October 23, 2021

officer; and Sir Mike Wigston, air chief marshal of the Royal Air Force.

PREPARING FOR THE FUTURE OF WARFARE

Writing in the pages of the *Wall Street Journal*, Hudson Senior Fellow **William Schneider** identified alarming advances in China's development of nuclear weapons while bringing to light Russian President Vladimir Putin's efforts to undermine the NATO-led security system in Europe.

FORTIFYING AMERICA'S NUCLEAR DETERRENCE CAPABILITY

To meet the threats of a new nuclear era, the US must commit to modernizing, developing, and fielding the nuclear capabilities that fortify America's strategic deterrent. Hudson's **Rebecca Heinrichs**, **Andrew Krepinevich Jr.**, and **Tim Morrison** equipped policymakers and military leaders to better assess and strengthen the US nuclear deterrent capability. The new **Keystone Defense Initiative**, led by Heinrichs, was

DEFENDING THE US & ALLIES

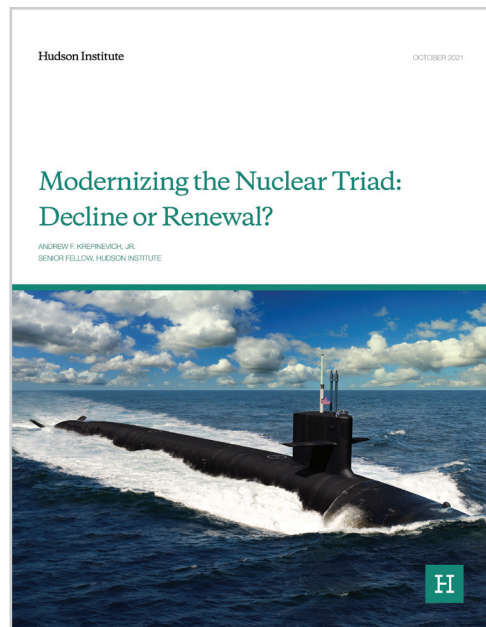
established to educate policymakers and the public about the critical role played by the US nuclear deterrent in safeguarding the US and its allies. Through the initiative, Heinrichs briefed members of the House of Representatives' Strategic Forces Subcommittee, House Energy and Commerce Committee, and Senate Armed Services Committee, and hosted discussions featuring Senator John Cornyn (R-TX), Representative Mike Turner (R-OH), and Commander of the US Strategic Command Admiral Charles Richard. In 2021 Heinrichs was nominated to the Commander of US Strategic Command's

Advisory Group and offered operational guidance on the appropriate mix of offensive and defensive capabilities to strengthen deterrence and diplomacy.

Modernization of the nuclear triad is critical to maintaining an effective deterrent. **Andrew Krepinevich Jr.**'s report *Modernizing the Nuclear Triad: Decline or Renewal?* establishes a blueprint for assessing the current nuclear balance among great powers and the resources needed to modernize the land, sea, and airborne legs of America's strategic nuclear force triad.



Representatives Joe Courtney and Rob Wittman, respectively chair and ranking member of the House Armed Services Subcommittee on Seapower and Projection Forces, joined Hudson for a discussion about how the US Navy can adapt and respond to growing Chinese and Russian naval fleets.



Modernizing the Nuclear Triad: Decline or Renewal?
by Hudson Senior Fellow
Andrew Krepinevich Jr.



An MQ-8B Fire Scout unmanned aerial vehicle on the flight deck of the USS Billings in the eastern Pacific.

SUPPORTING AMERICAN NAVAL SUPERIORITY

The growing competition, particularly with China's growing navy, is placing new pressures on the US Navy, yet simply building more US ships and submarines will not be enough to meet the challenge. Hudson's **Center for American Seapower** held briefings for the secretary of the navy, chief of naval operations, commandant of the marine corps, and director of navy strategy,

along with congressional leaders, on the modernization of the navy's fleet architecture and long-term threats facing American naval superiority. The center offered detailed policy recommendations that informed the navy's congressional budget request and future fleet posture. It also convened discussions with senior members of Congress—including Representatives Joe Courtney (D-CT), Rob Wittman (R-VA), and Jared Golden (D-ME)—to examine the role of the navy amid rising great-power competition.



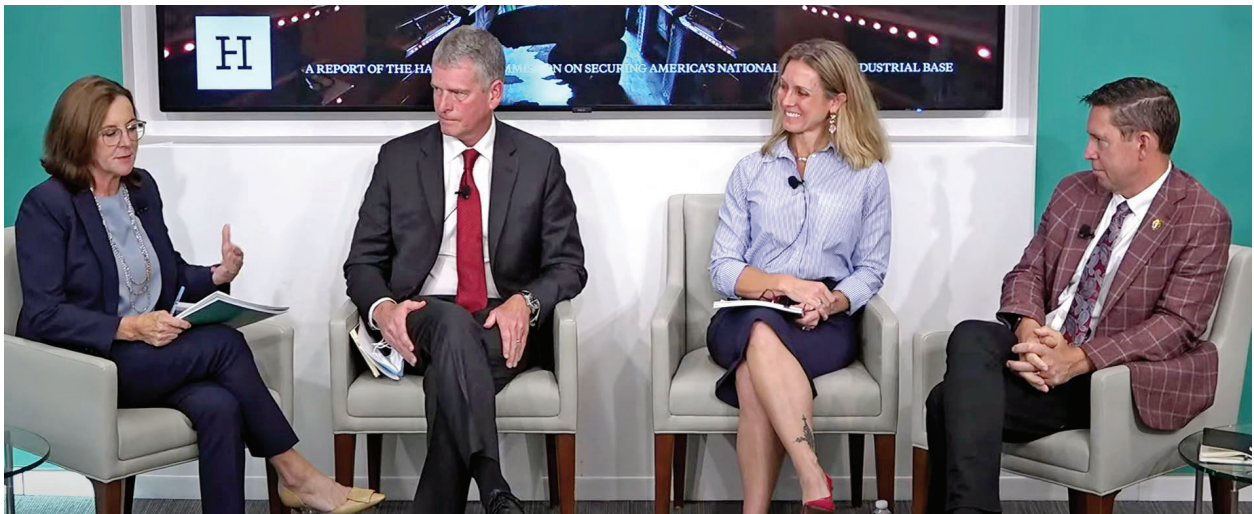
A worker inspects flex circuits in the clean room of an electronics laboratory.

Maintaining Economic Security, Innovation, and Technological Leadership

ENHANCING AMERICA'S ECONOMIC SECURITY

The vulnerability of the US supply chain reached critical levels in 2021, compounded by the disruptive effects of the COVID-19 pandemic and bottlenecked global manufacturing. Hudson Institute's **Hamilton Commission on Securing America's National Security Innovation Base** was established this year to examine economic sectors critical to American national security and defense innovation and propose policy

recommendations to secure and advance US leadership in strategic industries including batteries, semiconductors, and advanced composite materials. Co-chaired by **Nadia Schadow** and **Arthur Herman**, the commission convened elected officials of both parties, national security experts, former officials, scientists, and industry leaders to identify the policy tools necessary to build secure supply chains, drive innovation in next-generation battery technologies, and cultivate a robust domestic workforce.



Nadia Schadow hosts a panel on securing advanced battery supply chains as part of the Hamilton Commission on Securing America's National Security Innovation Base symposium. Her guests include Bryan Clark, Hudson Institute senior fellow and director of the Center for Defense Concepts and Technology; Heather Penny, senior fellow at the Mitchell Institute for Aerospace Studies; and LTG Eric Wesley (Ret.), former deputy commanding general of Army Futures Command and director of the Futures and Concepts Center.

MAINTAINING ECONOMIC LEADERSHIP

The Hamilton Commission's report *Powering Innovation: A Strategic Approach to America's Advanced Battery Technology* provided policymakers with a strategic blueprint for creating a secure, domestic-oriented supply chain for advanced batteries, reducing Beijing's leverage in vital technology sectors, developing power sources to support new military capabilities, and strengthening US economic leadership in the automobile industry.

America's position as a leader of the post-World War II economic order faced renewed challenges in 2021, from the overreach of international decision-making bodies to the assault on intellectual property protections. **Thomas Duesterberg** offered policy recommendations to reinvigorate

US manufacturing and counter Chinese mercantilism. In op-eds for *The Wall Street Journal*, he outlined necessary reforms for the World Trade Organization and the risks of a global corporate tax to American economic sovereignty. His commentary helped shape the perspectives of the Senate Finance Committee and the House Ways and Means Committee leadership. Senators Bob Casey (D-PA) and John Cornyn (R-TX) joined Duesterberg to discuss their bipartisan legislation to establish an interagency committee to review outbound US investments in critical security, health care and advanced technology capacities and to prevent US funds from supporting the development of foreign adversaries' defense technology. Duesterberg convened policy experts and leaders from the semiconductor industry to examine the economic disruptions



“*The Chinese government has subsidized patent applications as part of its overall domestic industrial policy agenda, which underlies China’s claim to have ‘won’ the global innovation race, especially in next-generation technologies like 5G or AI. Our study shows that high rates of patenting do not necessarily mean dominance, or even leadership, among the world’s innovation economies.*”

—Jonathan Putnam,
Heiu Luu, and Ngoc Ngo



Thomas Duesterberg leads a conversation on the National Critical Capabilities Defense Act with the amendment’s co-sponsors Senators Bob Casey (D-PA) and John Cornyn (R-TX).

of the pandemic and how the US can regain the lead in advanced semiconductor manufacturing.

PROTECTING INTELLECTUAL PROPERTY AND INNOVATION

The US innovation economy has been driven for over two centuries by strong intellectual property rights: patents, copyrights, trademarks, and trade secrets. By securing reliable and effective property rights, the US has led the world in critical technologies and commercial sectors. Today, intellectual property rights are broadly under attack and have been weakened, both domestically and internationally. To address these challenges,

the **Forum for Intellectual Property** supports research on how intellectual property rights, secured by stable political and legal institutions governed by the rule of law, are a key factor in economic growth and rising standards of living.

Chaired by **Adam Mossoff** and including **Urška Petrovčič**, **Devlin Hartline**, **Thomas Duesterberg**, and **Harold Furchtgott-Roth**, the Forum’s research revealed the extent of China’s deceptive practices in subsidizing patent applications. The Forum’s events and widely circulated policy memo, “Does China Really Dominate Global Innovation? The Impact of China’s Subsidized Patent Application System,”

MAINTAINING ECONOMIC LEADERSHIP

establish evidence-based criteria for assessing patent activity.

The COVID-19 pandemic has shown the importance of strong patent protections in the biopharmaceutical sector of the US innovation economy. At a time when intellectual property rights face unprecedented challenges by governments and activists trying to strip the rights of COVID-19 vaccines and medical treatments from the companies that developed them, the Forum equipped members of the House and Senate with data demonstrating the economic and national security ramifications of undermining intellectual property rights. The Forum convened discussions about how antitrust laws limit the exercise of patent rights with antitrust experts including US Federal Trade Commissioner Christine Wilson.

IMPROVING SPECTRUM ACCESS

The Center for the Economics of the Internet, led by **Harold Furchtgott-Roth** and including **Robert McDowell**, **Michael O’Rielly**, and **Kirk Arner**, convened discussions on maintaining the light-touch regulations that have allowed America’s internet infrastructure and broadband coverage to grow and thrive for over a quarter century. The center’s conversations featured Noah Phillips, a commissioner on the Federal Trade Commission, and Nathan Simington, commissioner on the Federal Communications Commission, addressing the federal government’s role in antitrust policy and spectrum usage.

The COVID-19 pandemic has highlighted the importance of access to high-speed



“Today, we must once again consider the unthinkable, not the nuclear apocalypse that haunted Kahn and his generation in the 1950s and 1960s but a quantum apocalypse that, if not as physically and permanently destructive as a nuclear attack, could cause catastrophic harm to our economy and society unless proper steps are taken now to mitigate such an attack’s attendant risk.”

—Arthur Herman
and Alexander Butler



Arthur Herman leads a discussion of the future of America’s defense industrial base with Ellen Lord, former undersecretary of defense for acquisition and sustainment; Kimberly Reed, then-president and chairman of the Export-Import Bank; and Mike Brown, director of the Defense Innovation Unit at the US Department of Defense (on screen).

broadband for American families, yet millions live in areas with substandard service. In his policy memo “Improving Rural Broadband: Expanding the FCC’s Alternative Connect America Cost Model,” O’Rielly outlined options for the FCC to better facilitate expanded broadband service to America’s rural regions.

PREPARING FOR FUTURE CYBER RISKS

China’s concerted effort to dominate the emerging field of quantum technology carries

great risks for global cybersecurity, with significant implications for the encryption systems used by the United States to protect vulnerable commercial data, financial markets, and vital infrastructure. Hudson’s **Quantum Alliance Initiative**, headed by **Arthur Herman** and including **Alex Butler**, has raised awareness of this potentially disruptive technology and examined the actions necessary to protect American infrastructure from quantum attack. The initiative’s study, *Risking Apocalypse? Quantum Computers and the US Power Grid*, examined the economic impact of a hypothetical quantum cyberattack.



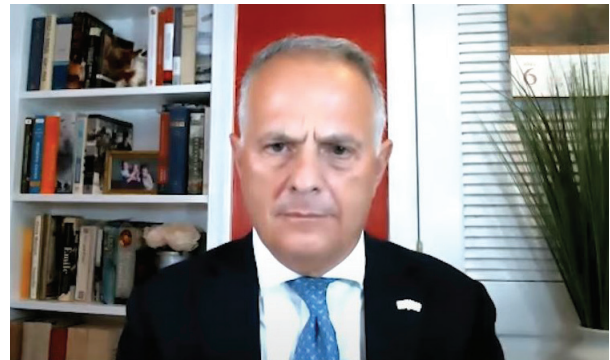
A Chinese H-6K bomber performs an overflight of Scarborough Shoal in the South China Sea, a territory unlawfully claimed by the People's Republic of China.

Preserving Peace and Stability in the Indo-Pacific

A free and open Indo-Pacific is vital to America’s economic and national security, but the region is under growing threat from China’s military expansionism and political ambitions. US leadership, in concert with our allies and partners Japan, Australia, Taiwan, and India, is vital to preserving peace, stability, and prosperity.

JAPAN

Hudson Institute believes no relationship is more critical to security and prosperity than the US-Japan alliance. In his *Dallas Morning News* op-ed, “Japan Is Now Our Most Important Ally. Here’s Why,” Distinguished Fellow **Ken Weinstein** underscores the importance of our bilateral relationship—rooted in the principles of a free and open Indo-Pacific—as a crucial counter to Xi Jinping’s hegemonic aspirations. Hudson experts remained at the forefront of key issues vital to the US-Japan relationship, including reinforcing the importance of strong economic and trade cooperation, enhancing defense cooperation, assessing the threat of North Korea’s missile capabilities and China’s aggressive expansion in the South and East China Seas, and developing greater science and technology collaboration.



In comments widely covered by the media, Japan’s state minister of defense Yasuhide Nakayama publicly acknowledged Japan’s support for Taiwan, describing the Taiwan Strait as the “red line of the 21st century” during an event with Walter P. Stern Distinguished Fellow Kenneth Weinstein on Japanese security strategy and the US-Japan alliance.



In March, Japan Chair Deputy Director Riley Walters, Senior Fellows Thomas Duesterberg and John Lee, and experts Shihoko Goto and Jingo Kikukawa discuss how the US and Japan should approach the challenge of securing supply chains.

Hudson’s **Japan Chair**, led by former National Security Advisor Lieutenant General **H.R. McMaster**, hosted Japanese defense officials in addition to members of Prime Minister Fumio Kishida’s and former Prime Minister Yoshihide Suga’s governments. Hudson experts weighed in on the challenges and priorities facing Japan’s new prime minister with a discussion on the future of the US-Japan alliance.

Hudson welcomed Japan Chair Deputy Director **Riley Walters** and new Senior Fellow, Japan Chair **James Przystup**, joining our Japan Chair Fellows **Masashi Murano** and **Taro Hayashi**. Murano and Professor Yoko Iwama co-authored a report, *Thinking about Deterrence for Japan and Stability in Asia*, that considers what deterrence capabilities Japan should pursue and the cost of acquiring them to maintain peace in East Asia as China continues its rapid rise to power. In his op-ed, “Biden’s Comprehensive Indo-Pacific Economic Framework Isn’t Comprehensive at

All,” for *The Hill*, Walters criticized the Biden’s administrations’ framework for being too broad and omitting an in-depth trade policy. In his work, *Visions of Order in the Indo-Pacific: Strengthening Alliance-Based Security Cooperation*, Przystup explored how the US, Japan, and other regional allies can shape and maintain the evolving Indo-Pacific order while responding to the threats posed by China.



Former Prime Minister of Japan Shinzo Abe wishing Hudson a happy 60th anniversary.



Walters moderating a panel on reexamining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and America’s trade priorities with Sasakawa Peace Foundation USA President Satohiro Akimoto and Asia experts Du Huynh, Roy Lee, and Charles Freeman from the US Chamber of Commerce.

TAIWAN

As cross-strait relations continued to deteriorate in 2021 due to an increasingly belligerent China, Hudson sought to deepen ties between Taiwan and other democracies. **Riley Walters** wrote about the importance of Japan-Taiwan relations in “Japan’s Bold New

Taiwan Policy,” which highlighted ways Japan can invest in Taiwan to expand its security and economic alliance as a deterrent to China. In *Forbes*, **Thomas Duesterberg** advocated for “The Economic Case for Prioritizing A US-Taiwan Free Trade Agreement” so that Taiwan is less reliant on China for trade and investment, which provides an opportunity to deepen its economic relationship with the US.



Taiwan President Tsai-Ing Wen congratulates Hudson on its 60th anniversary.

In the **Center for Defense Concepts and Technology**, Hudson’s **Bryan Clark**, **Dan Patt**, and **Tim Walton** identified opportunities for the US military to cost-effectively improve its forces and adopt proactive approaches that counter Chinese gray-zone tactics. The work addressed new ways of organizing and integrating troops, ships, and aircraft that provide more options at lower levels of escalation, along with reversible or less-damaging capabilities, such as electromagnetic warfare, that could be employed in gray-zone confrontations.

THE INDO-PACIFIC

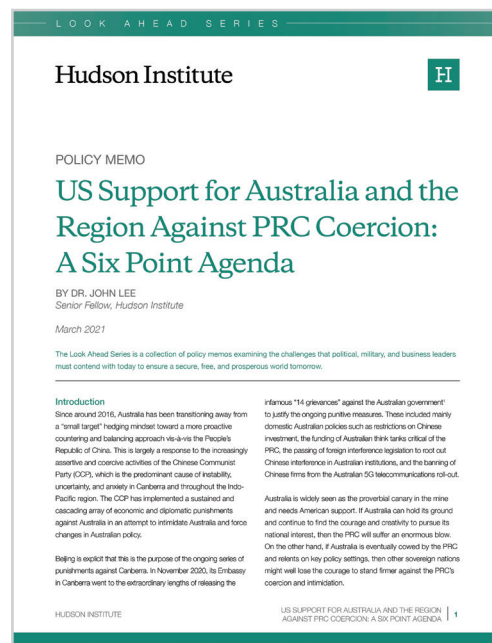
In *National Review*, **Clark** and **Patt** proposed a defense strategy for deterring China, particularly regarding Taiwan, that exploits the vulnerabilities of the CCP's brittle regime. The US should adopt capabilities to establish a campaign of continual surprise rather than repetitive international exercises and freedom-of-navigation operations across the Taiwan Strait. Please see an Impact Study on their work on pages 8-9.

AUSTRALIA

The US-Australia alliance is pivotal in the Indo-Pacific region, as China punishes Australia economically and diplomatically to influence its policies through intimidation. Nonresident Senior Fellow **John Lee** (and former national security advisor to Australian Foreign Minister Julie Bishop) outlined a blueprint for the incoming Biden administration on "US Support for Australia and the Region against PRC Coercion: A Six Point Agenda," namely



Above, Former Australian Prime Minister Tony Abbott joins Hudson experts and policymakers for a private seminar on the growing China challenge and future of the Five Eyes intelligence-sharing alliance involving the AUKUS nations. Below, Policy memos written by Hudson Senior Fellow John Lee on US-Australia security cooperation informed senior government policymakers who were central to the establishment of the US-UK-Australia security alliance.



providing assurance that the United States is behind its ally to better manage the PRC challenge and threat.

Following the establishment of the historic AUKUS trilateral security agreement among the US, Australia, and the UK, Hudson examined the possibilities of the new security partnership with former Australian Minister Tony Abbott and Australia's ambassador to the United States, Arthur Sinodinos. Asia-Pacific Security Chair **Patrick Cronin** highlighted the CCP's whole-of-society approach to information collection in his influential report, *China's Gambit for Total Information Dominance: A US-Australia Response*, which helped inform US policy and government strategies.

ADDRESSING THE NORTH KOREAN NUCLEAR THREAT

The Indo-Pacific alliance is an important

counterweight to North Korea's continued development of nuclear and ballistic missile programs. Asia-Pacific Security Chair **Patrick Cronin** explored the prospects for denuclearization and inter-Korean peace with closed-door discussions convening policymakers and government officials, including Deputy Assistant Secretary of State and Deputy Special Representative for the DPRK Dr. Jung Pak. Cronin's report, *Fear and Insecurity: Addressing North Korean Threat Perceptions*, shared strategies for North Korean diplomatic engagement. Drawing from his experience as former deputy special representative for North Korea and deputy assistant secretary for North Korea at the US Department of State, Senior Fellow **Alex Wong** consulted with government officials on the recent history of negotiations between the US and North Korea, evaluating sanctions relief proposals and mapping out future policy options for the US.



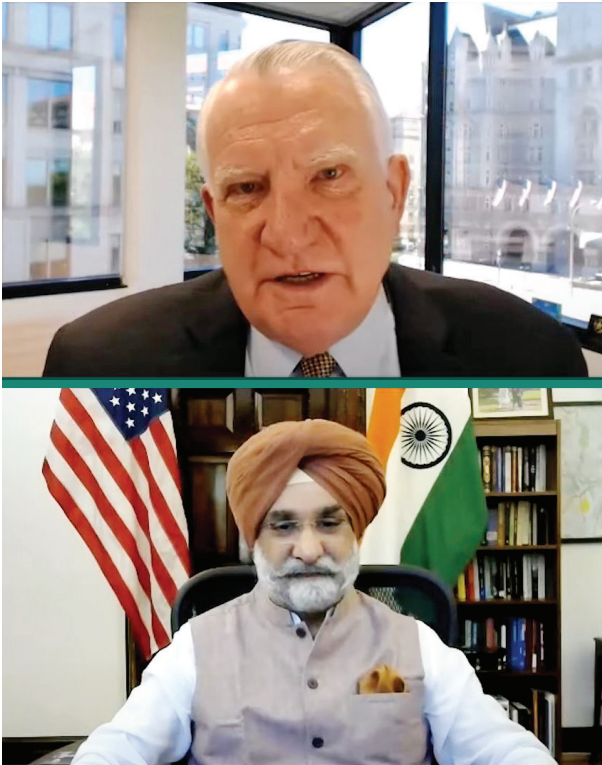
Senior Fellows Dr. Patrick M. Cronin and Alex Wong host experts Ambassador Yung-woo Chun, Duyeon Kim, and Ambassador Joseph Yun for a discussion of Pyongyang's fear of external intervention, the role of security assurances, and North Korea's alarming human rights record.

THE INDO-PACIFIC

INCREASING TRADE AND SECURITY COOPERATION WITH INDIA

India has long been viewed as a US partner in Asia and a powerful counterbalance to China in the Indo-Pacific. Yet the complexities of India's regional concerns, from its extended land border with China to its proximity to Pakistan and Afghanistan, create a multifaceted security situation that defies traditional analysis. Indian Ambassador to the US Taranjit Singh joined Hudson for conversations about the Indian-US defense partnership and supply chain security in events hosted by Hudson President and CEO **John Walters** and **Walter Russell Mead**, the Ravenel B. Curry III distinguished fellow in strategy and statesmanship.

Ambassador **Husain Haqqani**, Hudson's director for South and Central Asia, and **Aparna Pande**, its director of the Initiative on the Future of India and South Asia, regularly briefed congressional staff and top diplomats from India, the US and allied nations to establish closer grounds for trade and security cooperation. Haqqani served as a leading global commentator on the impact of the Biden administration's military withdrawal from Afghanistan and on the destabilizing effects of a resurgent Taliban, while the **South and Central Asia Program** published the groundbreaking report *Pakistan's Destabilization Playbook: Khalistan Separatist Activism within the US*, which examined the activities of the Pakistan-supported Khalistan militant groups located in the United States.



Above, Hudson Director for South and Central Asia Ambassador Husain Haqqani discusses the US military withdrawal from Afghanistan and Pakistan's regional influence as a guest on CNN's Amanpour. Below, India's Ambassador to the US Taranjit Singh Sandhu joins Hudson President and CEO John Walters for a discussion of ongoing efforts to combat COVID-19, vaccine distribution, and emerging threats in the Indo-Pacific.

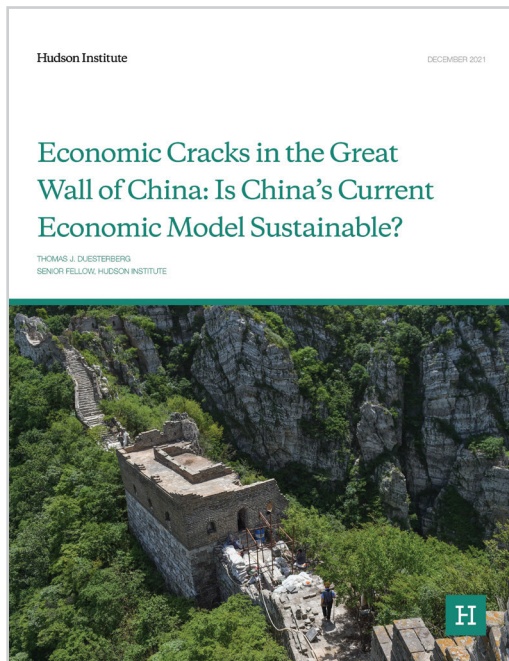
CHINA: THE GREAT POWER COMPETITION

Xi Jinping's authoritarian regime's destabilizing behavior—provocations in the Indo-Pacific, the subjugation of Hong Kong, human rights abuses, efforts to obscure COVID-19 origin—is a threat to global peace, security, and prosperity.

COUNTERING CHINA'S MERCANTILISM

From its unsustainable credit practices and shadow banking system to its coming demographic crisis, Senior Fellow **John Lee** exposed the fragile foundations of China's economy in his widely regarded policy memo "Xi Jinping's Evergrande

Dilemma." As the Chinese real estate giant attracted global interest last fall for facing possible financial collapse, Lee examined why Evergrande's behavior was symptomatic of the broader Chinese economy, which is also struggling with enormous levels of indebtedness and overreliance on the real estate sector. More broadly, Senior Fellow **Thomas Duesterberg** explored the long- and short-term economic problems facing contemporary China in his report *Economic Cracks in the Great Wall of China: Is China's Current Economic Model Sustainable?* From vigorously enforcing existing trade rules and rejoining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to utilizing the US-EU Trade and Technology Council and increasing



“China is fast approaching a reckoning for its debt-driven economy. The slowdown in growth, which historical examples suggest could result in recession touched off by fragile financial markets, will be difficult to manage due to the already dangerous levels of debt for both the public and private sectors.”

—Thomas Duesterberg,
Economic Cracks in the Great Wall of China: Is China's Current Economic Model Sustainable?,
December 2021

THE INDO-PACIFIC

research on China’s dual-use technologies, Duesterberg provides sixteen policy recommendations the US should employ to both limit further economic damage to the US and incentivize China to become a more positive contributor to the twenty-first-century economic and defense order.

A report jointly authored by Senior Fellows John Lee, **Eric Brown**, and Thomas Duesterberg, *Winning the Geo-Tech Battle and Building the Quad Alliance in the Indo-Pacific*, outlined a series of policy options that would allow members of the Quad (comprising the US, Japan, UK, and Australia)

to protect themselves from China’s digital authoritarianism and develop a democracy-led technology ecosystem for the Indo-Pacific region.

EXPOSING THE CCP’S HUMAN RIGHTS ABUSES IN XINJIANG AND BEYOND

Under Xi Jinping, Chinese citizens face the highest levels of persecution since Mao Zedong’s Cultural Revolution.

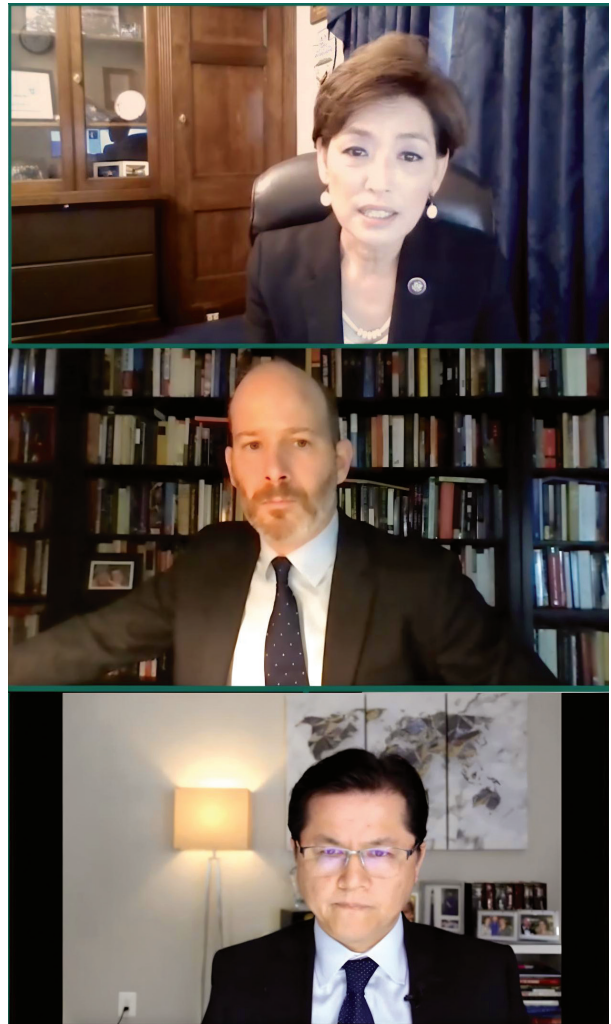
Hudson’s experts exposed the gross human rights violations of the CCP, developed



Exiled Chinese dissident and human rights advocate Wu’er Kaixi joined Nury Turkel for a discussion of how the international community should respond to Beijing’s repression at home and abroad.

“Having experienced the reality of living under this regime, and now watching with horror as these atrocities are visited on my Uyghur brothers and sisters, it’s difficult for me to comprehend how any Western actor could push for greater dialogue or engagement with such a regime.”

—Nury Turkel,
“I Was Born in a Chinese
‘Reeducation Camp.’
I’m Watching History
Repeat Itself,”
CNN, November 10, 2021



Representative Young Kim (R-CA), Eric Brown, and Nury Turkel discuss the importance of the US’s strong support for democracy and human rights in the Indo-Pacific as a counter to China’s aggression in the region.

policies to alleviate the Uyghur human rights crisis, and worked to ensure that the West and corporate America are not complicit in genocide. Born in a Uyghur reeducation camp, Senior Fellow **Nury Turkel** has pushed the US government and its allies toward a more assertive stance in defense

of the Uyghurs through regular engagement with key decision-makers on Capitol Hill and in the Biden administration; incisive analysis in the *New York Times*, in *Foreign Affairs*, and on CNN; and testimony before the US House of Representatives’ Committee on Foreign Affairs. Turkel was an early advocate of a US

THE INDO-PACIFIC

boycott of the Beijing Olympics and helped draft policies included in the Forced Labor Prevention Act, which targets companies that benefit from products manufactured in the Xinjiang region, where many of China's persecuted minorities live. The act was signed into law by the Biden administration in December.

Distinguished Fellow **Michael Pompeo** has continued the leadership he demonstrated as secretary of state in classifying the Chinese government's treatment of the Uyghurs as genocide through his strong support for a boycott of the Beijing Olympics and other actions aimed at weakening China's economic and military tools of oppression. As director of Hudson's **Center for Religious Freedom**, **Nina Shea** brought attention to China's assault on religious minorities—and ways the US can respond—with public events, congressional testimony, and regular commentary in news outlets such as *National Review*. As a principal organizer of a Global Day of Prayer for the church in China, Shea spearheaded awareness of the CCP's actions to engage broader communities of faith, and secured Pope Francis's support for a global prayer initiative for China's persecuted religious believers, working with legislators across the US, UK, Canada, and Australia.

COVID-19: PRESSING FOR ACCOUNTABILITY FROM THE CHINESE COMMUNIST PARTY

More than two years after COVID-19 began its devastating spread from Wuhan, China, the Chinese government's response remains fundamentally hostile to international cooperation and transparency. In 2021, when the theory that COVID-19 may have originated in a Wuhan lab accident was widely dismissed, Hudson Institute Senior Fellows **David Asher** and **Miles Yu**, Adjunct Fellow **Thomas DiNanno**, and Distinguished Fellow **Michael Pompeo** presented evidence for investigating a leak and demanded accountability from the Chinese government. As US government research was made public and the tide of public perception shifted, their work was validated and sought after by high-profile news outlets seeking to understand one of the most consequential stories of the year.

Hudson remains the only think tank with a resolute focus and research agenda dedicated to this key issue. In the *Washington Post*, Senior Vice President **Lewis Libby** and Pompeo laid out a diplomatic blueprint for the Biden administration to hold China accountable ("China's COVID Wrongdoing Warrants Punishment by a Biden-Led Coalition"). Other influential and widely read publications include "A Just Response to Beijing's COVID-19 Abuses" and "Recommendations to Congress Concerning the Investigation into SARS-CoV-2's Origin." (See the Impact Study on the following page for a complete timeline of Hudson's influence on holding China accountable.)



“From the beginning, China crushed or co-opted good-faith efforts to understand the virus’s origin and spread. It made whistleblowers disappear and refused to turn over blood samples from early patients. If the Biden administration means what it says about upholding the international rules-based order, it will impose consequences on countries that fail to abide by the rules.”

—David Asher,
“The World Needs Answers
on Covid’s Origin,”
The Wall Street Journal,
June 3, 2021

Above, John Walters leads a conversation on allied efforts to address China’s COVID-19 obstructionism with James Paterson, senator for Victoria, Australia; Tom Tugendhat, member of the UK Parliament; and David Asher, Hudson senior fellow and former lead investigator on the origins of the virus at the State Department.

Impact Study: Holding China Accountable for Its Role in COVID-19

Bringing Credible Evidence of China's COVID-19 Involvement to Light



After global media delayed examining credible proof of the CCP's efforts to destroy evidence, censor scientists, and deceive international organizations about COVID-19's origins, Hudson experts worked to increase public awareness of the Chinese government's illegal behavior.



A Resource for Journalists and Policymakers

David Asher, Thomas DiNanno, and other Hudson experts regularly briefed members of Congress, federal agency staff, and journalists from the *Wall Street Journal*, *Washington Post*, *Financial Times*, *Vanity Fair*, *CNN*, and other outlets on CCP malfeasance.



Helping US and Allied Leaders Formulate a Policy Response



In the wake of revelations that the CCP destroyed evidence connected to COVID-19's origins, Hudson experts helped US and allied policymakers formulate a coordinated, long-term response to hold the Chinese government accountable for treaty violations.



Policy Leadership

Hudson experts outlined eight immediate actions the Biden administration can take in the policy memo "A Just Response to Beijing's COVID-19 Abuses" by David Asher, Miles Yu, David Feith, Matthew Zweig, and Thomas DiNanno.



2021

Jan.

Feb.

Mar.

Apr.

May

June

Strengthening the US Government's Ability to Investigate the Origins of COVID-19

The Biden administration moves to shut down State Department investigation into COVID-19 lab leak theory.



Policy Leadership

Recommendations to Congress Concerning the Investigation into SARS-CoV-2's Origin by Thomas DiNanno and Paula A. DeSutter outlines policy changes to support the US government's compliance-and-verification mandate related to China's dual-use facilities.



Amplifying Key Experts

Hudson expert David Asher, who led the State Department's investigations into COVID-19 origins during the Trump administration, hosted a series of events exploring the origins of COVID-19 with scientists, medical professionals, and investigative journalists.



Commentary that Drove Coverage

Hudson experts wrote op-eds published in the *Wall Street Journal*, *Washington Post*, *National Review*, and other outlets that pushed for answers and accountability from the CCP.



Impact

Hudson's advocacy **compelled the media and Biden administration to address credible evidence** connected to the theory that gain-of-function research was being conducted in Wuhan that contributed to the leak of the pandemic-causing pathogen.

Thought Leadership

- Australian Senator James Paterson, British MP Tom Tugendhat, and other policymakers join Hudson experts to formulate an allied response to Beijing's COVID obstructionism.
- "China's Reckless Labs Put the World at Risk" op-ed by Michael Pompeo and Miles Yu in the *Wall Street Journal*.
- "China's COVID Wrongdoing Warrants Punishment by a Biden-Led Coalition" op-ed by Michael Pompeo and Lewis Libby in the *Washington Post*.



Impact

As a result of Hudson and others' leadership on this issue, Senators Diane Feinstein, Roger Marshall, Kirsten Gillibrand, and Joni Ernst introduced **legislation to establish a bipartisan independent commission** to investigate the origins of COVID-19.

July

Aug.

Sept

Oct.

Nov.

Dec.



Thought Leadership

- David Asher testifies before members of the House Select Subcommittee on the Coronavirus Crisis.
- "The World Needs Answers on Covid's Origin" op-ed by David Asher in the *Wall Street Journal*.
- "Investigating COVID-19 and the China Coverup," Hudson Institute discussion featuring John Walters, David Asher, Thomas DiNanno, Kevin Brock (Center for Financial Stability), and Diane Cutler (House Committee on Energy and Commerce)



Impact

The Biden administration **reversed its plan to dismantle the investigation into COVID-19's origins** and called on the intelligence community to conduct a 90-day review to further investigate the origins.



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EN HADCCCXY A LA GLORIFICA
DE LA REPUBLICA

2018-2021
TECH

Europe: Fortifying the Transatlantic Relationship

BOLSTERING TRANSATLANTIC SECURITY COOPERATION

As 2021 concluded with a Russian military buildup on Ukraine’s border, Hudson Senior Fellow **William Schneider** advocated in the *Wall Street Journal* for enhancing NATO’s deterrent capability through modernized military capabilities, surveillance, and command and control structures for front line states in “Deter Russia by Arming NATO Allies.” Also in “Lithuania Is the ‘Canary’ of World Order” in the *Wall Street Journal*, **Tod Lindberg** and **Peter Rough** brought awareness to the plight of NATO member Lithuania, which faces a united front of Sino-Russian pressure designed to test US and European commitment to their democratic partners. Rough underscored the importance of US-Europe cooperation as Beijing works to weaken this powerful alliance through economic investments and political means in his report *Europe’s China Chimera*.

As senior negotiators met in Pittsburgh, Pennsylvania, to inaugurate the transatlantic Trade and Technology Council (TTC), Rough moderated a discussion with Senior Fellows **Nadia Schadow** and **Thomas Duesterberg** on building a transatlantic industrial innovation base in “An Emerging G2? Prospects for Transatlantic Tech Cooperation.” The **Transatlantic Think Tank Conference**, co-hosted with the Martens Centre in

“How did we arrive at a point where the US-led security system, which has protected Europe for more than 70 years, appears to be tottering in the face of Russian saber-rattling? NATO’s eight frontline states—from the Baltic to the Black Sea—are now at risk to Russian military power as was Western Europe to Soviet military power in the Cold War.”

—William Schneider,
“Deter Russia by Arming
NATO Allies,”
The Wall Street Journal,
December 8, 2021

Opposite: The NATO flag is seen under the arch of the Cinquantenaire ahead of the 2021 NATO Summit in Brussels, Belgium.

EUROPE & THE US

Brussels, Belgium, examined areas for closer transatlantic cooperation in technology, trade, and defense. Hudson scholarship—Rough’s white paper, *The Structural Constraints on Transatlantic Cooperation*, and Duesterberg’s policy memo, “Transatlantic Paralysis: The US-EU Trade Policy Stalemate and the European Union’s Democratic Deficit” — detailed how the US-EU alliance can better address modern-day geopolitics.

The construction of the Nord Stream 2 pipeline, a Russian pipeline that would send natural gas under the Baltic Sea to Germany—bypassing Ukraine—was one of the greatest current threats to European

security before Germany stopped the project in the wake of Russia’s invasion of Ukraine. Hudson experts detailed the risks of Nord Stream 2 and the need for congressional sanctions to block it. On the *Making a Killing* podcast, **Casey Michel** and **Paul Massaro** outlined how the Nord Stream 2 pipeline would empower the spread of kleptocratic business practices in Europe, while the *Counterbalance* podcast examined how European leaders are attempting to balance economic growth with hard geopolitical realities.

While Europe has grown into an economic superpower, the continued survival of the



German Minister of Defense Annegret Kramp-Karrenbauer speaks with Hudson’s Peter Rough after joining Hudson experts for a closed-door discussion of closer US-Germany security ties.

post-Cold War order requires increasing investments in hard power by members of the European Union. Hudson's Rough, Duesterberg, **Walter Russell Mead**, **Rebecca Heinrichs**, and **Tim Morrison** explored the modernization of European military forces and the critical need for European security leadership at a time when the US administration is prioritizing the Indo-Pacific region. Hudson hosted German Minister of Defense Annegret Kramp-Karrenbauer of the Christian Democratic Union and US defense officials for a private discussion of US-European ties, Iran policy, and the Biden administration's defense strategy.



High Representative in Bosnia-Herzegovina Christian Schmidt joins Hudson for a discussion of growing tensions in the Balkans.

FP WELCOME, HUDSON INSTITUTE 

SHADOW GOVERNMENT
A front-row seat to the Republicans' debate over foreign policy, including their critique of the Biden administration.

Biden Can't Avoid Getting Tough on Europe Much Longer

The fuzzy goodwill between Washington and Europe has lulled the continent into a false comfort.

By **Peter Rough**, the former director of research in the office of then-U.S. President George W. Bush.

“If the Biden administration intends to meet its most solemn defense obligations it has made to US allies, it must force the difficult conversations about military power and economic interdependence that matter most. Soft power and liberal institutions will not deter the West’s opponents.”

—Peter Rough,
“Biden Can’t Avoid Getting Tough on Europe Much Longer,”
Foreign Policy,
April 28, 2021



Taliban fighters don US military uniforms and equipment left behind by American forces during their withdrawal from Afghanistan in August 2021.

Middle East: Clear-Eyed Engagement in a Recalibrated Region

As the Biden administration began withdrawing from the Middle East and emboldened Iran by taking steps to rejoin the Joint Comprehensive Plan of Action (JCPOA or the “Iran Nuclear Deal”), Hudson’s Middle East experts drew a sharp contrast with the administration, explaining the deadly ramifications of this irresponsible approach and the reasons that the Middle East is strategically important to the United States. Hudson was one of the most prominent dissenting voices steering public opinion on Capitol Hill and beyond.

HOLDING IRAN ACCOUNTABLE

In May 2021 in a *Tablet* magazine article titled “The Realignment,” Senior Fellow **Michael Doran** discussed President Biden’s desire to withdraw from the Middle East without ramifications and his disregard for how this would massively destabilize the region. The Biden administration, Doran wrote, is wrongly wagering that it could transform Iran into a responsible actor capable of sharing power with other countries in the region. This fundamental misunderstanding of the regime is fracturing the US alliance system and has set back the cause of peace in the region.

As the Biden White House pushed for a return to the nuclear deal with Iran, Hudson

“Without US leadership, the Abraham Accords would not have been concluded; absent sustained investment they will fail to achieve their potential. Such a setback would constrain the region’s economic recovery from the pandemic, undermine productive negotiation with Iran, erode support for counterterrorism cooperation, open a door to malign influence by Russia and China, compromise regional stability, discourage essential cooperation, and provide an opportunity for a resurgence of ISIS and al-Qaeda.”

—Robert Greenway in
the Hudson policy memo
“Transforming the Middle
East: The Origins, Impact,
and Evolution of
the Abraham Accords”

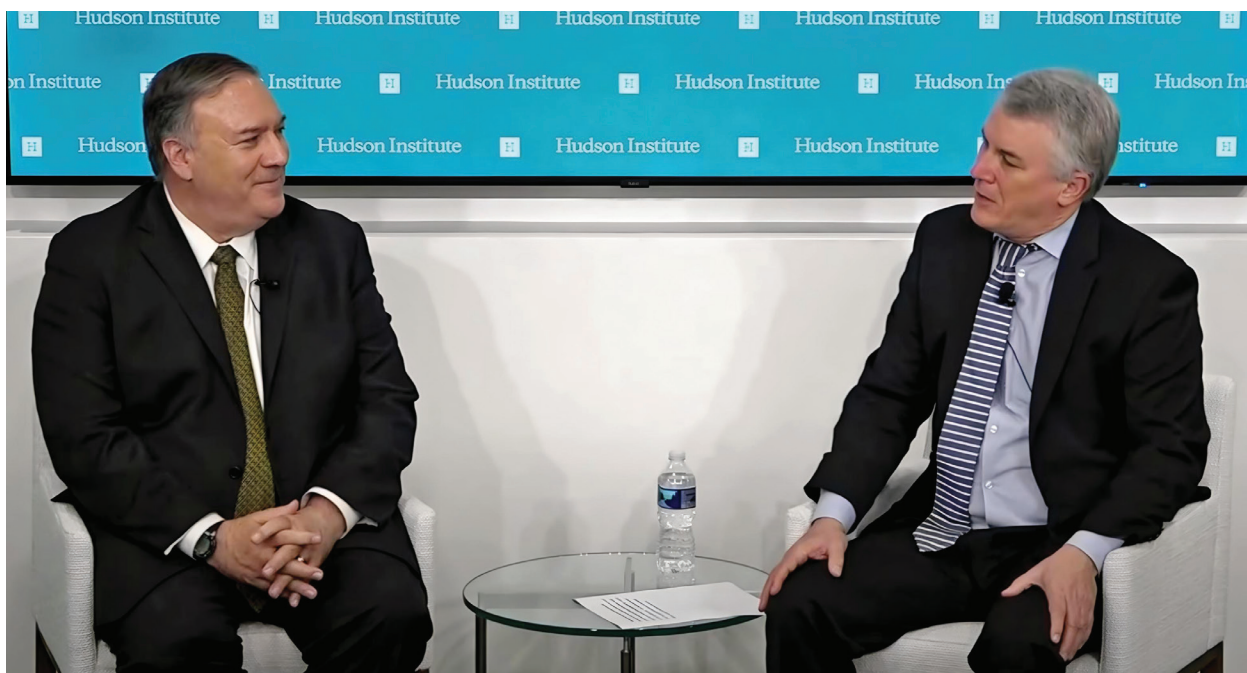
MIDDLE EAST

Adjunct Fellow **Josh Block** hosted a series of events examining the Iranian regime's illicit enrichment of uranium and efforts to prevent international inspectors from accessing its nuclear weapons development sites. In discussion with nuclear experts Olli Heinonen and David Albright, Block examined the likely consequences of a revived nuclear accord, evidence of Iran's continued nuclear weapons development, and the policy actions the United States should take in response.

In the widely circulated policy memo "Holding Iran Accountable: The Importance of Maintaining Sanctions Leverage," **Robert Greenway** drew from his experiences as senior director of the National Security Council's Middle Eastern and North African Affairs Directorate to argue that

lifting sanctions before confirming Iran's adherence to the terms of a nuclear agreement would endanger national security, undermine the legitimacy of global authorities, and expose US actions to unnecessary legal challenges.

In the *Wall Street Journal*, Hudson Distinguished Fellow **Michael Pompeo**, who, as secretary of state, confronted Iranian aggression and worked to sanction Iran for grotesque human-rights violations, offered a stark reminder that 2021 marked the twenty-fifth anniversary of the Khobar Tower bombings by Iranian-backed terrorists. Pompeo argued that rejoining the JCPOA will only appease and empower Iran, the foremost state sponsor of terrorism.



Hudson Distinguished Fellow Michael Pompeo and Senior Fellow Michael Doran discuss the escalation of the Hamas-Israel conflict in May, 2021.



“The doctrine of Realignment builds on the erroneous assumption that Iran is a status quo power, one that shares a number of major interests with the United States. We can state its four strategic imperatives in plain English: First, allow Tehran an unfettered nuclear weapons program by 2031; second, end the sanctions on the Iranian economic and financial system; third, implement a policy of accommodation of Iran and its tentacles in Iraq, Syria, Yemen, and Lebanon; and fourth, force that policy on America’s closest allies.”

—Michael Doran and
Tony Badran,
“The Realignment,”
Tablet, May 10, 2021

BUILDING ON THE ABRAHAM ACCORDS

The signing of the Abraham Accords constituted the beginning of a transformation in the Middle East, noted **Robert Greenway**, Hudson adjunct fellow and executive director of the **Abraham Accords Peace Institute**, in his policy memo titled “Transforming the Middle East: The Origins, Impact, and Evolution of the Abraham Accords.”

Greenway’s memo recommended actions to strengthen collaboration between regional partners and allies and to help ensure that the legacy of the accords incentivizes other states to normalize relations with Israel and forge new economic and security partnerships to meet the myriad challenges posed by Iran, China, and Russia. Greenway also examined how the US can capitalize on the accords’ momentum to help establish a US-led regional security architecture built

MIDDLE EAST

to safeguard an economic foundation that will endure, reducing American costs while constraining Iran and other adversaries.

PREVENTING FURTHER CHAOS IN AFGHANISTAN

In August 2021, we witnessed the disastrous US withdrawal from Afghanistan. The apparent lack of any contingency planning for the swift fall of Kabul to the Taliban supported the perception of US disengagement across the greater Middle East.

The Hudson podcast *Counterbalance* hosted by **Michael Doran** and Hudson Media Fellow **Marshall Kosloff** held a series of conversations examining the failures of the withdrawal from Afghanistan and lessons for the US in the region. Adjunct Fellow **Ezra Cohen** and Senior Fellow Dr. **Nadia Schadlow** led a discussion the 26th National Security Advisor **H.R. McMaster**, Adjunct Fellow **Robert Greenway**, and Senior Fellow Ambassador **Husain Haqqani** on what the US can do to prevent further calamity in Afghanistan. In this discussion and in the pages

WSJ | OPINION

OPINION | COMMENTARY

To Avert Disaster in Afghanistan, Look to Central Asia

A coming infrastructure conference could lay the groundwork for a new strategy in the region.

By Frederick Starr and Michael Doran
July 11, 2021 6:17 pm ET

American forces have left Afghanistan. Now what? President Biden has yet to settle on the outlines of an approach. What should the U.S. seek to achieve? Who are its partners?

As he mulls these questions, the president should take note of a July 16 conference, hosted by the government of Uzbekistan in Tashkent, on the subject of “regional connectivity.” The Uzbeks and their Central Asian neighbors, including Afghanistan, seek international diplomatic and economic support for new transport and infrastructure projects to connect their region with South and Southeast Asia.

A meeting for technocrats? The list of confirmed participants tells a different story. The foreign ministers of China, Russia, Iran, Turkey

“*Central Asian countries are reclaiming the ancient links among them that Russian colonialism sought to destroy. Thanks to America’s presence in Afghanistan, they could also reach out to Kabul as their sixth ancient partner. If the US fails to play a leading role in sponsoring Central Asia’s new regionalism, China, Russia and Iran will be all too glad to do so.*”

—Michael Doran and Frederick Starr, “To Avert Disaster in Afghanistan, Look to Central Asia,” *The Wall Street Journal*, July 11 2021



Dr. Nadia Schadow leads a discussion with Hudson Japan Chair Lieutenant General H.R. McMaster, Adjunct Fellow Robert Greenway, and Senior Fellow Ambassador Husain Haqqani, on what the US can do to prevent further calamity in Afghanistan and repair the strategic damage caused by the withdrawal.

of *Foreign Affairs*, Haqqani examined how the US withdrawal represents a Pyrrhic victory for Pakistan’s security establishment, which views the Taliban as an important partner in its competition for regional power but fails to appreciate the extent to which the movement’s perceived success poses risks of internal Pakistani extremism.

Current Trends in Islamist Ideology, Hudson’s journal edited by **Hillel Fradkin**, **Husain Haqqani**, **Eric Brown**, and **James Barnett**, shed light on Libya’s Islamists, the contest to shape the future of Islamic theology in Africa, Hezbollah in West Africa, and Boko Haram, among other topics.

“For decades, Pakistan has played a risky game by supporting or tolerating the Taliban and also trying to stay in Washington’s good graces. It worked for longer than many might have expected, but it was never going to prove sustainable in the long term.”

—Husain Haqqani,
“Pakistan’s Pyrrhic Victory in Afghanistan,” *Foreign Affairs*,
 July 22, 2021



Hong Kong protesters rally in support of Uyghur's human rights, December 22, 2019.

Fighting For Human Rights and Countering Kleptocracy

ELEVATING RELIGIOUS FREEDOM AS A FOREIGN POLICY PRIORITY

Hudson's **Center for Religious Freedom** and experts **Nina Shea**, **Paul Marshall**, **Lela Gilbert**, and **Samuel Tadros** have fought to establish religious freedom as a cornerstone of American foreign policy.

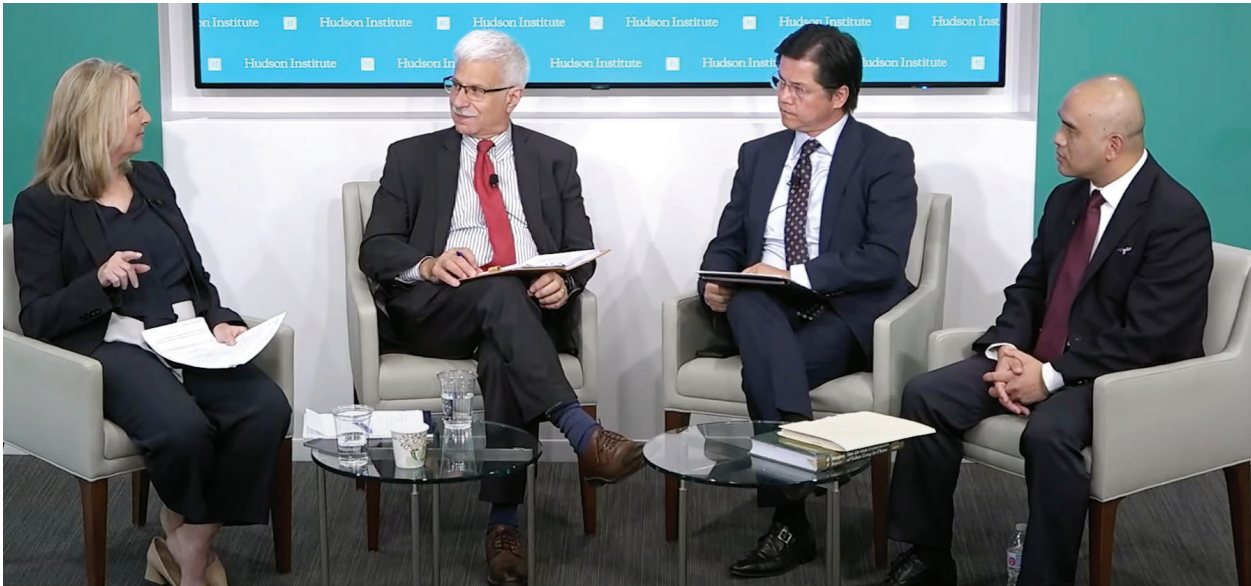
In the days and weeks following the catastrophic withdrawal of US military forces from Afghanistan, **Nina Shea** worked closely with international and local charities to help secure transportation, funding, and housing for dozens of at-risk Afghans, including members of that country's Urf, Hazara, and Christian minorities. Shea and Gilbert directed attention to Nigeria's imperiled Christian communities, which are being targeted by militias in a broader ethnic and religious conflict. They amplified eyewitness reports and continued their efforts to encourage US government engagement: pressure on the Nigerian government to act and US State Department designation of Nigeria as a "country of particular concern" under the International Religious Freedom Act.

China's genocide of its Uyghur ethnic minority has brought global attention to the CCP's broader persecution of religious minorities, including Muslims, Christians, Falun Gong practitioners, and Tibetan Buddhists. Shea and **Nury Turkel** brought key experts and

“When you’re talking about sanctions against a terror group like Hezbollah or Hamas, you tend not to telegraph what you intend to do up front because you don’t want the assets to flee. But when it comes to regimes like Putin’s Russia, the Ayatollah’s Iran, or Maduro’s kleptocratic regime in Venezuela, to have a clear deterrent effect on a course of action they’re considering, you need to carefully and clearly enunciate to the dictator, for his consumption, what exactly you’re prepared to do.”

—Marshall Billingslea
on Hudson's *Making a Killing*
podcast





Hudson's Nina Shea and Nury Turkel are joined by Robert A. Destro, former assistant secretary of state for democracy, human rights, and labor and former special representative for Tibetan issues; and Xiaoxu Sean Lin, director of communications for the Falun Dafa Association. The panel discussed recently enacted legislation by the CCP directing religious leaders to actively support the Party's practices, leadership, and core values, even in sermons and teachings.

policymakers to Hudson to discuss the effects of Xi Jinping's directive to Sinicize religion and examine how the US and other democracies could promote greater religious freedom and human rights inside China. To learn more about Hudson's efforts to defend human rights in China, see page 26.

Testifying before the Tom Lantos Human Rights Commission in the US House of Representatives, Samuel Tadros outlined key areas where American foreign policy can contribute to meaningful change and greater freedoms in the Middle East.

TRANSFORMING AMERICA'S FIGHT AGAINST ILLICIT FINANCE

Kleptocratic regimes are a key driver of global instability; they hollow out democratic institutions and the rule of law in vulnerable states, drive transnational crime, and export corruption and illicit financial flows around the world. Hudson Institute's **Kleptocracy Initiative** (KI) addressed the increasing threat that kleptocracies pose to America's national security, and during 2021, KI's efforts to educate have yielded a sea change in American policy.



“*Authoritarianism and corruption have melded into a single pervasive threat. Ruling elites in China, Iran, North Korea, Russia, Venezuela, and other authoritarian regimes are the most prolific abusers of the global financial system, fusing opportunities for illicit self-enrichment with malign geopolitical ambitions.*”

—Nate Sibley and Ben Judah, *Countering Global Kleptocracy: A New US Strategy for Fighting Authoritarian Corruption*

Research Fellow **Nate Sibley** forged a bipartisan coalition of support for measures designed to clamp down on the ability of authoritarian powers such as Russia and China to hide their ill-gotten gains in the United States. In 2021 he conducted more than one hundred briefings with Congressional offices, offered regular advice to key stakeholders, rallied support within the foreign policy community, and helped to form the bipartisan Caucus against Foreign Corruption and Kleptocracy. Hudson’s *Making a Killing* Podcast, launched in early 2021, spotlighted the various facets of the threat kleptocracy

poses worldwide and featured such experts as Hudson Senior Fellow **Marshall Billingslea**, anti-corruption campaigner Bill Browder, and Russian opposition leader Vladimir Milov.

Countering Global Kleptocracy: A New US Strategy for Fighting Authoritarian Corruption is one of the most comprehensive kleptocracy policy studies yet published. It examines the pervasive threat to democracy, prosperity, and security that globalized corruption poses. The report’s seventy recommendations establish combating corruption as a core national security interest and democratic responsibility.

Impact Study: The Kleptocracy Initiative



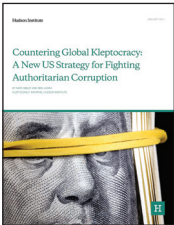
Ending Shell Company Abuse

Anonymous shell companies are a threat to national security, enabling criminals to launder money through the financial system. Hudson's Kleptocracy Initiative has worked to equip policymakers with the data and analysis they need to identify foreign criminals exploiting US shell companies while preserving US citizens' privacy.



Thought Leadership

- *Making a Killing* podcast launches, providing a weekly platform for key anticorruption figures in government, media, and law enforcement to discuss the need for beneficial ownership transparency.
- "Countering Chinese Communist Party Threats with Corporate Transparency" policy memo by Nate Sibley.



Report

Countering Global Kleptocracy: A New US Strategy for Fighting Authoritarian Corruption
(Nate Sibley and Ben Judah)



Policy Leadership

Briefings with National Security Council, State Department, and USAID leadership along with key congressional offices and committees on the critical need for US leadership in closing financial loopholes used by adversarial regimes to exploit the global financial system.

2021

Jan.

Feb.

Mar.

Apr.

May

June



Policy Leadership

More than 100 briefings with US Congressional offices, members, and committees on the national security implications of failing to tackle shell company abuse.



Impact

The Kleptocracy Initiative played a leading role in the passage of the **Corporate Transparency Act** and the **Anti-Money Laundering Act** in the **FY2021 NDAA**, elevating an issue previously seen as an overseas development concern into a national security priority.



Thought Leadership

- “Republicans Can Embrace Much of Biden’s Anticorruption Plan” by Nate Sibley in the *Wall Street Journal*.
- “Biden Might Stop a Sanctions Revolution” by Paul Massaro and Casey Michel in *Foreign Policy*



Impact

- Hudson’s Kleptocracy Initiative transformed foreign corruption into a mainstream national security issue and drove conversations that **influenced the Biden administration’s decision to issue its Memorandum on Establishing the Fight Against Corruption as a Core United States National Security Interest.**
- **The Biden administration’s US Strategy on Countering Corruption** features recommendations made by the **Kleptocracy Initiative** such as extending anti-money laundering safeguards beyond traditional banking, sanctioning corrupt authoritarians and repatriating stolen assets to impoverished populations.

July

Aug.

Sept

Oct.

Nov.

Dec.



The Work Continues

- Hudson’s Kleptocracy Initiative assisted with the formation of the new bipartisan Congressional Caucus against Foreign Corruption and Kleptocracy and hosted the caucus launch event and reception alongside five Congressmen.
- The initiative is advising the caucus and its members on future bipartisan measures to tackle malign financial influence and target the world’s most corrupt authoritarian regimes.

H Educating Future Leaders

Hudson’s commitment to strengthening America and its allies is furthered in our programs devoted to educating the leaders of tomorrow.

HUDSON INSTITUTE POLITICAL STUDIES

Hudson Institute Political Studies offers exceptional undergraduates a summer fellowship based in Washington, DC, that focuses on the serious study of politics. Participating students are encouraged to think independently through a curriculum of political thought, strategy, and policy.

In 2021, Hudson expanded its program to include some fifty-four students, selected from over 1,300 applicants from renowned colleges and universities across the country and around the world to participate in Hudson’s six-week program. Directed by **John Walters** and **Rachel Mackey**, the program includes rigorous seminars, workshops, and events with distinguished professors, policy practitioners, and national leaders.

Seminar studies examined political regimes, how political life is sustained, the American founding, the Civil War, policymaking today, and life beyond politics. Students studied seminal philosophical thinkers and texts, including Plato, Thucydides, Machiavelli, Locke, the Constitution of the United States, the Federalist Papers, the writings and speeches of Abraham Lincoln and Frederick Douglass, William Shakespeare, and selections from the Old and New Testaments.



Nicole Tjin A Djie speaks during a seminar at Hudson’s Political Studies program on June 18, 2021.

“The Hudson Political Studies Fellowship is not a program. It is one long and fascinating conversation, ranging from 9 am in the classroom to 3 am in the dorm common rooms, from Pennsylvania Avenue to Gettysburg, Pennsylvania, over the course of a fantastic six weeks. That conversation—equally humorous and enlightening—was the best I have ever had.”

—Joseph Brownsberger,
Yale University

Hudson experts **Eric Brown, Bryan Clark, Jack David, Melanie Kirkpatrick, Walter Russell Mead, Peter Rough,** and **Nate Sibley** led discussions focused on policy and history and engaged students in the policymaking process, using crisis simulations to push students to their intellectual limits. Some of our nation’s foremost leaders and thinkers—including Hudson’s own Secretary **Elaine Chao** and Secretary **Mike Pompeo**, as well as Senator Tom Cotton, Ambassador Kelly Craft, General John Hyten, Representative Elaine Luria, and Professor Harvey Mansfield—addressed students on current and enduring political questions in intimate, informal sessions.



President and CEO John P. Walters leads a staff ride to the Gettysburg battlefield on July 18, 2021.

Program alumni participated throughout the year in continuing educational opportunities hosted by Hudson Institute and featuring discussions of philosophy, history, literature, politics, and policy.

INTERNSHIPS

In 2021, Hudson Institute offered both in-person and remote internship opportunities for undergraduates and graduate students from the US and abroad. Hudson welcomed more than one hundred interns eager to learn about, support, and impact Hudson’s policy work and research.

Interns contributed to centers and initiatives at Hudson, including the **Center for Defense Concepts and Technology**, the **Center for the Future of Liberal Society**, the **Hamilton Commission on Securing America’s**

“As a fellow of the Hudson Institute Political Studies program, you confront, alongside friends, rigorous interlocutors, and often people who are both, the most enduring questions on human being and citizenship. This community is invaluable: perhaps the most crucial thing a fellow learns during their summer at Hudson is the choice they have in creating the community they wish to be inspired by and work with for the rest of their lives.”

—Nicole Yip,
Bowdoin College

FUTURE LEADERS



Andrew Pierce and Distinguished Fellow Mike Pompeo speak before a session with Hudson's Political Studies program on July 20, 2021.

“This program is one of the best things I’ve ever done. It puts you in a room with so many like-minded students, who care deeply about the issues facing the world and have a range of ideas about how to confront them. Not only does it teach you how to think, but it introduces you to so many people who have thought seriously about how to live. This is of immeasurable value to any young student.”

—Christian Edwards,
Oxford University

National Security Innovation Base, the **Japan Chair**, the **Asia-Pacific Security Chair**, and the **Walter P. Stern Chair**.

■ Technology and National Security interns interviewed industry leaders, wrote policy

“Interning at the Hudson Institute has been an incredible experience for me. Nowhere else can you get a chance to talk to some of the brightest minds in government and policy, all while doing meaningful work.”

—John Williams,
Georgetown University

summaries and opinions, and researched battery technologies related to national security and strategic competition with China.

■ Interns with the Center for Defense Concepts and Technology contributed to wargame scenarios and military simulations, collected data on maritime patrol aircraft, gathered research on Chinese command and control, and created workbooks detailing the evolution of performance figures for various aircrafts.

■ South and Central Asia interns drafted content for a weekly newsletter, contributed to book projects, and researched anti-conversion and anti-blasphemy laws in India, Pakistan, Sri Lanka, and Bangladesh.

■ Grand Strategy and History interns analyzed



Professor Robert C. Bartlett leads a seminar as part of Hudson’s Political Studies program on June 18, 2021.



Wedgide Elizabeth Bourdeau introduces Senior Fellow Bryan Clark before a policy workshop on July 1, 2021.

French and English sources relevant to the Seven Years’ War, reviewed alliances between states that seemingly were ideologically opposed, and researched German-Soviet military cooperation and alliances throughout the twentieth century.

■ Interns with the Center for the Future of Liberal Society created profiles for countries ranging from the United Arab Emirates to Nigeria, researched the George W. Bush administration’s policy toward Israel, and contributed to preliminary research on Greco-Roman strategy.

■ Japan Chair interns analyzed Japan’s elections, organized closed-door events, produced summary reports, and co-authored a report on Japan–South Korea–China trilateral relations.

Hudson’s internship program also provided undergraduate and graduate students with skill-building seminars, including writing workshops led by **Tod Lindberg**, book discussions with **Arthur Herman**, and policy overviews with numerous Hudson experts.

“My internship experience at Hudson helped me develop an abundance of professional skills in the fields of writing, research, and translation. These and many others will surely be an asset as I start my career.”

—Sophie May,
University at Buffalo

H Support for Hudson Institute

The United States' role as the guarantor of global security faced renewed challenges in 2021 as China, Iran, North Korea, and Russia increasingly sought to erode American leadership abroad. Here at home, the values that have underpinned American prosperity for more than two centuries have come under attack. Our supporters make it possible for Hudson experts to address the generational challenges we face by promoting freedom, prosperity, and security at home and abroad.

Hudson's in-person events made an exciting return in 2021, as did the popular New York Discussion Series that offers off-the-record conversations on critical policy issues facing our country. Given the success of Hudson's virtual donor programs launched in 2020, virtual outreach is a growing component of our programming that allows supporters to engage in meaningful conversations with Hudson experts regardless of location. Hudson experts briefed members of our **Chairman's Advisory Board** (CAB) on the origins of COVID-19; rising crime in major cities across the United States; the deteriorating security situation surrounding Taiwan; and other global security issues. Speakers included Hudson's own **Mike Pompeo, Walter Russell Mead, Bryan Clark, Nury Turkel, Mike Doran, and John Walters**, as well as guest speakers such as former Attorney General William P. Barr, former NYPD Commissioner and LAPD Chief William Bratton, and US Representative Mike Gallagher (R-WI). Additionally, **Husain Haqqani** and **H. R. McMaster** provided

timely analysis of the Biden administration's disastrous withdrawal from Afghanistan.

In 2021 we launched Hudson's **Leadership Initiative**, a series of private high-level dialogues and dinners, in partnership with **Tom Donohue**, Hudson trustee and former president and CEO of the US Chamber of Commerce. The initiative convenes private-sector leadership and Hudson experts to bring fresh perspectives on innovative private-sector solutions to the domestic and international challenges facing our nation and the American business community.

For sixty years, Hudson Institute has worked closely with leading industries and corporations to address the challenges posed by rapidly changing political, regulatory, and security dynamics. Hudson's **Corporate Advisory Council** provides a forum for businesses to support Hudson's mission and regularly engage with experts and policymakers. Members of the council receive expert guidance on key policy issues when



Members of Hudson's Leadership Initiative join former President and CEO of the US Chamber of Commerce Tom Donohue for a private dinner at Hudson's Washington headquarters.

it matters most, including time-sensitive and tailored briefings in response to breaking news, as well as invitations to special events and access to our large network of friends in Washington and in capitals around the world.

Individuals interested in advancing Hudson's mission are invited to donate and join the CAB. Our CAB members are Hudson's most dedicated and engaged friends and supporters. CAB members receive invitations to all regular Hudson donor events, including our New York Discussion Series, regional dinners, virtual programs, and study trips. These events allow members to interact regularly with Hudson experts and senior management, distinguished

speakers, and policymakers in Washington and around the world.

Hudson Institute is a nonprofit, nonpartisan 501(c)(3) policy research organization. Contributions to Hudson Institute are tax deductible and constitute an investment in policy research that promotes freedom, prosperity, and security. In addition to contributions from our expanding network of friends, Hudson also receives support from US government grants and contracts, as well as from democratic allies of the United States. Hudson Institute does not accept contributions from nondemocratic governments or their citizens.

Herman Kahn Award Gala

2021 HERMAN KAHN AWARD

The Herman Kahn Award is presented annually to individuals who have demonstrated extraordinary leadership in service of the principles at the core of Hudson Institute’s mission: advancing democracy, free markets and economic growth, innovation, national security, and a strong civil society.

On the flight deck of the historic USS *Midway* in the San Diego Bay, Hudson honored longtime Institute Trustee Linden S. Blue and his brother Neal Blue with the 2021 Herman Kahn Award in recognition of their contributions to Hudson’s mission, visionary leadership at General Atomics, and advances in the fields of energy, technology, and defense. Linden and Neal Blue embody Hudson founder Herman Kahn’s vision of applying American ingenuity to tackle our greatest challenges. They were introduced at the ceremony by Hudson Distinguished Fellow and former Secretary of State **Mike Pompeo**, the 2019 recipient of the Herman Kahn Award. “The Blue brothers’ lives and work are a testament to the American spirit of innovation, adventure, and steadfast love of country,” Pompeo noted.



Above, Hudson President and CEO John Walters is joined by Kahn Award recipients Linden Blue (L) and Neal Blue (R). Below, reminders of US military might stand in the sunset as the gala gets underway aboard the USS *Midway*.





Above left (from left), Trevor Mihalik, Lisa Alexander, Mike Pompeo, and Jeff Martin. Above right, Pete Wilson, Gayle Wilson, Elaine Chao, and Catherine Stevens. Below, the 2021 Herman Kahn Award Gala on the deck of the USS *Midway* in San Diego, California.



Hudson's 60th Anniversary

CELEBRATING 60 YEARS OF HUDSON INSTITUTE

In December, to mark the sixtieth anniversary of Hudson's founding, the Institute held a reception in New York City to celebrate more than half a century of policy research dedicated to keeping America and its allies secure, free, and prosperous. Founded in 1961 by Herman Kahn, Max Singer, and Oscar M. Ruebhausen, Hudson Institute was established to foster a better understanding of deterrence in the atomic age and to create the conditions for the free world to triumph over communism.

Guests marked the evening with a champagne toast recognizing Hudson Chair Emeritus **Walter P. Stern** for his unmatched dedication and immeasurable contributions over many years. "Herman Kahn had the vision that started Hudson. But Wally Stern, he was the one who kept Hudson together," noted former Vice President Dan Quayle in a video tribute.

The reception featured a video highlighting Hudson's sixty years of policy accomplishments and included tributes from former Hudson Presidents Mitch Daniels, Leslie Lenkowsky, and Tom Bell, as well as from former US Vice President Dan Quayle and former Japanese Prime Minister Shinzo Abe. Taiwanese President Tsai Ing-wen also thanked Hudson for its dedication to democracy and security in the Indo-Pacific.



Chairman of the Board Sarah May Stern offers remarks at Hudson's 60th Anniversary Celebration

Former Hudson Institute Vice Chair Marie-Josée Kravis, who became a senior fellow under the tutelage of Herman Kahn, spoke about the impact of her time at Hudson.

Hudson President and CEO **John Walters** moderated a discussion with Hudson Fellows **Ken Weinstein, Nadia Schadlow, Walter Russell Mead,** and **Mike Doran** about Hudson's global impact over the last six decades and about the critical role Hudson will continue to play in addressing the most important challenges facing the United States and its allies.



Clockwise from top left: Erica Arkin Hutcheon and Stan Arkin; Denise Santomero and Hudson Trustee Gil Scharf; Hudson Chairman Emeritus Walter P. Stern addresses the audience during the 60th anniversary celebration; Ken Weinstein, Walter Russell Mead, Michael Doran, and Nadia Schadlow.



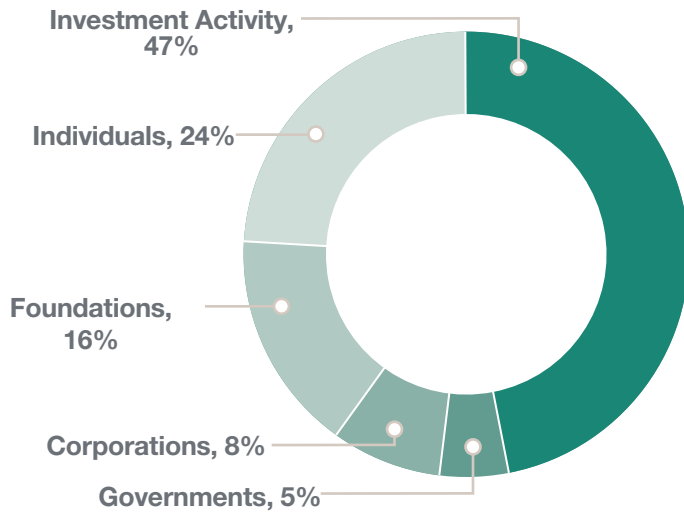
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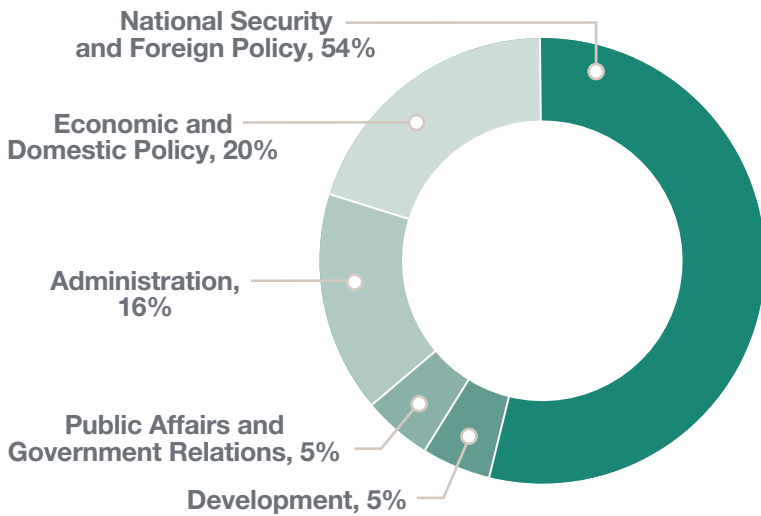
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2021 Financials

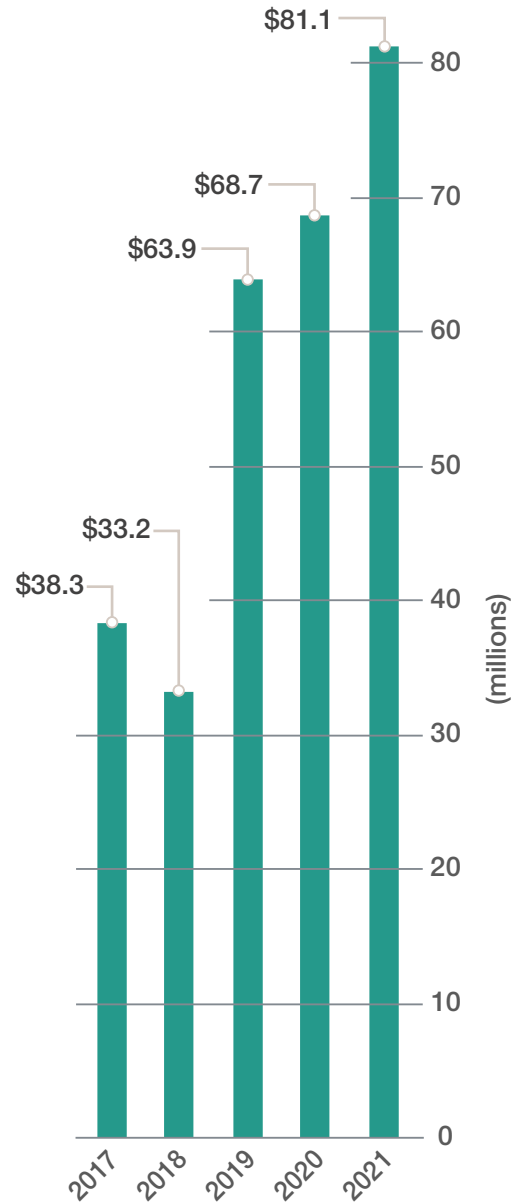
TOTAL REVENUES \$37.4 million



TOTAL EXPENSES \$19.4 million



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Donald Rumsfeld (1932–2021)

Hudson Institute mourns the death of Donald Rumsfeld, a dedicated public servant and an architect of modern national security. Rumsfeld was a longtime friend of the Institute. At Hudson’s 2003 James H. Doolittle Award Luncheon in his honor, he spoke about his close relationship with Herman Kahn during the Institute’s early years. Kahn was “a remarkable man with brilliant ideas on war, peace, trade, energy, transportation, and of course, the future,” Rumsfeld remarked; and like Kahn, Rumsfeld had confidence in the future of our country. Below is a tribute to Rumsfeld from Hudson Senior Vice President Lewis Libby.



Herman Kahn meets with President Gerald Ford and Chief of Staff Donald Rumsfeld in the White House on October 28, 1974.

RUMSFELD REMEMBERED

Before he was a White House chief of staff, congressman, corporate leader, and secretary of defense (twice), Donald Rumsfeld was a navy fighter pilot and wrestler. He was patriotic and competitive by nature, and he was drawn to ideas. Nowhere did these qualities come together more fervently than in his efforts to help guide America through her most pressing national security challenges.

In his famous book *Rumsfeld’s Rules*, Don wrote that “transformation begins with thinking.” Throughout his many public roles, Don took the time to question every assumption, challenge every assertion, analyze every option, and then review them all a second time. Those efforts made him not

only an effective policy advocate but one of our most exacting and inventive thinkers. No surprise, then, that he was drawn early on to Herman Kahn. Like Herman, Don remained inquisitive, open-minded, courageous, and principled—rare attributes in government, rarer yet in combination.

While many knew Don as a remarkable public figure, many of us at Hudson were privileged to know him, as well, as a good and witty friend. From afar he could be intimidating; to his friends he was warm, effortlessly amusing, and always supportive. *Rumsfeld’s Rules* advises that every discussion in challenging times should end by asking, “What are we missing?” At Hudson, we know: We are missing Don.

HUDSON INSTITUTE is a public policy research organization whose mission is to promote American leadership for a secure, free, and prosperous future.

Founded in 1961 by strategist Herman Kahn, Hudson Institute challenges conventional thinking and helps manage strategic transitions to the future through interdisciplinary studies in defense, international relations, economics, energy, technology, culture, and law.

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