



WHY SUPPORT OF UKRAINE IS VITAL FOR THE US

2023
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INTRODUCTION

As debate continues in the U.S. over potentially reducing support to Ukraine, now presents a critical juncture for clearly articulating the many benefits America gains by providing robust and sustained assistance. This handbook summarizes salient military, geopolitical, economic and social advantages that underscore the alignment of persistent aid with long-term American interests.

There are even more benefits not mentioned here, but an exhaustive accounting could have amounted to a lengthy book. For this reason, we concisely summarize some of the most prominent ones.

As arguments over the prudence of continued backing for Ukraine persist, conveying these practical benefits remains essential for policymakers weighing future decisions on support. Ultimately, upholding provisions aligns with the United States' global leadership role championing territorial integrity and democratic ideals internationally.



EMDOLDENED OPPONENTS

Failing to support Ukraine could embolden traditional US opponents with territorial ambitions, and the world could escalate into widespread conflict, posing a severe threat to global stability, including that of the U.S.

The U.S. withdrawal from Afghanistan might have boosted Putin's confidence; a similar approach towards Ukraine could empower China's leader Xi Jinping, intensifying the threat to Taiwan. A conflict over Taiwan might draw in American forces, raising stakes considerably. If the U.S. hesitates to protect a recognized state like Ukraine, its commitment to Taiwan's defense could be questioned, potentially undermining U.S. resolve and inviting conflict. America's credibility, particularly in the eyes of its Asian allies, hinges on its stance in Ukraine, as evidenced by the parallel visits of Xi to Russia and Japan's Prime Minister Kishida to Ukraine. Kishida's remarks underscore the perceived link between the destinies of Ukraine and Taiwan, suggesting that today's war against Ukraine could be a precursor to tomorrow's crisis in East Asia.



The stability of Europe and East Asia is intricately linked through their security frameworks. A breach in the defense infrastructure of one will create vulnerabilities in the Western defense line across Eurasia, compromising the other's safety.

Additionally, had there been a greater investment in Ukraine's defenses following Russia's annexation of Crimea in 2014, the West might now be facing lower costs—militarily, in humanitarian efforts, and economically. A Russian victory in the ongoing war will have dire and costly implications. The U.S.'s 2014 policy of pacifying the aggressor failed to consider the long-term consequences, allowing Russia to strengthen and, by 2022, to escalate its aggression with significant global repercussions.

DECLINE OF THE WEST

If Russia emerges victorious, it would bolster the narrative of Western decline, undermining confidence in U.S. commitments among European and Asian allies and empowering adversaries

If Russia prevails in Ukraine, it would amplify perceptions of Western decline, potentially weakening U.S. alliances. NATO members, while not directly involved as Ukraine is outside the alliance, are keenly observing U.S. support as a barometer for potential aid against nuclear-armed adversaries like Russia and China.

A Russian win would be perceived as a Transatlantic alliance vulnerability, tempting adversaries to challenge Western solidarity in areas like Taiwan, the South China Sea, and the Middle East, leading to increased military commitments and costs for the U.S. Russian victory could also cause a shift in economic relations, with European nations potentially reconsidering trade with Russia and Asian allies seeking to strengthen economic ties with China due to doubts about U.S. reliability. The resulting rapprochement between these allies and Russia or China would undermine U.S. influence and security.

Poland's position is emblematic of these concerns. Having supported U.S. efforts in Iraq and sharing borders with Ukraine and Russia-influenced territories, Poland's faith in U.S. guarantees to its Eastern European partners would be severely tested if Russia retains Ukrainian territory after an unprovoked assault. This situation could weaken the assurance of U.S. protection for NATO's more exposed members.

The support of Ukraine, however, enhances the United States' reputation as a defender of democratic values, as the war is widely viewed as a colonial aggression. Thus, US averts the trend of "the decline of the West" by showing its commitment to doctrines of state sovereignty and territorial integrity, core tenets of the international order, firmly opposing any imperial ambitions.



HIGHER COSTS ON DETERRENCE

A loss in Ukraine would necessitate a more prolonged and costly effort for NATO's deterrence, distracting the U.S. from maintaining a strategic balance in Asia



Geopolitically, an independent Ukraine strengthens NATO's European defense line, creating a buffer between Russia and Central and South-East Europe (Slovakia, Hungary, and Poland). A stable Ukraine would act as a barrier against conflict spreading throughout Eastern Europe, serving U.S. strategic interests.

If Ukraine were to fall under Russian influence or form a military alliance with Moscow, it would complicate and increase the cost of NATO's defense efforts on Europe's eastern front. The U.S. would then face the dual challenge of reinforcing European defenses against Russia and defending the Pacific against Chinese moves, leading to significant rises in defense expenditures.

To counteract such a scenario, Western defense spending might need to return to Cold War levels of around 3% of GDP, a substantial increase from the current 2% target, especially for nations already managing high debts.

If European NATO members alone were to increase their spending to this level, it would mean an additional \$200 billion annually, equating to Ukraine's entire GDP and twice what the West currently contributes to Ukraine's defense. This increased spend in NATO would be ongoing, whereas supporting Ukraine's defense now could potentially offer a higher return on investment by forestalling the more extensive Russian threat.

MORE NUKES

Ukraine's defeat could lead to an increase in nuclear-armed countries, as in face of danger more and more states would try to elaborate nuclear strategies for their defense

This would lead to more wars of aggression and threaten to get a global situation out of control. If Russia succeeded in its conquest of Ukraine under the shadow of its nuclear capabilities, it could set a precedent for China to similarly threaten Taiwan, using its nuclear arsenal as a shield against intervention. North Korea could escalate its missile development to target the U.S. directly, aiming to fulfill its ambition of Korean reunification. Iran might push to develop nuclear weapons, believing it would deter U.S. support for Israel. This could spark a nuclear arms race in the Middle East, with Saudi Arabia and possibly other Gulf states acquiring nuclear capabilities in response. Concerned about the reliability of the U.S. nuclear deterrent, Japan and South Korea might also opt to develop their own nuclear weapons. This could effectively dismantle the global nonproliferation regime, resulting in a rapid proliferation of nuclear states worldwide as well as in inflating U.S. defense expenditures.

The 1994 Budapest Memorandum saw Ukraine relinquish its nuclear weapons in exchange for security assurances. However, its subsequent invasion by a nuclear-armed nation has prompted other countries to reassess their nuclear strategies, as any guarantees appear unreliable.

The nuclear threats Russia poses to Ukraine are casting doubt on the effectiveness of America's nuclear umbrella over the Asia-Pacific. In January 2023, Yoon Suk Yeol, South Korea's president, hinted at the possibility of South Korea developing its own nuclear arsenal in response to extreme threats. This consideration is largely driven by North Korea's relentless advancement in nuclear and missile technology.



NATO'S BUILD-UP OF CAPABILITIES

Support for Ukraine has galvanized unity among NATO allies, spurring greater commitment to defense just as tensions with China escalate

The war has served as a wake-up call for NATO countries, leading to increased military production and readiness for potential broader conflicts, lightening the financial load on the U.S. Contrary to Putin's aim of fracturing NATO and easing China's dominance in the Pacific, the invasion has reinforced the alliance. Allies have been modernizing their arsenals with NATO-compatible and often U.S.-made weapons, replacing outdated Soviet-era equipment.

More than half of NATO's members boosted their defense budgets in 2022, with several others committing to future increases relative to their GDP.

On the scale of GDP percentage, the U.S. ranks ninth in contributions to Ukraine, trailing behind several European nations. Bulgaria and Finland contribute nearly the same percentage of GDP as the United States. Sweden and Finland's decision to join NATO, leaving behind their long-standing neutrality, is a direct consequence of Russia's aggression. They plan to merge their air defenses with Norway and Denmark, creating a significant unified force of 250 fighters along an extended NATO border with Russia.

In the Asia-Pacific, Japan has announced a substantial 60% increase in defense funding by \$287 billion over the next five years, poised to hold the world's third-largest defense budget. South Korea is upping its defense budget and has agreed to provide howitzers to Ukraine. These developments signal a robust awakening among U.S. allies in Asia, who are essential for the defense of places like Taiwan.

U.S. military strategists are gaining valuable experience by supporting Ukraine's defense against conventional military forces. The war provides the Pentagon with a live environment to evaluate American military strategies and capabilities, a more effective approach than theoretical war games, without endangering U.S. troops. This real-world application is pivotal in modernizing U.S. military tactics to meet the threats that may dominate this century. While the dynamics of a confrontation with China would vary significantly, the hands-on experience gained from the Ukrainian theater is instrumental in improving U.S. preparedness for confrontations with other global powers and enhancing pre-emptive measures against possible aggressions.



TESTING GROUND

Ukraine has become a pivotal arena for testing advanced weapons and information systems, including those from the U.S.

Ukrainian forces are effectively utilizing new maritime drones, such as explosive unmanned surface vessels, in coordination with aerial drones to target larger Russian naval units. Notably, they have executed sophisticated attacks off Crimea, notably destroying the Moskva, a key vessel in Russia's Black Sea Fleet. The tactics and technologies honed in the Black Sea are potentially vital for countering a Chinese offensive in the Taiwan Strait.

Ukraine is also the first battlefield to employ Lithuanian Sky Wiper anti-drone weapons. The U.S. is providing experimental anti-drone missiles to counter Iranian-made Shahed-136 drones. Additionally, Ukraine has invited U.S. defense firms to field-test their latest equipment in active combat scenarios.

U.S. military strategies are also being tested in Ukraine. The "Resistance Operating Concept" (ROC), which outlines how smaller countries can effectively resist larger invaders, is influencing not only Ukraine's military approach but also mobilizing its civilian population in resistance efforts. These experiences are invaluable for future strategies, such as in Taiwan, indicating to Beijing the potential challenges of a successful ground invasion.

Ukraine has received various high-tech and experimental military equipment from the U.S., including 700 Switchblade kamikaze drones, 1,800 Phoenix Ghost unmanned aerial systems, and unmanned coastal defense vessels. While these deployments are costly, the insight gained from their performance in a contemporary combat setting offers invaluable data for the U.S. on the effectiveness of these modern military technologies.

WITHOUT PREJUDICE TO US DEFENSE

Despite the impressive quantity and variety of equipment provided to Ukraine, the U.S. has largely supplied items that have minimal impact on its own security

The aid includes older or obsolete military gear, such as 45 Russian-made T-72B tanks and 20 Mi-17 helicopters, much of which was destined for disposal or transfer to other allies.

The donation of 200 M113 Armored Personnel Carriers to Ukraine may sound significant, but these vehicles, last produced about 25 years ago, are being phased out of the U.S. military. Similarly, 250 M1117 Armored Security Vehicles, more suited to policing roles than full-scale warfare and already being reduced in U.S. inventory, have been sent to Ukraine. This follows previous distributions of these vehicles to countries like Colombia (200), Afghanistan (700), and Iraq (400).



The U.S. has also provided Ukraine with 477 Mine Resistant Ambush Protected Vehicles (MRAPs). Originally designed for counterinsurgency operations, these heavy and maintenance-intensive vehicles have been so surplus to U.S. needs that they've been distributed to domestic police departments.

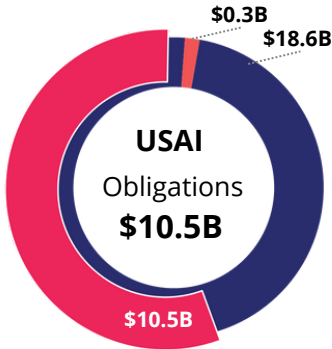
Additionally, Ukraine received around 1,200 High Mobility Multipurpose Wheeled Vehicles (Humvees), which the U.S. is currently replacing with the newer Joint Light Tactical Vehicle.

Furthermore, the U.S. supplied Ukraine with older HAWK missiles, unused by the U.S. since 2002. Given the large production of these missiles, their performance in current conflict conditions is of particular interest.

UKRAINE SECURITY ASSISTANCE

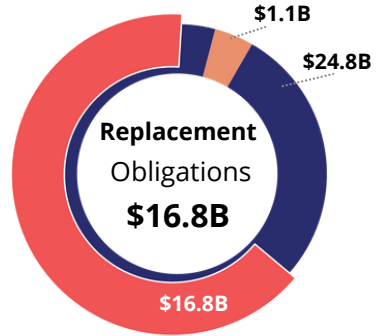
CONTRACTING ACTIONS

According to the U.S. Department of Defense



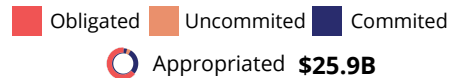
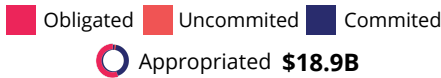
Ukraine Security Assistance Initiative

Procuring defense articles directly from industry to support Ukraine



Ukraine Presidential Drawdown Replacement

Replacing equipment drawn down from U.S. stocks



INDUSTRIAL BASE EXPANSION

Increasing Critical Capability Manufacturing Capacity in the U.S.

- Ukraine Supplemental and Replenishment Funding
- Defense Production Act (DPA) Title III
- E.O. 14017 FY23 Funding*
Not exclusively for Ukraine-related support

1. Missiles and Munitions
 2. Castings & Forgings
 3. Energy Storage (7M)

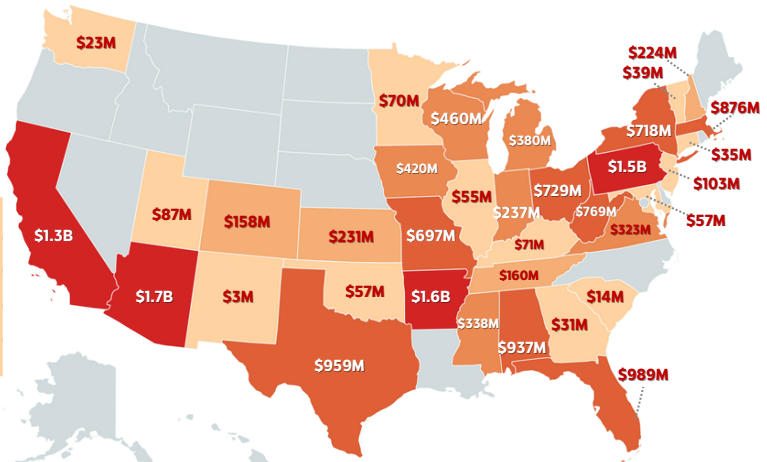
Ukraine Supplemental and Replenishment Funding		\$3.3B	Defense Production Act (DPA...)		\$746M
Other \$600M		\$361M GMLRS	\$349M Javelins	\$500M Strategic and Critical Materials	
				\$216M Solid Rocket Motors	
155mm \$1.9B		Stingers \$62M		E.O. 14017 FY23 Funding* \$691M	
				\$170M Microelectronics	
				\$330M Kinetic Capabilities	\$114M Critical Materials
				1 2 3	

UKRAINE SECURITY ASSISTANCE

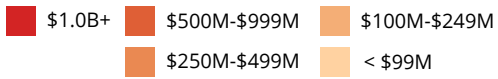
INDUSTRIAL BASE IMPACTS

USAI & Replacement Obligations
\$27.3 B

Key Suppliers	
Lockheed Martin	
Raytheon	
BAE Systems	
AeroVironment	

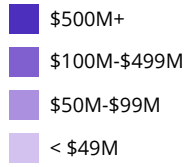
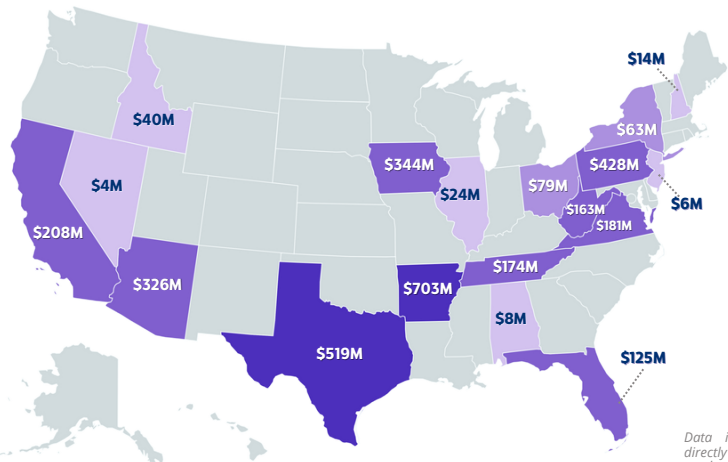


Data includes USAI obligations and Presidential Drawdown Replacement obligations (Supplementals 1-4), and represents prime vendors and critical Suppliers. Mapped values reflect major systems only; not all funds are reflected.



DIRECT INDUSTRIAL INVESTMENTS

Supplemental Funds
\$3.3 B



Data includes Ukraine Supplemental funds directly invested to improve industrial base production capacity (Supplementals 1-4), and represents government- and contractor-owned facilities and critical suppliers. Mapped values reflect major systems only; not all funds are reflected.

SECURITY OF TAIWAN AND ISRAEL

The military aid the U.S. is providing to Ukraine does not compromise its readiness to defend Taiwan

The defensive strategy for Taiwan primarily involves preventing an aggressor from crossing the Taiwan Strait, a task suited for advanced air and naval forces. This includes F-35 Joint Strike Fighters, B-2 and upcoming B-21 bombers, nuclear submarines, and long-range anti-ship missiles, none of which are being supplied to Ukraine.



Supporting Ukraine indirectly bolsters Israel's defense against Iran

Iran, an adversary of Israel, is aligned with Russia in the Russian-Ukrainian war. Reducing military aid to Ukraine could inadvertently strengthen Russia, Iran, and their allies, while sustained support for Ukraine aids in countering these forces. Ukraine has demonstrated effectiveness in shooting down Iranian Shahed-136 drones, a capability that indirectly supports Israel's security interests. The British Defense Ministry has noted Ukraine's growing success in downing these Iranian UAVs, which Russia has employed extensively in the warfare. This demonstrates Ukraine's capability in countering technologies used by Israel's adversaries, contributing to a broader regional defense strategy that aligns with Israeli interests.



AGAINST RUSSIA'S HEGEMONY

If Ukraine succumbs to Russia, it would result in Russia gaining control over Ukraine's vast natural resources, significantly boosting its wealth and influence

Ukraine's strategic location in central Europe, coupled with its fertile lands and sea access, makes it a pivotal state in the regional power balance. Russia's dominance over these resources would turn it into a formidable monopolist, able to impose its terms and create dependencies.

SecDev's analysis in 2022 revealed that Russia had already seized Ukrainian territories containing energy, metal, and mineral resources worth an estimated \$12.4 trillion. This figure represents just half of the total value of the 2,209 deposits assessed. Among these, Russia has taken over 63% of Ukraine's coal, 11% of its oil, 20% of its natural gas, 42% of its metal deposits, and 33% of rare earth and other important minerals, including lithium. According to SecDev and managers of the steel and mining industries, Russia took control of a number of deposits: 41 coal, 27 gas, 14 propane, 9 oil, 6 iron ore, 2 titanium ore, 2 zirconium ore, one strontium, one lithium, one uranium deposits, and one gold deposits. The value of the Ukrainian coal deposits under Russian control was estimated at \$11.9 trillion in 2022. Additionally, Russia possessed large limestone deposits, crucial for steel production. In the long run, this situation could drastically alter the geopolitical landscape, enhancing Russia's position as a key player in global resource markets.

Since the onset of the full-scale war, Russia has expropriated six million tons of grain from Ukraine's occupied territories. A U.S. analysis detailing the repercussions of the Russian invasion on global food security highlights this looting and removal of grain by Russian forces. Sergey Aksyonov, installed by Russia as the head of the illegitimately annexed Crimea, acknowledged in mid-2022 the transfer of grain from the regions of Kherson and Zaporizhzhia to Crimea, presumably for subsequent export. This appropriation of Ukrainian grain is believed to be financially contributing to President Vladimir Putin's war efforts.

Securing a victory against Putin in Ukraine would significantly weaken the emerging alliance between China and Russia

Russia is currently expending a considerable portion of its Gross National Product and economic resources in its war against Ukraine, surpassing the investment of the U.S. and its allies. Additionally, Russia has incurred substantial losses in terms of weaponry, war reserves, and military personnel.

Losses of the Russian army as of 01.12.2023

Human losses	330 040
Tanks	5 564
IFVs	10 372
Artillery systems / MLRS	7 931 / 912
Anti-aircraft warfare systems	602
Aircraft / helicopters	323 / 324
UAVs	5 976
Ships/boats	22
Vehicles & fuel tanks	10 399
Special equipment	1 137

The British defense ministry has assessed that an overwhelming 97% of the Russian army is engaged in the invasion of Ukraine. The implication is clear: every Russian tank, aircraft, and infantry unit that Ukraine manages to neutralize translates into fewer resources the United States will need to allocate in the future to curb Russian aggression. This scenario not only alleviates the immediate military pressure but also has long-term strategic implications for the U.S. in maintaining global stability.





Russia harms the interests of the United States in many regions and the war against Ukraine undermines Russia's capacity in such areas

Under the Obama administration, Russia militarily intervened in Syria to support Iran and Bashar al-Assad's regime. However, the current war against Ukraine has dramatically reversed these roles. Russia has had to scale back its Syrian operations, reallocating crucial military resources to Ukraine. Moreover, in a significant role reversal, Iran is now aiding Russia by supplying military drones and other weapons.

Ukraine's significance in U.S. foreign policy aligns with the Global South concept, a key focus of American international strategy. The war against Ukraine has served as an alert to Western democracies about their waning influence in these regions. Supporting Ukraine and its potential triumph could bolster U.S. global power, especially since Ukraine is often seen as part of the Global South.

The war has prompted a shift in America's approach towards the Global South, moving away from a traditional focus on defense, arms sales, and counter-terrorism. The new strategy prioritizes governance, human rights, education, skills development, and sustainable economic growth.

While not immediately apparent to the American populace, the war against Ukraine has underscored the superiority of Western military technology and warfare tactics over Russia's capabilities. This contrast could be advantageous for the West in the Global South, where Russia typically enjoys a stronger position. Observing Russia's struggles in Ukraine, regional leaders and elites in the Global South are starting to doubt Russia's reliability as a military and trade ally. The perceived strength of Western military power can be a significant factor in negotiating agreements that enhance U.S. security and economic interests.

The US support for Ukraine in its defense against Russia indirectly helps to deter Russian aggression elsewhere, notably in the Arctic. The ongoing war has strained Russia's conventional military forces, impacting its expansion in the Arctic. The diversion of resources to Ukraine is slowing down this Arctic expansion, providing the US and its Western allies with an opportunity to bridge the gap in operational capabilities and strengthen their position in the region. This is particularly important considering the potential collaboration between Russia and China in the Arctic and China's growing interest there, which poses the risk of military advantage under the guise of commercial or scientific activities.

Specifically, Russia has redeployed many of its forces from the Arctic and Baltic regions to Ukraine. Significant naval assets from the Northern Fleet, including the Marshal Ustinov cruiser and several large landing ships, have been redirected to the Mediterranean, the Black Sea, or directly to Ukraine. The land forces stationed on the Kola Peninsula have been drastically reduced to only a fifth of their strength prior to the Ukraine invasion, with 80% being redeployed to Ukraine. Notably, the 200th Motorized Rifle Brigade and other key units have suffered heavy losses, with one battalion tactical group reportedly nearly annihilated.

Additionally, 18 T-80BVM tanks, which were part of the 200th Brigade's arsenal, have been confirmed destroyed in Ukraine. Further, the Northern Fleet's Special Underwater Forces unit 69068, specialized in reconnaissance and sabotage, is believed to have been nearly wiped out. Russia has also relocated strategic bombers from the Engels air base to a location south of Murmansk due to potential threats from Ukrainian drones. This overall shift of focus and resources to Ukraine is significantly impacting Russia's military capabilities in the Arctic.



UNDERMINING THE MARKET AND PRICES

The failure of Ukraine would further destabilize the European market, a major economic partner of the U.S., impacting the stability and effectiveness of transatlantic trade relations

The Russian invasion of Ukraine in February 2022 has already inflicted severe economic repercussions on Europe, including a surge in energy prices, financial market disruptions, and significant economic downturns in both Russia and Ukraine. It was shown that the war affected the economies of Germany, the UK, France, Italy, and Switzerland. If Russia had not invaded, these states would have seen 0.1%-0.7% higher economic output in the fourth quarter of 2022. Additionally, inflation rates in these countries would have been 0.2-0.4% lower. The Eurozone has experienced tangible economic consequences as well. Retail sales there saw a 3% year-on-year decline in February 2023. Moreover, consumer prices in the Eurozone reported a significant increase, rising by 6.9% year-on-year in March 2023. These indicators reflect the broader economic impact of the war in Ukraine on Europe's economic stability and, by extension, on U.S.-EU trade relations.



Saudi Arabia and Russia, major players in the global oil market, have agreed to prolong production cuts, despite facing reduced gas sales to Europe due to the fallout from its invasion of Ukraine. This situation may partially offset the economic impact of decreased European gas sales, providing Russia with a significant financial boost through its oil exports. The rise in oil prices is a concern for Western countries, including the United States as high oil prices already contribute to overall inflation, making it more challenging for the nation to manage its economy effectively. Inflation impacts not just the cost of fuel, but also indirectly increases the cost of goods and services, as transportation becomes more expensive.

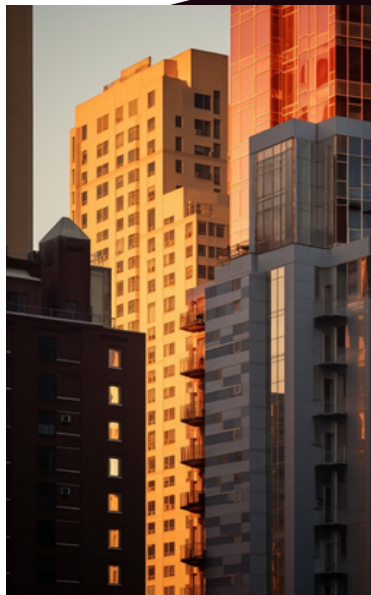
The increase in oil prices is reflected in the major benchmark indices - Brent crude and West Texas Intermediate (WTI). Brent crude surpassing \$90 per barrel and WTI reaching \$87 per barrel indicate significant market movements. These benchmarks are critical indicators of global and U.S. oil market trends, respectively, and their rise signals a broader impact on the economy, affecting both producers and consumers of oil.

WINDOW OF OPPORTUNITY

United States has experienced economic gains and emerging investment opportunities, particularly in the energy sector and in the reconstruction efforts of Ukraine

The United States has benefited from the sanctions imposed on Russia, particularly in the context of the European energy market, which in turn has opened up new avenues for American energy exports. In 2022, the U.S. saw its highest recorded total energy exports, reaching approximately 27.41 quadrillion British thermal units (quads), marking an increase of about 9.3% from the previous year. This surge in exports led to the U.S. achieving its largest ever margin of energy exports over imports, at about 5.94 quads. Meanwhile, total U.S. energy imports for the year stood at around 21.47 quads, roughly the same as in 2021, highlighting the significant growth in the country's energy export sector.

Ukraine's reconstruction needs present significant opportunities for the private sector, making it an increasingly attractive investment destination. The country is poised to become the largest economic project in Europe in recent times. American businesses have the potential to spearhead this growth, contributing to global economic recovery. Early engagement by the U.S. in Ukraine's modernization could give it a competitive advantage over other investors, like China, in regional projects. The reconstruction and modernization of Ukraine require substantial investment, with estimates ranging from \$411 billion to over \$1 trillion across various sectors including agriculture, energy, infrastructure, IT, metals, pharmaceuticals, and capital markets. Ukraine has already garnered attention and formed partnerships with major international financial and investment entities such as Black Rock, J.P. Morgan, and Goldman Sachs. American brands like Starlink and Westinghouse are becoming increasingly integrated into Ukraine's landscape.



US DEFENSE FUNDING & STRENGTHENING

Support for Ukraine revitalized the U.S. defense industry and provided new jobs nationwide

The post-Cold War era witnessed a significant diminution of the United States' defense industrial base, rendering it inadequately equipped for potential military confrontations, notably with a formidable adversary such as China. However, the war against Ukraine has served as a catalyst for the United States to invigorate and enhance its defense capabilities.



In 2022, U.S. spending reached around \$6.27 trillion, with national defense accounting for \$767 billion (12%).

Sales to U.S. defense contractors rose to \$50 billion in 2022, up from about \$35 billion in 2021.

Government contracts are supporting various facilities nationwide, including Abrams tank production in Lima, Ohio; Javelin missile manufacturing in Ocala, Florida, and Troy, Alabama; and a guided missile propulsion engine plant in Rocket Center, West Virginia.

Companies like Lockheed Martin, producer of the HIMARS used in Ukraine, are expanding their workforce, with Lockheed's Camden, Arkansas plant increasing staff by 20% and projecting higher profits.

The new General Dynamics Ordnance and Tactical Systems plant in Mesquite is set to nearly double US munitions production, providing significant employment and local business opportunities, and aiding in transforming Mesquite into an industrial hub. The US government aims to ramp up 155mm shell production from under 15,000 monthly to 90,000, with the Mesquite plant contributing 20,000 shells monthly from early 2024.

A significant portion of the U.S. military funding, while allocated for Ukraine, is ultimately utilized for enhancing the security of the U.S.

Aid to Ukraine translates into domestic reinvestment, bolstering the U.S. defense sector and sustaining American manufacturing jobs. This means increased business for American companies and sustainable employment for the rural communities in which they operate.

Of the \$43.7 billion allocated for Ukraine, more than \$26 billion were directed to restock U.S. supplies

In July 2023, of the \$43.7 billion total allocated for Ukraine after the invasion, more than \$26 billion were designated for restocking U.S. supplies. As of July, the \$215.6 million allocated for Ukraine has been channeled into expanding the production capabilities of Aerojet Rocketdyne's integrated rocket propulsion systems at their facilities in Huntsville (Alabama), Camden (Arkansas), and Orange County (Virginia). In the previous year, the U.S. had designated \$678 million for the expansion of government-run munitions factories located in Scranton, Pennsylvania; Middletown, Iowa; and Kingsport, Tennessee.

Since the start of the full-scale invasion, more than \$421 million of the aid packages to Ukraine have been spent on salaries for US troops in Europe, with additional allocations for various federal departmental expenses related to sanctions enforcement and war crime investigations. Support also extends to neighboring countries impacted by the conflict, such as Moldova, which received \$300 million from USAID for gaining energy independence from Russia. Over \$20 billion were dedicated to replenishing U.S. military equipment and ammunition provided to Ukraine, with \$13.9 billion for operations of the U.S. European Command, including troop deployments in Eastern Europe, intelligence support, and aid to allied countries. Domestic allocations also support cybersecurity, energy independence initiatives, and the seizure of Russian oligarchs' assets.



MIGRATION CRISIS

If Ukraine succumbs, a substantial flow of migrants is likely, as many Ukrainians would resist living under Russian rule

This could result in a massive influx of migrants to the EU and the US, exacerbating unemployment issues and placing a significant financial strain on local governments, potentially leading to instability. If Russian forces reach Poland's border, millions could flee westward, posing enormous economic, social, and political challenges to Europe, and potentially hindering NATO commitments and defense initiatives.

In the U.S., more than 80,000 Ukrainian refugees have been hosted under the United for Ukraine program since the war escalated

The fiscal burden of accommodating these refugees is considerable, though exact figures are unclear. In the U.S., more than 80,000 Ukrainian refugees have been hosted under the United for Ukraine program since the war escalated, adding to the existing pressure from migrants from other countries.

The financial impact on various U.S. cities is notable: New York City spent around \$1.7 billion on migrant services by July 2023; Chicago anticipates spending \$255.7 million by the end of 2023; Washington, DC spent \$36.4 million by late August; and Denver has already expended \$24 million as of September 2023. Similarly, the state of Massachusetts reported spending \$45 million monthly on migrant services as of August. These expenditures reflect the substantial impact on city and state budgets, underscoring the broader implications of a new wave of migration.

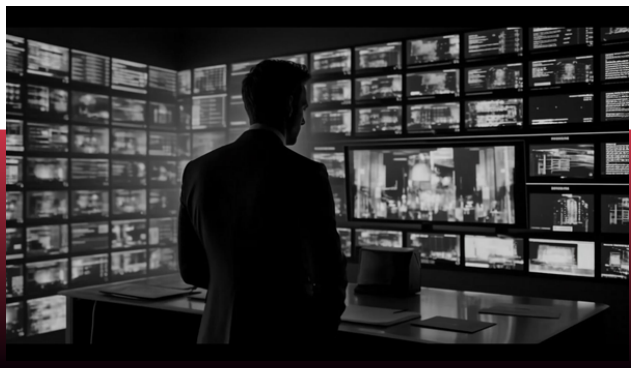


STRICT CONTROL OF US AID

As of February 2023, the Department of Defense Office of Inspector General (OIG) has assigned over 90 experts to supervise security assistance provided to Ukraine, with no major instances of fraud reported so far. The OIG collaborates with similar oversight bodies at the State Department and the U.S. Agency for International Development (USAID). Together, these three OIGs have developed a Joint Oversight Strategic Plan for FY 2023, outlining their focus areas for the fiscal year.

The Bureau of Political-Military Affairs at the U.S. Department of State operates an extensive website that displays how the expenditure of \$44.4 billion in security assistance for Ukraine has been allocated. Additionally, USAID has submitted a report to Congress detailing the utilization of \$13 billion in direct budget support given to the Ukrainian government in the first three supplements.

In total, over 160 personnel across 20 federal entities are involved in monitoring U.S. aid to Ukraine. Their collective investigations have not uncovered any significant instances of waste, fraud, or abuse in the management of this assistance.



RUSSIAN RELIGIOUS CRIMES

Russian military forces have damaged and destroyed religious buildings and other sites and killed or injured those sheltering or worshipping in these places, while some religious leaders were abducted and tortured

The Russian military has disproportionately attacked evangelical Christians and destroyed, damaged, or looted at least 494 religious buildings, theological institutions, and sacred sites in Ukraine. The scale of destruction of evangelical church prayer houses is immense. It tallied at least 170 damaged evangelical sites—including 75 Pentecostal churches, 49 Baptist churches, 24 Seventh-day Adventist churches, and 22 “other” evangelical churches — comprising a full third of the total, even though evangelicals comprise less than 5 percent of Ukraine’s population.

Most churches, mosques, and synagogues were destroyed in the Donetsk region (at least 120) and Luhansk region (more than 70). The scale of destruction is also enormous in Kyiv region (70), where desperate battles were fought in defense of the capital, and in Kharkiv region – more than 50 destroyed religious buildings. Shelling, missile attacks, vandalism, and looting of religious buildings as well as the torture and killing of religious leaders and believers of many faiths were targeted.



In many cases, members of destroyed churches found that Russian forces had burned all of their Ukrainian-language Bibles, books, and tracts. There are many cases of the seizure of religious buildings and their further use as Russian military bases in order to conceal the firing positions of Russian troops. This tactic of the Russian military provokes an increase in the scale of destruction of religious sites in Ukraine. The Monitoring Mission of the United Nations from 1 August 2022 to 1 January 2023 documented enforced disappearance, arbitrary detention, torture, or other ill-treatment and unlawful deportations perpetrated by Russian armed forces against clergy and members of Ukrainian Greek Catholic and Christian Evangelical communities.

In 2016, Russian President Vladimir Putin ratified the "Yarovaya Law", according to which all religious organizations and churches in Russia must be registered with the Russian government. The law prohibits "missionary activities," broadly defined as preaching, praying, distributing religious materials, and even answering questions about religion outside of government-approved sites.

Russia is exporting its state policy of systematic religious persecution to Russian-occupied Ukraine. Since Russia's full-scale invasion of Ukraine in February 2022, Russian soldiers or occupation authorities have committed at least 76 acts of religious persecution in Ukraine. Russian forces closed or captured 76 places of worship, looted, desecrated, or destroyed 13, and killed or captured 29 religious leaders in occupied Ukraine. Christians face severe persecution in areas under Russian occupation, as there is a state-sanctioned campaign of systematic religious persecution against Ukrainian Orthodox, Baptists, Evangelicals and others." Occupying forces have closed churches, and kidnapped and killed pastors. Besides the Ukrainian Orthodox Church, the Ukrainian Greek Catholic Church and Protestant churches, including Evangelical Baptist Christians are also targeted. Baptists accounted for 13% of the victims – the largest single group after the Ukrainian Orthodox. ISW monitored reports of persecution of Baptists near the occupied cities of Severodonetsk, Lysychansk, Mariupol, and Melitopol.

Russian troops commandeered a Kherson-based Ukrainian evangelical Baptist educational institute from March - November 2022 and established a garrison and crematorium there to cremate killed Russian soldiers. The institute's rector stated that Russian soldiers repeatedly harassed the Baptists, calling them "American spies," "sectarians," and "enemies of the Russian Orthodox people." One Russian officer reportedly told workers at the institute, "Evangelical believers like you should be completely destroyed...a simple shooting will be too easy for you. You need to be buried alive," and another Russian soldier reportedly said, "We will bury [Baptist] sectarians like you." Russian soldiers raided and closed another Baptist Church in Chkalove, the Zaporizhzhia region, in September 2022. Congregants reported that armed Russian soldiers interrupted their worship service and stated, "Your feet will not be here after the referendum. We have only one faith, Orthodoxy."

Since 2016, Russian authorities have used broad provisions of the Yarovaya Act to prosecute American Baptist and Pentecostal missionaries operating in Russia, ban most Mormon missionary activities, and burn Bibles distributed abroad that are not properly registered with the state. Russia's Yarovaya Law does not recognize Protestantism as a "traditional religion" and imposes regulations on its practice.



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