

Center for Strategic and International Studies

TRANSCRIPT

Event

2026 Global Security Forum, America at 250: A Defining  
Moment for American Statecraft and Military Power  
**What Must America Defend? The Future of American  
Statecraft**

DATE

**Tuesday, June 30, 2026 at 3:30 p.m. ET**

FEATURING

**Paul Ryan**

*Former Speaker of the U.S. House of Representatives*

**Vincent J. Viola**

*Founder and Chairman Emeritus, Virtu Financial; Owner, Florida Panthers Hockey Club*

**Jennifer Griffin**

*Chief National Security Correspondent, Fox News Channel*

CSIS EXPERTS

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Heather W. Williams:

Great. Welcome back, everybody. If everyone could please take your seats for our final panel of the day for this year's Global Security Forum. Before I turn over to the panel just a housekeeping reminder for everyone here. This has been a day full of discussion, and the discussion will continue after this panel. We will be having a networking reception just in the atrium out there as soon as the proceedings end. So please do join us for that.

With that, I am pleased to introduce our final panel of the day to discuss "The Future of American Statecraft." In a more contested world, sustaining American leadership requires more than military power alone. And that came up in the previous panel, but really throughout the day as well. It demands reflection on the sources of enduring national strength and what ultimately America must defend to secure its economic, technological, and global leadership. To lead us through this discussion, I am very pleased to turn it over to our moderator for this final panel, Jennifer Griffin from Fox News.

Jennifer Griffin:

Well, thank you very much. And thanks for being here. Thank you to General Dunford, who I covered for many years at the Pentagon, and Kari Bingen, for inviting me to be here today for this final panel.

I think it's very appropriate that we talk about America at 250 and this moment in terms of American statecraft and military power. I'm very happy to be joined by Vinnie Viola, who is up visiting from Florida. He is a graduate of West Point from 1977. He rose up and became the head of the New York Mercantile Stock Exchange. Then went and bought the Florida Panthers, and took it from really not much of a team to winning two Stanley Cups. So it's a pretty great –

Vincent J. Viola:

You're very kind. That's very kind.

Ms. Griffin:

So it's a pretty great arc to his –

Paul Ryan:

His horse just won the Kentucky Derby this year. (Laughter.)

Ms. Griffin:

And how could I forget? I mean, this –

Mr. Viola:

It's better to be lucky than good. (Laughter.)

Ms. Griffin:

Well, you seem to be pretty good, so. And then, of course, former House Speaker Paul Ryan, who's a good friend. And really looking forward to this discussion because the panel that we're going to be – what we're going to be talking about is, What Must America Defend? The Future of American Statecraft and power. I'd like to start with getting your reflections on the future of American leadership. How would you assess America's standing

globally right now? I'll start with you, Paul. Where are we? What have been the highs, lows, and what's your assessment?

Mr. Ryan: I'd say the highs are our economy is the strongest in the world, the biggest in the world. Our hard power in Venezuela was, if I recall, in 19 – when was Noriega – 89? It took two weeks and 27,000 ground troops. Panama, Venezuela, it took, like, two hours and 41 minutes, something like that? So I think we've demonstrated our hard power is pretty darn lethal and effective, even with all the Iranian – you know, I assume we'll get into that – incredible hard power.

Our soft power, I think, has atrophied. I'm not a big fan of all the protectionist gambits. I think the better bet would have been a group with our allies to jointly take on China together, to ring-fence China, promote trade with allies. So I think we could have done a better job. I'm glad NATO is stepping up for 5 percent, if they actually hit those bogeys. But I think we have done more to estrange allies than to bring them toward us. And with our allies, we're a whole lot stronger. So soft power, I would give us a few notches down on the belt. Hard power, in our economy, it's pretty impressive.

Ms. Griffin: Hmm. Vinnie, your assessment?

Mr. Viola: I would say that – obviously, hard power. We are the premier fighting force. Our flexibility around our mission set has never been, I think, more profound. Our mission command is unparalleled in the world. I think it might be a measurable advantage vis-à-vis the Chinese. I'm a little bit more forgiving, soft power. I think the question that has to be approached is you have a highly volatile and transforming political environment in our – in the middle of our largest set of allies. And I think the act to get them to realize the urgency and requirements of their national security was generational and profound leadership.

Sometimes it hurts. And you can get sensibilities. But you redefine – the resiliency of alliances is a very, very important consideration for us moving forward. So I think we survived it. It's more resilient. They're committed. And I think the fun will start now. I don't know if that's the right word. But the advances and the gains of this little bit of transition will be realized.

Ms. Griffin: So on America's 250th, you see us well positioned to go into this next era with alliances as well as the economy?

Mr. Viola: I think there are some tests. We have to honor the contracts we've established with Taiwan. We have to deliver about \$15 billion of weapon systems. We must do that. We must explain – represent to the global order that we're very committed to maintain the conditions under which the global

economy is operated. We are the most important component of that. We should remain so.

MS. Griffin: Paul, if you look back at World War II, the assumption has always been that we have two oceans, that we're protected, we're very different from other countries, from Europe, as a result. We're not next door to Russia. Can the U.S. still feel secure that two oceans will protect us? What has changed?

Mr. Ryan: Not as much as we could back in those days, given technology. I'm a big fan of fortress North America, the idea that North America, with our resources, the labor supply that we have in the South, the resources in the North, the capital we have, I think it's – I think it's the best bet in this deglobalizing world that we're in. So I do think it's the strongest neighborhood in the world. But because of technology you can't take those things for granted.

I think democracy is being stress tested in two profound ways, from within with the polarization that is sort of making it difficult for us to reach consensus on critical things, and from without with the tyrants trying to use our freedoms against us to try and polarize us, to try and undermine us. So those are stress tests. I think we will pass. I really believe, at this 250 anniversary, you know, this system we have – freedom, capitalism, private property rights, liquid capital markets, rule of law, all those things, and the innovation that comes with it, is going to beat the tyrants, it's going to beat the tyrannies, it's going to beat the state-owned enterprises.

So I'm confident we're going to get there, but we're going to do it in our own way and our own timeline. So at the 250, I think it's time to take stock. Which is, let's recognize the stress tests that democracy is being tested by, and pass those tests. And I think we can, but we have to be a little more – I think the populism we have right now doesn't lend itself to that kind of leadership. But I think we'll pass through this particular moment and get there.

Ms. Griffin: But do you think that America is going to be leaning more towards democracy or to a more autocratic model?

Mr. Ryan: No, I'm not – I'm not too worried about all of that.

Ms. Griffin: OK.

Mr. Ryan: I think that's a passing thing. I think that's unique to Trump derangement syndrome or Trump himself. (Laughs.) But I think that that's – I don't think we're going to go toward autocracy. I really believe our institutions, as much as they're being tested from within and from without, I think they're strong and I think they're going to stand the test of time, particularly Article III. Those guys, the courts, are doing their jobs. It's working.

Ms. Griffin: We saw the courts do their jobs today.

Vinnie, do you think that we can still feel safe at home right now, given the advances in drone technology, hypersonic missiles, the things that two oceans protected us from? Do we need to be rethinking how we think of danger to the homeland?

Mr. Viola: That's a great question. I mean, I think about the domestic exposure as lethality proliferates, particularly. I think about the expansion of tools to create disruption to our society, starting with a, let's say, less-than-robust grid network across the country, less-than-coordinated command and control around homeland security in the face of UAS threats, drone threats. And we have a very, very complex society around coordinating and communicating in the defense of that threat. Just think about how difficult it is to get the FAA to clear space and identify space around when conditions change.

I know that we have an initiative going on, at least within the Department of the Army, but it's a joint task force to deal directly with this. I think we're actually in the middle of the first exercise that's real. That's the World Cup. I think that's a very good question. And I think it's a real threat that has to be dealt with in a comprehensive, across government.

Ms. Griffin: I want to follow up on the drone issue, because you've written recently about Operation Spiderweb in Ukraine. That was – you can tell us what it was – but why did you see that as such a turning point not only in the Ukraine war, but also in modern warfare?

Mr. Viola: Well, I think it's probably absolutely a –

Ms. Griffin: Remind us what it was.

Mr. Viola: Yeah, so Spiderweb was basically the conflagration between the contested Kashmir geography between India and Pakistan. And India, for the first time, took decisive kinetic action and attacked into targets within Pakistan. And the Pakistanis basically could not react effectively, and India won the day. And they did it because they made a commitment, because this had been a sort of escalating ladder of conflict, that they were going to apply free market principles to their defense industry. And they were very successful at doing that. It's a model for how defense establishments can react and, quite frankly, reform in the face of a desired strategic outcome. They were very successful.

Why do I think it's transformed war? I should say, really harkened us to think about transforming how we do things? Is because they disintermediated the cost structure in a very powerful way, and they created an indigenous, right, domestic production capacity. And one of the ideas that struck me was

maybe it's time – I'd like to hear what Paul thinks of this – that we engage an ally like – I understand they're questionable – a potential ally like India, and not why not pursue a very, very compelling, cost-efficient platform that brings as much lethality as possible, drone, and get into a joint production capacity build with a country like India? This is probably reductionist, but I don't see us doing extremely well vis-à-vis the threat, the behemoth, without having India as a critical ally in that conflict.

Ms. Griffin: Well, it's a good point. And, Paul, what is your assessment of the current state of the U.S. defense industrial base? What can we learn from India in terms of the way they went from – I'll quote Vinnie here – "India's success and Ukraine's innovation should be a wake-up call. They are building the warfighting models of the future. The U.S. is still operating with Cold War machinery and Gulf War assumptions."

Mr. Ryan: Yeah. It's really impressive what they've done in India. I spent a couple days in Bangalore recently. They leapfrogged all this technology. Because of the way their society works – they digitized their entire economy. So they've been able to leapfrog it and really flatten costs. Long story short, I think what Steve Feinberg's trying to do over at the Pentagon is fantastic. It's heroic. I look at Mac Thornberry over there, he started this ball rolling, you know, with NDAs. So I would say we're probably in that sort of version 2.0 of Pentagon procurement reform. You know, we're getting off the cost plus contract, big prime, we're bringing disruptors in. Version 3.0 is where I hope we go.

So a version 2.0 is we bring Silicon Valley economics to the defense industrial base so that private capital is being put at risk to find the R&D and bring the cost-effective weapons systems at speed for what we need. I mean, I was just at a World Cup game the other day. And Fordham has those – I forgot the name of their drone, their counter-UAS drones – you know, basically policing us in the stadium from drones. So there's amazing – Castalion. I just saw something on TV driving over here. So it's amazing what some of our – these companies are doing. If version 2.0 is Silicon Valley economics disrupts, you know, the system, get off this cost plus contract, which is slow, expensive, out of date by the time it arrives. Version 3.0 is to – we were talking about interoperability versus compatibility – have compatible systems so that these things on a per cost basis, the MRO costs, the servicing costs, those are flattened.

So can we get exquisite, quick-to-deploy weapon systems, at low cost structures like these other countries are doing? And these other countries have shown us how to do it. So I think the answer is yes. It's just reforming this system from Congress to the Pentagon is a generational effort. I think Feinberg and team are doing everything they can to make it happen. I believe that there are people in Congress now who really want to make this happen.

In my early days in Congress, everybody, Mac's an exception to this, who goes on that committee usually wants to go and protect the incumbent business in your district, or the base. Or if you're in the Pentagon, you know, you're working with the big primes, and it's cost plus.

Those days are over. New days are here. So the question is, can we get more money out to the warfighter at a faster delivery period than ever before? And we learned from the Indians, but the Ukrainians most of all –

Ms. Griffin: That's what I was going to ask.

Mr. Ryan: – that this is the way to do it. This is – I mean, look what Eric Schmidt did with Ukrainians on \$2,000-per cost drones. They can take out, like, a SAM, an S-400, for like 40 grand. It's really impressive stuff. So that's happening. And I will bet that the use of our free enterprise system, and all the innovation and the cost flattening that comes with that, is better than the SOE central planned Chinese economy, at the end of the day.

Ms. Griffin: But do we have the workforce that can do this, if we actually build all these new factories and start to churn out –

Mr. Ryan: Well, that's one of our theses of my private equity firm. We're investing in that workforce. We've just bought the biggest welding school in America so we can train more welders across America. There's got to be a better investment. And the private sector can do a lot to carry this burden to get people into these vocations, to get people in this education, have a smart immigration system that makes sure that we can meet this demand. We have the intellectual workforce. We have the intellectual power. Look at all the things that are being designed.

And, yes, we have allies too. We should use them to amplify and exponentially grow our firepower. That's the point I was making about the soft power. It would be better to have our allies working with us to integrate a system that works for freedom, than to polarize them. I'm hoping Jamieson comes home with an Indian free trade agreement. I think he's over there right now, if I'm not mistaken. So I think that there's a good – there's light at the end of the tunnel here, but we're going through a tunnel right now.

Ms. Griffin: And, Vinnie, you and I were talking about Ukraine. And one of the things that – watching over the past four years – the U.S. has been very slow, whether it was the military, the Pentagon, or even private industry, to just go over and study what they were doing. Because they are innovating and on the battlefield, and in real time updating. And using – they started off using these off-the-shelf Chinese drones, frankly. They MacGyver-ed –

Mr. Ryan: Then they went to Mexican drones. And now they're making their own drones.

Ms. Griffin: Yeah, they MacGyver-ed them. But now it's really sophisticated. And that's what I was referring to in the operation where all the Ukrainian drones swarmed. And they're now able to reach Moscow. You know, but this is something it seems like we should be doing a better job in being humble enough to say, OK, you're doing a good job, we're going to come and study it. What are your thoughts?

Mr. Viola: I suspect we are. I think there's just a sort of mismatch of urgency. You know, Epic fury, I think, came about – I don't think it was quite as predictable that we be where we are at this point in time. I would suspect we are. I don't have any primary information that tells me we are. I do know one thing. The first six months of that conflict, we had a fundamental impact around command control, intelligence integration, target identification, and even, I would say, introducing the notion of battlefield damage assessment to the Ukrainians. And I think those are critical inputs to the conduct of that war. I am a little bit more optimistic about that.

Ms. Griffin: Well, I do think – I do agree with you that the inputs in those initial months saved Ukraine and gave the breathing room that then they could catch their breath and start to innovate. And that's –

Mr. Viola: I think so. I mean, this has been a true demonstration of the self-awareness around liberty and personal freedom. This is a vicious demonstration of when someone wants to fight because he or she perceives his lot, the embodiment of his purpose, at risk. Now, we all know that there's been a great migration. And the eastern portion of the Ukraine might be rump-like right now. But I think this has been interesting. I think we're probably in the sixth inning of a nine-inning game there. So we got a long ways to go, yeah.

Ms. Griffin: So the topic of our panel, what must America defend, let's go around the horn to some different issues. Let's talk about NATO. Should the U.S. defend it?

Mr. Ryan: Yes.

Mr. Viola: Absolutely. Absolutely.

Ms. Griffin: OK. So unanimity there. (Laughter.) Should the – should the U.S. expand NATO, and include Ukraine?

Mr. Ryan: It's worth debate. It's worth it's worth considering. It's not an easy yes-no answer.

- Mr. Viola: I would say that we, for sure, have to signal that they're going to be an integrated member of the economic and political structure of the EU. That's the first stop. That's my position. The military alliance – quite frankly, they would do us a favor if they joined it. Quite frankly. They could really lead in modalities of lethality, kinetic warfare, so.
- Ms. Griffin: Well, certainly the newest members, if you look at Finland and Sweden, they are the most advanced militarily. If you look at the Baltic states, they are the ones who have more capacity. Poland is spending 5 percent much faster than Germany and others. So it is interesting that those newer –
- Mr. Viola: Every nation-state you listed has very real and vivid memories of the Warsaw Pact. So they really understand what's at stake. And it would be good – we probably don't do as good a job as we can domestically to message the value of freedom and personal liberty. But sometimes we don't think that way. America, to me, is – its essence is its humility.
- Ms. Griffin: Hmm. Strait of Hormuz. Should we defend it, or are we going to abdicate?
- Mr. Ryan: I mean, that would be colossally damaging and embarrassing if we abdicated it. I look at this whole thing as probably an intermission, at best. I mean, you can always Monday morning quarterback these things or armchair general this stuff. CENTCOM's had these plans on the shelf for years. I went down there to Tampa a number of years ago myself, and got walked through one of these plans. So the idea that – it was not surprising that the strait was closed this way. The military knows this. We could have opened it. We could have taken Kharg Island. And there are a lot of things we could have done at the front of this.
- I do think it was prudent to make – this decision – I could see a normal president making this decision. You know, I could see a Clinton – I served with Clinton, Bush, Obama, and Trump. I wouldn't say Obama, because of the red line in Syria, but I think a Bush or a Clinton would have said, they're going for – they're funding the proxies, they're going for the nukes, they're expanding their missile program, and they're as weak as they'll all ever be right now. This is the time to strike that. That's a prudent decision.
- I think it could have been done differently by – a typical president, would say, I got to bring the country along. I got to make the case. And I got to go get allies. And if you go into this thing with a prepared country because of the threat that Iran places to the region and the world, and you go in with all your allies, then I think – I don't think we would be in this position we are in right now. But we are. It's good. If I were in office, I would really want to study the economics of it all. You know, up here in the building we've gotten briefings from the oil majors on just what was going to happen once the supply stocks go down, what the world economy. So I would have wanted to

know specifically what's going on in the economy if the straits stay closed for X amount of days more.

Having said that, I don't think we can accept Iran controlling the straits. And I don't think it will be acceptable. So I see this as an intermission. I just hope during this intermission that there's relief in the markets, that we can refill oil stocks, and that the mullahs – the IRGC doesn't get much more money to restock for the fight that's going to come. Because I can't imagine, in my mind – I hope it works. And I hope these guys, you know, change course. I see no reason to believe that. It's been, what, 47 years? So my guess is this is an intermission. We're going to restock our economy. We're going to restock our oil supplies, hopefully. And then, hopefully, they don't get as much money as we fear that they might to restock their munitions. Because I think this president or the next president is going to have this fight back on their hands, in my opinion.

Ms. Griffin: And, Vinnie, if, at the end of this, Oman and Iran control the strait with tolling, they'll let ships pass, is that a failure? Is that something we need to fight against?

Mr. Viola: Well, first of all, it depends on the toll. I mean, it might, in fact, be an acceptable toll fee. But the way I think, if I may, Jennifer, I want to sort of leverage Paul's answer. The way I think of where we are right now, I see two maybe three scenarios forward. The first is that we maintain what is going on right now, a bit of a tit for tat. And the implication there is that the flow of oil from the Gulf – from the Gulf is going – the straits are going to – is going to slow down. It had picked up a bit, I think. We got up a few days to about 10 million barrels a day, which is almost 80 percent, I think, of where it was.

The second scenario is where we – one of our tats really gets their attention, and we're going to sort of regress a bit into an economic – a short-term economic outcome, because they will disrupt the region. They'll make – they have done very well at making this conflict about the horizontal impact, the political economic impact. It's not lost on anybody that very – you know, the flow of fertilizer, the cost of insurance. These are real global economic outcomes in the short term.

But I think the third might be what I – my instinct, my trader's instinct maybe. Now that we've executed on the very beginning of the repatriation of the funds, the release of the sanctioned funds, I think the – I think there's a compelling interest on the behalf of the leadership in Iran to not stop that spigot. And if I were to guess, putting my oil trader's hat on, I would think that – I would be surprised – I'm used to doing financial network interviews when I do them. So I can't help myself. I'm sorry. I would see the flow of oil being back to the levels when the war began. I wouldn't be surprised if the price of oil is lower than where it is now.

Ms. Griffin: In terms –

Mr. Ryan: I think that's – it's like 70 bucks now. So I think it's –

Mr. Viola: Yeah.

Mr. Ryan: It seems to me that we basically – the trade was, we get our economy, they get their time. And then if we get – but in time, that's – we're going to be back at this.

Ms. Griffin: It's not going to resolve – it's not resolved.

Mr. Ryan: It's not going to resolve. We did get our economy. And they're going to get their time. And they're getting some money with that time.

Mr. Viola: I think we've – I think we've learned a lot about the Iranian political culture and the regime's command and control, quite frankly. And their leader culture. It's very difficult to fight against an enemy that has very little regard for the life of the citizen. And so we're in a – we are absolutely in a competition and a fight. But we don't really know – I don't know if we have a clear picture what's going on inside of that regime.

Ms. Griffin: So the only thing I would push back on is, shouldn't we have known about the Iranian regime's command and control before we launched the strikes? We've known this regime through Iraq. We had Scott Miller here before. But let me ask you about the Gulf states. And in terms of, should we defend, are we going to go back to having military bases in the Gulf? Or are we going to pull those out, because we can no longer defend them, because now that we see what Iran is capable of with their drone – their advanced drones. Is it worth defending those bases and defending those Gulf states? Or do we hand that over to the GCC?

Mr. Viola: I don't think the GCC is capable of creating a deterrence that is effective.

Mr. Ryan: They can't – I don't think they can do it without us. There could be better cooperation with the GCC – among the GCC on all the –

Mr. Viola: The short answer is we have to maintain our presence there.

Mr. Ryan: Yeah. If we were to pull out, that would be a disaster.

Mr. Viola: And our capacity there. And now that we are, I think, better and much more familiar with the operating environment, we have to be creative about how we bring to bear overwhelming force, when and if needed. I think none of us

can appreciate right now how disruptive to the Iranian regime this campaign has been. I don't think we can. I think that's a magnificent focus of deep research and intelligence gathering. But I think we got their attention.

Ms. Griffin: It might have shaken the foundations more than we've seen right now.

Mr. Viola: I wouldn't be surprised if it did. It's non-scientific, you know, non-evidence-based intuition.

Ms. Griffin: (Laughs.) Let's look at the political situation in terms of the Middle East. Both Republicans and Democrats increasingly are polled and are not necessarily sure that the U.S. should be defending Israel. There's a lot of anger. There's a lot of blame going on. Should the U.S. – at its 250th birthday – should we defend Israel?

Mr. Ryan: Yes.

Mr. Viola: Absolutely. (Laughter.)

Mr. Ryan: You got to go make the case to the country.

Mr. Viola: Absolutely.

Mr. Ryan: I mean, you can't – these cases don't make themselves. You have to get out and make the case.

Mr. Viola: The notion that a sovereign state that has a magnificently globally integrated economy and is thriving should not be supported, and the history of our alliance, speaks for itself.

Mr. Ryan: Yeah. Allowing Hezbollah or Lebanon to be linked in this deal, to me, was head spinning to me. But –

Mr. Viola: If I may, in my calculus around where we – how phase one plays out, I just don't think the Iranians see the risk-reward balance in favor of supporting a depleted proxy, and give up what are going to be flows of capital support, you know, billions of dollars.

Ms. Griffin: Let's turn our attention domestically in terms of what should we defend. Paul, you have warned that Congress is losing power. You've written a lot about the White House – how the White House has usurped a lot of power that is supposed to rest with Congress. You're a strong defender of Article I of the Constitution. As speaker, you sued the White House, both under Obama as well as under Trump, to try and stop the loss of this legislative power. Is Congress worth fighting for right now?

Mr. Ryan: Yeah, absolutely. (Laughter.) It is.

Ms. Griffin: All right, that was a layup.

Mr. Ryan: These guys they don't have any majority to work with. Yeah.

Ms. Griffin: All right. That was rhetorical. But how should – or, how concerned are you that Congress is not fighting back? That it is allowing this power to be handed over to the White House?

Mr. Ryan: Yeah, especially – I am concerned about it, particularly the power of the purse. The 1974 Budget Act worked for about 30 years, but it hasn't worked for the last 20 to 30 years. So you need to rewrite the budget process to put Article I squarely back in charge. And that's been abused by every president, but this one in particular has abused quite a bit. But they all do. They all in all one way ratchet away from Congress toward the executive branch. And every now and then Congress resets it, like they did in '74. So I think that we're due for a reset.

I do think the problem is Mike has a two-seat majority. John has three. These guys – I mean, the Senate a little bit better of a working majority, but Mike has no working majority. There are a couple of nihilists in Congress, in case you haven't noticed. I mean, there are – (laughter) – and so at any given day Mike Johnson wakes up and he doesn't have the votes for anything, if one person wants to make mischief. And there's probably 30 of them that want to make mischief every morning. So it's not – it's not – I don't blame Mike Johnson, because he doesn't have a majority to work with. It is more of an institutional tug of war between the executive and legislative branch.

And there are more things that the legislative branch could do. But Article III is stepping up. IEEPA, totally unconstitutional. I think that was – and that ruling by the court was correct. So it would have been nice for Congress to step in and do something about that, but they didn't have the votes for that, or at least they weren't going to do it. So I think we'll get it back, but we've ceded too much power from Article I to Article II.

Ms. Griffin: Vinnie, your thoughts on concentrating too much power in the presidency right now?

Mr. Viola: Well, I think it's a trend that's been obvious or indicated for. I think I want to sort of engage the question centered on Congress. I think we made decisions around our budget and deficit prompted by the events of 9/11, and our reaction to the credit crisis. And we took a path, knowing or unknowing, that implied hyper-monetization or monetization, quantitative easing. And we allowed what I think is a hidden and systemic inflation to creep into our economy. Who's responsible for that? The president has to sign those

budgets and Congress has to pass them. We, as Americans, by and large, have benefited.

The left would say that the people in the 1 percent have disproportionately benefited. That's a political question. We'll get through that. The idea that we are now balance sheet inefficient threatens the most important – one of the most important features of our nation's strength, the dollar. The dollar is the absolute key to maintaining and prospering – maintaining our condition and prospering. And we need to understand the incentives we could impose on the global participants that maintain the dollar is the coin of the realm.

We know the Chinese in three sort of disciplines are severely attacking that condition, whether it be soft bartering that converts then to the renminbi, whether it be oil trading, whether it be their foreign direct investments. So we are – that, and the militarization of space, are, I believe, the two most significant threats to our hegemony.

Mr. Ryan:

I agree with that. I think the greatest form of our soft power by far is our economy and our dollar. And the biggest crisis I see that's homemade in front of us is our debt crisis. And that's the entitlement programs. Every time we had these two crises that gave us a step function increase in our debt with a big deficit, but what happened – it's kind of like the way the defense budget's built too. It's we have an entitlement problem where the entitlement programs, the social contract, health and retirement security for Americans, the safety net for the poor – very important programs that both parties support. We want this social contract. What's challenging is it was written in the 20th century in a way that's proven totally unsustainable in the 21st century. It's demographically driven. We're going from 40 million retirees to 77 million.

And then when we have these crises, like the credit crisis, it just gets us that much closer to the reckoning day. Combine that with the fact that – what the Chinese are doing with digital RMB, pumping through their digital currency into the Belt and Road world. We've got the best brand there is – freedom, liberty, the dollar – but we're not acting like a reserve currency. So if we don't get our fiscal house in order, get our debt under control – which we can if we want to. Our politics aren't serious enough to do it right now. We can go out there with our stablecoins, with our payment rails, and show the world what freedom money looks like.

We can reinvigorate at this 250th anniversary our values and our soft power if we fix these problems, which are entirely within our own control as a country. Most other countries need some other country to do something. We don't need that. That's what's good about our problem. What's bad about our problem is no one's close to fixing it.

Ms. Griffin: Well, and I don't think either party is even talking about the debt anymore. I mean, one of the outgrowths of populism in both parties is that giving away free things is much easier than balancing sheets.

Mr. Ryan: It is. It is.

Mr. Viola: Absolutely. Absolutely.

Mr. Ryan: That's right. We passed four budgets when I was in the majority, when I was budget chair, that balanced the budget and paid off the debt. We did all the Medicare reforms, the Medicaid reforms. Nobody lost their seat over those things. Mac Thornberry voted for every one of those budgets, because I remember those who didn't. (Laughter.) But populism took over. And here we are.

Ms. Griffin: I guess that brings me to the two-party system. If both parties are moving towards populism, how do we get the country back to the center? And is the two-party system worth fighting for?

Mr. Viola: That's his question. (Laughter.)

Mr. Ryan: Well, yes. I'd say –

Mr. Viola: That's way above my pay grade.

Mr. Ryan: I spend a lot of time around the world with other democracies. I was just, you know, in Europe. I was in Canada the week before. In those parliamentary systems, those guys swing all over the place. They are pendulums swinging here, swinging there, and their countries zig and they zag. Our country's been straight and true. We are who we are because of our Constitution. We've been tethered to it. And it's because it takes a lot of consensus to do big things in America. This is why, per your last question, Article I really matters. Don't get rid of the filibuster. Don't do those things that may be short term for some momentary reason that turn us more into a parliamentary system.

So the point I'm trying to make is, two-party system, yes, but, really, it's more our constitutional construct. That is brilliant. Three branches of government in tension with one another. Not always working the way they should, but generally do work with a two – with bicameral legislature, one requiring a super majority for most things. That system has kept us who we are and tethered to our Constitution. And, at the end of the day when we get big consensus on things, we solve our problems. So right now, we have this populism that is grievance-based populism, cult of personality populism. It's not problem-solving populism.

But what happens with populism not tethered to principles but tethered to personalities or grievances, is it doesn't deliver the goods. It doesn't actually solve problems. So sooner or later the country is going to get sick of that and want something better, like their problems being solved. So I see this as a moment. It's temporary. And my hope and prayer is that what comes after it is going from grievance populism to growth populism, going to populism of saying let's solve problems, let's stop hating each other, because we all want this social contract. We want the dollar to prevail. We don't want to debase everyone's savings. We want these things. And we actually know what we need to do to get there. We just got to get better politics. And the populism that gets us better politics is not now, but hopefully it's later.

Ms. Griffin: Before we go to questions, I'll just ask a really simple question, of what should we do about China? And is Taiwan worth defending? (Laughter.)

Mr. Viola: That's a simple question?

Ms. Griffin: I'll let – no, I'm joking. Vinnie, you start.

Mr. Viola: I think we've – post-1979 accord, which mentions Taiwan and is specifically designed around Taiwan's future – we've been blessed with a free pass. And so we've been allowed to be strategically ambiguous. And I think that bill is going to come due pretty soon.

First thing we do, I think we absolutely have to deliver the weapons that they paid for. I think that's a priority. And I think that the strategic communications vis-à-vis China have to be very simple and very firm around how we view that region and our strategic interests. We know now that the battlespace is being redefined by the standoff distance. So our notion is around surface – a collection – combined arms approach, centered on our carrier groups, submarines. It's not lost on anybody that the Chinese have been very provocative in their behavior there. The number of patrols, not even exercises. And I weigh that against their military's potential to actually perform. So that's the way I weigh this.

Mr. Ryan: I mean, it's among the reasons why we need to keep our word with our allies in the Gulf, to show that we see things through. I think we need to be unambiguous about our strategic ambiguity. (Laughter.) You know, that's important. I think Xi's boiling frog theory is probably working. KMT is getting power. That's the party in Taiwan that is cozying up to China, inexplicably. If you looked at KMT 20 years ago, it's just not how these guys were. But so he's seeing progress on this – on the infiltration front. That's disconcerting, but it is what it is. But it leads him to probably believe I can probably do this the easy way.

All the more reason why we should do exactly what Vinnie said, which is get the FMS going, be clear about our allies, help them train and arm themselves, and be very clear, and get our INDOPACOM what they need, and keep reforming our – the drone potential over there. If you just look at all this – this hardware from Maduro and all these guys, we're just a few years away from getting INDOPACOM really armed the way they need to be to rebuild deterrence from what it was. If we screw up the Gulf, that that's ugly in this calculation, I think.

So my long story short, decouple from the sensitive things that are technologically sensitive, derisk, whatever world we want to use. Trade on the things that don't affect national security, just so we don't – let's not needlessly make ourselves all poor on things like commodities and things like this. So but be strategic about our decoupling. But be very clear about our deterrence.

Ms. Griffin: How do you then explain the opening up of trade with the more sophisticated chips?

Mr. Ryan: I don't. I don't explain it, because I don't agree with it. (Laughter.)

Ms. Griffin: Is that anything? Can you help us, Vinnie?

Mr. Ryan: So I don't try to explain that one.

Mr. Viola: Well, if you listen to Jensen, he believes that compute, processing power is like water. It's going to find its way. I read an article just the other day where the disruption to Anthropic's natural integration across the economy, stopping it allowed, in the cyber domain, for DeepSeek to sort of demonstrate a closure there. So we're in a severe competition that's being powered by completely unfettered nonmarket-based efforts. And it's a very, very difficult question. I don't know what I would do if I had to make that decision. But I can tell you this, we are in a direct competition with the Chinese. And the coin of the realm is data – certifiable, cleansed, consistently architected data. That's what our military lacks. It goes right to the heart of cultural change. And we have to start thinking of it exactly that way.

Doesn't answer your question, because I think it's a difficult one and I can understand NVIDIA's conundrum. We have to make sure that if we're going to harm a significant incumbent economically – remember, we are a every three month reporting public structure of capital reward. We have to really think of the consequences there. That's how I view it. I don't know if that's sufficient.

Ms. Griffin: Yeah. That's an excellent point. We have some questions here. Josh, a subscriber to CSIS, asks: Why is the U.S. industrial base not competitive?

Mr. Ryan: The industrial base? It's competitive.

Ms. Griffin: OK. Would you push back?

Mr. Viola: I think we made decisions around our social economy that were expedient. I think the areas where we have to be competitive and efficient, we can and we are. I'm thinking about the collection of economic activities around the extraction of oil and gas. I'm thinking about our auto industry. I'm thinking about the industries that are going to scale exponentially, like robotics, bio science. For me, I think we need to get very serious about our plan around our deficit and our balance sheet. We have to protect the dollar. It's got to be communicated to the Americans in a way that they understand it. We've allowed some inflation. And it's a very interesting political conversation, but I know Chairman Warsh has some very primary and differentiated ideas around inflation, how it is to be tracked and how it is to be defined. Not defined, characterized, and its impact on the domestic economy.

So there's a – and we haven't even talked about the implementation of digitized currency from the central bank out. So if you think about the Federal Reserve, you know that we have, I think, 13 component banks. And we have a significant advantage around mastering market structures. So I think the idea that we would start to take our balance sheet and convert it, or parallelize it, tokenize, it in a form of digital currency, and distribute that across the banks, the centralized, sub-centralized banks, we would do very well by our economy. And I think that the – that's part of, I think, a comprehensive reboot of the dollar.

Ms. Griffin: Do you agree with that, Paul?

Mr. Ryan: Yeah, I do. I think stablecoins is going to help tremendously improve the dollar. It's going to create more demand for our Treasuries. I think tokenizing our payment rails, especially if America runs that, which I think we are, that's going to be very good for the dollar. But at the end of the day, we have a debt crisis that is funded by our spend. And it's really our entitlements. We can fix these. We can fix the entitlements without taking a benefit away from a person on retirement today, so long as we change it for those of us who are the X generation on down. And we can change these programs so that they still work. We've learned a lot how to run Medicare, and Social Security, healthcare, and retirement programs since we started these things in the thirties and sixties. Apply those lessons. And what it is, is we have to take the private sector ingenuity to run these health care programs better.

Just like we're trying to do with the defense procurement system, meaning private sector solutions can solve some of these problems. Congress has to do it. Eventually we will, because I think we could have an auction failure. We could have the bond market vigilantes reconstituting themselves. We could

have a lot of pressure with real tough shocks making us do budget surgery. Hopefully, we can get ahead of it so that doesn't happen. But, to Vinnie's point, and I think the question was about the industrial base, it is competitive.

It's competitive because we have deep, liquid capital markets, we have private property rights, we have the rule of law. Those are the key ingredients for any economy to work. We have it better than anybody else. But we can't screw it up. And digitizing is going to help, but it's not going to be the solution if we don't get the underlying problem. One thing I think that will make us less competitive, if we keep these tariffs going for a lot longer, that is every time we've done that has proven to make your industries less competitive. And it's inflationary. It's bad for your currency.

Ms. Griffin: Hmm. Jonathan Burchell at CSIS asks: You talked about two oceans, but there are three, the Arctic Ocean. What are the panel members' views on Greenland? (Laughter.)

Mr. Ryan: I was going to say, we should get the Canadians to do as a solid and help us with the Arctic.

Ms. Griffin: Actually, I think there's one on Canada too here. (Laughs.) Go ahead. Start with Greenland.

Mr. Ryan: It's a nice place. I've never been there, but I've read about it – a lot lately. (Laughter.) I got nothing to add. I think – my guess is our European friends were so ticked off at us for this Greenland thing that it probably made it a little harder to get them to help us with the Straits of Hormuz. That's back to my point about soft power. If you go into these things with strong allies, you come out of it a lot stronger. If you go into it, you know, as a solo act – look, I think the philosophy that's being perpetrated by the administration is that life is a zero-sum game – on trade, on interpersonal or international relationships. It's not a zero-sum game. I totally disagree with that. It's a positive-sum game. It's win-win. And if we approach our allies with a positive-sum game mentality, then we can lead our allies to helping us achieve our goals that they share with us.

Ms. Griffin: And on that point, Cody Griner with OSW asks: Is there any benefit to the administration's antagonistic nature towards Canada right now? (Laughter.)

Mr. Viola: Now, you have to – the context of this question, right? I have the privilege of being involved with an NHL team, so – (laughter) –

Mr. Ryan: He's got to be really careful.

Ms. Griffin: Oh, I'm glad you reminded – all right, that's a –

Mr. Ryan: He's got to – OK, give him a mulligan on that.

Mr. Viola: No, but in all seriousness –

Audience member: We love Canada.

Mr. Ryan: That's funny. Yeah. Be careful. (Laughs.)

Mr. Viola: I think we are so deeply embedded in each other's economies, societies, I'm not overly concerned about that. We have compelling, obvious strategic interests.

Ms. Griffin: The Canadians are mad right now.

Mr. Ryan: Yeah, I was just there.

Ms. Griffin: They're pretty insulted.

Mr. Viola: There's no doubt about it. And I think the Europeans are upset. But this is at the layer, if I dare say, that's solvable and curable. It's really very solvable and curable. I think the Canadians have been extremely open minded around critical minerals. I think they've been extremely open minded about the northern reaches of Canada, and how that sort of presents as we look at the positioning of protective defense, missile defenses. It's unfortunate that we have this flavor and color, it's animated nature, where we all grew up around the sort of weighty decorum of diplomacy. It's just not that way anymore because you can just tap a message and it goes, and people get upset.

Ms. Griffin: You don't have to type a cable at the State Department before it goes to –

Mr. Viola: Right. I mean, George Kennan probably would have put that on X. (Laughter.) And, by the way – and, by the way, it wouldn't have gotten read. It would have been forgotten, right? It wouldn't be understood in the context of global geostrategic importance. I mean, I'm being very – I'm so sorry, I'm juvenile and stuff. But that's the world we live in right now. And unfortunately we're going to have to all learn to live with that, I think. I mean, I think that's not – so I don't worry at all about Canada. I think the Europeans will be very much in favor of a comprehensive solution based in the national security of this grand alliance in Greenland. And we're going to get there. We're going to get there.

Mr. Ryan: I'm from Wisconsin, so I'm kind of like a kissing cousin of the Canadians. You know, I've canoed into Wisconsin more than I've driven or flown into Wisconsin. But they're mad for two reasons. One, they just went through a

lost decade. Justin Trudeau and his government took Canada, which the average per-capita income was right in the middle of our 50 states, 25th in ranking. Today the average income in Canada is right behind Alabama, right in front of Mississippi, our 49th and 50th state on per-capita income. So he precipitately dropped their standard of living. So they're ticked off about that. And they're ticked off because our president keeps insulting them. You know, this 51st state stuff. We think – I tell people, we hear that every day from Trump. Don't take it personally. He does it to everybody. They take it personally.

I think at the end of the day we need – we need each other. We're so much stronger together. They've got an amazing amount of critical minerals, the oil sands, the timber. I think what they'll probably do is another jam job. What Lighthizer did in last go around was we cut a deal with the Mexicans, who will do the deal we want, and then we – on a Thursday. We'll take it to the Canadians on Tuesday say, take it or leave it. You're in or out. That's going to be good for them to be in, no matter what. I think they would like to get in and help negotiate this deal, but I sense a jam coming again. But all this bellicosity, all this stuff, the one thing that I got to say, as a Wisconsinite, that drives us nuts is their stupid supply production on dairy.

For 8,000 dairy farmers in Quebec, they had this supply control regime that makes their people pay twice as much for their goods. And that is a thing that's a real stick in the craw. I think, because of our posturing we might be able to get them to release some things like that. So I think there's probably an upside to the way Jamieson is handling this dynamic. It's not pleasant, you know, from a relationship standpoint, but I think Jamieson is probably going to end up delivering. Not by July 1, but he's going to deliver an extended USMCA, which is in absolutely everyone's best interest, to get back towards North America.

Ms. Griffin: Maybe we can tie it to the World Cup final. (Laughter.)

Mr. Ryan: We beat them in hockey. We beat them in hockey men's. We beat them in hockey women's. We'll beat them – yeah.

Ms. Griffin: Well, we're out of time. And just I'll give you the last word. Would you still bet on America on this 250th birthday?

Mr. Viola: More than ever. I would double down on America

Mr. Ryan: A hundred percent.

Mr. Viola: There's no doubt in my mind that these are exciting, dynamic times. I think they're super, super optimistic – truly super optimistic.

Mr. Ryan:           What Vinnie said.

Ms. Griffin:        All right. Well, thank you very much for joining us. And thank you to the audience. (Applause.)

(END.)