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General David H. Petraeus (Retired)  
Partner and Chairman, KKR Global Institute  
Former Director, CIA

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Webinar

Moderator: Marie-Josée Kravis  
Senior Fellow and Vice Chair  
Board of Trustees, The Hudson Institute  
Chair Emerita, The Economic Club of New York

## Introduction

Barbara Van Allen, President

Good afternoon and welcome to the 657<sup>th</sup> meeting of The Economic Club of New York. I'm Barbara Van Allen, President and CEO of the Club. It's an honor to be here with all of you in a milestone year – our 115<sup>th</sup> anniversary. The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues, and we've had more than 1,000 prominent guest speakers appear before the Club over this last century, and they've established for us a very strong tradition of excellence which continues today.

Before we get started, I want to give a special welcome to members of the ECNY 2022 Class of Fellows – a diverse, rising, next-gen business thought leader group that we now number 55. It started out as 20 four years ago and now we're up to 55. We also have graduate students joining us from NYU Stern School of Business, the CUNY Graduate Center, and Rutgers University.

I'm honored to welcome our guest today, Retired General David Petraeus. Since 2013, he has served as Chairman of the KKR Global Institute, was made a partner in 2014. The Global Institute supports the investment process in portfolio companies with analysis of geopolitical and security risks. He's also a member of the boards of directors

of Optiv and OneStream, a personal venture capitalist, a Visiting Fellow and lecturer at Yale University's Jackson Institute for Global Affairs, and an Honorary Professor of International Security at the University of Birmingham, UK.

He served 37 years in the U.S. military, including tours in Cold War Europe, the United States, Central America, Haiti, Bosnia, Kuwait, Iraq, Afghanistan, and the Greater Middle East. He culminated his military career with six consecutive commands as a General Officer, five of which were in combat, including command of the surge in Iraq., U.S. Central Command, and coalition and U.S. forces in Afghanistan.

Following his service in the military and after confirmation by the Senate by a vote of 94-0, wow, David served as the Director of the CIA, leading the agency during a period that saw significant achievements in the global counterterrorism effort and increasing global human intelligence coverage.

The format today will be a conversation, and we're very fortunate to have ECNY Club Emerita and Vice Chair of the Hudson Institute, Marie-Josée Kravis, as our moderator. We're going to end promptly at 4:45 and any questions that were submitted to the Club were shared in advance of the conversation. As a reminder, this conversation is on the record and we do have media on the line. Marie-Josée, I'm happy to pass the time now over to you. Thank you.

Conversation with Retired General David H. Petraeus

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Thank you, Barbara. And welcome to General David Petraeus. I would add one tidbit to your biographical introduction. In 2007, I believe it was, General Petraeus was the runner-up for *Time* “Man of the Year.” And I say runner-up because the person who was named *Time*’s “Man of the Year” was none other than Vladimir Putin. So I don’t know...

GENERAL DAVID H. PETRAEUS: Thank you for reminding me of that. This Ukraine conflict, it’s personal.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So it is personal. But so much has happened this weekend and I think we had set the date for this meeting long before. We weren’t prescient. But with the visit of Secretary of State Blinken and then Secretary of Defense Austin to Kyiv, the announcement of the appointment of an ambassador to Ukraine, of the United States, and statements such as those by Secretary Austin saying that the U.S. wants Russian forces depleted or Secretary of State Blinken saying that Russia is failing and Ukraine is succeeding, I wonder if you might comment on just this weekend in fact.

GENERAL DAVID H. PETRAEUS: Oh, sure, thanks. And also of course the victory of

Emmanuel Macron in France. Very, very significant achievement as well for France for five more years, noting, as we did before coming on, that there are the parliamentary elections and France has to get through those.

But the visit was very, very significant, I think. Again, not just because you had both our Secretary of State and Secretary of Defense of the country, that doesn't just spend more than all of its 29 NATO allies on defense but spends more than twice as much as all of them. In fact, it's 2-point something as much.

So their statements are of enormous importance and each of them said something that was quite quotable, as you noted. And I think the real bottom line from this, Marie-Josée, is that this is no longer Ukraine fighting against Russia – which has conducted an unprovoked invasion of Ukraine – with the help of the U.S. and a few countries in NATO. In certain respects, it's now Ukraine fighting with the arsenals, with an S on the end, of democracy supporting it.

And the reason this is so significant is that it appears that Russia's capabilities are being depleted very, very substantially. The estimate is that they've lost at least two and maybe nearly three years' worth of production of armored vehicles and other weapon systems already. They have, of course, also lost very substantial numbers of soldiers. It's at least, it's well over 15,000. It could be approaching 20,000. That's nearly double

the amount they lost in nine years of war in Afghanistan and many multiples of what we lost in Iraq and Afghanistan put together.

This clearly is not going well for Russia. They were defeated – Ukraine won the battles of Kyiv in the north. That was the main effort, of course, of Russia in the beginning, to topple the government, replace President Zelensky with a pro-Russian figure. They failed. Ukraine won that battle and also the battles of Chernihiv and Sumy, two other cities in Northern Ukraine. And then, of course, Russia has now refocused on the effort from the East and the Southeast to try to expand that area and finally putting one general in charge, albeit the general whose nickname is the Butcher of Syria, for the campaign that he brutally, he oversaw a brutal campaign that included the enormous bombing of Aleppo in 2016 that basically depopulated very large areas of that city.

So this comment by Secretary Austin and also the comment by our Secretary of State, these are very, very significant. And keep in mind that tomorrow Secretary Austin will convene a gathering of some 40 or so Secretaries, Ministers of Defense, his counterparts from around the world. So that's more than just the 30 defense ministers of NATO. It also presumably will include our major partners in the Indo-Pacific area, most of them, certainly many of whom were part of the coalition that I was privileged to command in Afghanistan. They're all going to come together and determine how they can support a country that has a democracy and a free market economic system

against one that clearly does not.

And what it means, I think, for Russia is that there has to be very significant concern in Moscow beyond the ways in which their economy, their financial system, their business community, Putin's inner circle, are all being seriously damaged by sanctions and so forth and the way that they're losing 300,000 already of their most talented citizens who are voting with the feet and leaving Russia, many of them for good, just as some of the businesses that have left are not coming back. So that's irreparable damage.

But now the prospect that they literally may not be able to replace the weapon systems, the armored vehicles and perhaps at some point even the soldiers on the battlefield, certainly not with professional, competent, capable soldiers, that has to give considerable pause. We do need to be careful here, though, because as you and I have discussed in the past, you do not ever want Vladimir Putin feeling that he has been backed into a corner with nothing left to lose, because the possibilities at that point could be very worrisome indeed.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Well, that's the issue I wanted to raise with you. We talk about giving pause but it may also give fodder to more brutality or more escalation. And when one thinks of the May 9<sup>th</sup> date, do you think that that date is a critical date for Putin and for the world in terms of their making a strong statement?

GENERAL DAVID H. PETRAEUS: Well, I do think the annual World War II victory celebration, parade through Moscow on May 9<sup>th</sup> is an action foreseen mechanism, if you will. Otherwise, there's no explanation for why Russia is feeding forces into the east in a very piecemeal fashion. This is not, they still are not achieving the kind of mass, nor the kinds of combined arms effects, in other words, when armor works together with infantry engineers, artillery mortars, air defense, closed air support and all the rest of that.

They're just pushing units in and many of these units really were not fully reconstituted for the damage that they sustained in the battles around Kyiv, Chernihiv and Sumy.

They had soldiers shoved into them, new weapon systems and vehicles, and then just pushed into a fight without the kind of training that is what solidifies a so-called reconstitution process. So I do think May 9<sup>th</sup> does loom, but I don't think that there is going to be a substantial victory that President Putin can announce unless there's something we just don't anticipate such as some kind of logistical collapse of the Ukrainian forces, even as, of course, they are receiving enormous quantities of additional weapons and ammunition and so forth.

Let me just quantify one of those items for you. We're at 90 155 mm Howitzers from the United States. These are heavy artillery systems. And way, way over 150,000 rounds of ammunition for that. Keeping in mind that they don't use 155 mm. They have 152, the Eastern Block systems. But this is five battalion's worth of heavy artillery. This is a

massive amount of artillery. If they can get into the system, be trained quickly on them, because these are systems they can absorb quickly given the ammunition being provided for them as well, which is different from, say a new tank system or a new air defense artillery system – they can have an enormous impact on this particular battlefield, especially in the east where the ground is much more open and where if Ukraine can continue to use their drones very effectively as they have been, essentially as forward observers to then target that artillery, this could cause enormous problems for Russia.

So we do, I think, at some point have to start thinking about, you know, again, if, if this all comes to pass as might be possible here, we have to start thinking, together with President Zelensky, how, on the one hand, to put this enormous pressure on them, but on the other, start to think about how there could be an end game beyond what could just become another frozen conflict. And I don't think that's in Ukraine's interest nor perhaps in the interest of the world, given the challenges that could present to Vladimir Putin. I have no, again love lost, certainly for the guy who beat me out for *Time* "Person of the Year" in 2007, I can assure you.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Let me ask you. You must have been surprised by the ineptitude of the Russians, I mean their lack of leadership, their lack of training, the design, we saw those 40-mile convoys.

GENERAL DAVID H. PETRAEUS: Entirely. Again keep in mind, it's a system of about, one-quarter is conscripts, number one. They're only in service for a year. I mean it's a minuscule amount of time to actually develop skills and the bonding and all the other necessary components of a professional military force. And they have not done large operations in anyone's memory. I mean what they did in Chechnya after the defeat initially in Grozny was they just backed off and destroyed the city essentially. And then they employed a very brutal individual as their surrogate who has kept it under control. Syria, again they weren't doing large operations. They were providing the air power to support the ground forces that were provided by the Bashar al-Assad regime, Hezbollah, Shia militias and others.

And again, Dmitri Alperovitch, a mutual friend, I think will bear me out, that I said on the eve of this, on the way back from the Munich Security Conference, you know, I've been part of an invasion of a country and big operations are really, really hard. And I don't know that they are really set for this. I didn't realize, frankly, how little in terms of training they must have done during these months, in some cases years of maneuvers that they kept announcing that were being conducted on Ukraine's borders with Russia and then also later on in Belarus. I mean as far as I can tell they were camping out there or something. They didn't train to any identifiable standard that soldiers of the U.S. or a professional military would recognize.

And there was a degree of ineptitude at every single level, literally at the small unit level, the communications have broken down. They are not using their encrypted communications that they advertised to the world. They're on single channel, open high-frequency which anybody with a scanner can find and actually record and they're doing that and uploading it to social media. It's particularly interesting to hear the soldiers' comments about their leaders. To say that they're not very charitable would be an understatement. And then they jam them. And so the generals have to come forward to find out what's going on. That's why now probably about ten generals or so have been killed by very professional snipers of Ukraine.

And on the other hand, I had seen the Ukrainians, I was in Ukraine prior to Covid, right after President Zelensky was elected. I did go down to the Donbas. I saw the eastern part of the country. And I realized these are seriously, again capable and determined and creative and resourceful soldiers. And they have shown to be all of that and much more. And then, of course, you have the inspirational leadership, Churchillian leadership of President Zelensky, who has gotten the big ideas right. You know, every male will stay in the country. He's staying in the capital, even when it was under siege, with his family and so forth.

You see all the ingredients for what Ukraine has done so impressively, which is not only to stop the Russians but indeed to be counter-attacking against them, northwest and

east of Kyiv and in the other cities, and now the determined resistance. They're going to have to give some ground in the east. Again, it's much more open although the fields are still not fully trafficable. But they'll probably have to give some degree of ground, but I don't think that they will be broken or that they will be encircled the way the Russians would like to encircle them.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: You've often referred to the fact that Russia has no non-commissioned officer corps, a key weakness and an inability of soldiers to take important, real-time decisions.

GENERAL DAVID H. PETRAEUS: It's a crippling deficiency really. And why they've never remedied this, this goes back to the Soviet Union. In fact, what's also interesting, I must say, as I was, you know, in the Cold War days, served on the Inner German border as a Major and so forth and was a speech writer for the Supreme Allied Commander, the war that we were preparing for then is, in many respects, what we're seeing now except with the addition maybe of social media, drones, and some other advances.

And some of those we're about to see because these loitering munitions that we're putting in there, the Switchblade drone and the Phoenix Ghost in particular can be very, very damaging to the Russians, if we can get them in there quickly enough and in

sufficient numbers. But yes, the absence of a non-commissioned officer corps that takes the initiative is just completely lacking and they really don't even have initiative at the lower level.

In Iraq, we had, in my counter-insurgency guidance, a series of admonitions, imperatives – if you will. There was one that said promote initiative. And then it went on and explained, in the absence of orders, figure out what they should have been and execute aggressively. That is not the culture of the Russian military. They wait for instructions for above, and frankly, the level of competence has been shockingly low.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: The level of brutality has been shockingly high. And when one thinks, for example, in Bucha they're finding civilians that have been attacked with flechettes, which are really World War 1 weapons.

GENERAL DAVID H. PETRAEUS: Yes. This is a culture of war crimes basically. I mean, you know, our culture, we try to adhere to the Geneva Convention. When we made mistakes, and there were some notable ones, Abu Ghraib would be among them, indelible images that will always haunt us, we took action. And then we sought to figure out, you know, how do we make amends? How do we correct it? How do we mitigate the risks of this happening in the future? It's completely the opposite, it appears, with the Russians. And again, based on taped radio calls, it's very clear that they actually told their soldiers to go ahead essentially and kill people indiscriminately. And certainly

their targeting has been completely in violation of, again, the Law of Land Warfare. And they're doing more and more damage to civilian infrastructure as they get deeper into this operation.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Well, that was the Chechnya scenario, wasn't it? Destroy, destroy, destroy, there's nothing to go home to.

GENERAL DAVID H. PETRAEUS: Yes, I think if you look at, again, the Port of Mariupol in the southeast, that when we finally see Mariupol we will see just enormous levels of destruction there, just as you saw to some of the outlying towns outside Kyiv, in that sprawling metropolitan area. You know it's useful to recall that that is a 320 square mile metropolitan area compared with 300 miles for New York. Yes, much less densely populated but much more sprawling and very challenging for them. And yes, they just wantonly destroyed villages and towns that were in their forward areas there. And again, we'll see more of that, tragically I think, in the east.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So if you had to outline three scenarios for the unfolding of this war, what would they be?

GENERAL DAVID H. PETRAEUS: It's a great question and something that I think a lot of us have been thinking through. One, actually now if all these weapons and

ammunition and so forth can get in there quickly enough, and they can make use of these systems, it's no longer inconceivable that Ukrainians could push the Russians back. I don't know if they could push them all the way out of the originally occupied Russian-supported Separatist areas of Donetsk and Luhansk, Oblast. But I think they will have to bend a bit right now, but I think they could actually get on the counter-offensive, especially if it appears that Russia is unable to replace the enormous numbers of systems that they're losing.

And I'll just add as an aside that there's a phenomenal website that actually documents all of this as only you can today because it uses the meta data from photographs on social media. And Ukraine, on their side, they're photographing everything that is destroyed by Russia and they are painstakingly assembling the list of all that's been destroyed. It's over 3,000, I think now, in terms of overall M-Systems. And it's many, many hundreds of tanks just as a single example. But one of those is, again, that scenario where you push them back and perhaps then there is a negotiated resolution.

Another is, we can't rule out that something could happen that could undermine the Ukraine military's ability to continue in the east. There could be a breakthrough by Russia and they could, in a way, declare victory and then just shore that up and make that a new frozen conflict. That would be obviously terribly devastating, I think, for Ukraine given that so much of the industrial areas are in that particular area and

whether or not it includes Kharkiv, which has still not been encircled, would be in question.

I guess there is a scenario again that you could have some kind of negotiated resolution as perhaps both sides realize that they're in a war of attrition in which there are no winners, keeping in mind that the attrition on Russia's side is not just the weapon systems and armored vehicles and soldiers. It's also again the damage to their economy, financial system, business community, Putin's inner circle, and just the best and brightest of Russia.

And you will have seen, I think, another one of the developments just in the last 24 hours or so is that Russia no longer releases economic data presumably because it is so disheartening. So I mean that's the broad contours of how this plays out. And I think the big question, you know, as a former Economics professor, you should always say it depends.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: On the one hand...

GENERAL DAVID H. PETRAEUS: And I think it does depend specifically really right now on how quickly these massive commitments, and I've just highlighted a few from the U.S. side, think of the commitment of the air defense system from Slovakia, which

we replaced with the Patriots, the tanks from Czech Republic, which are compatible with the tanks of Ukraine, and others, and many other countries that are committing, especially the U.K. – I should note – the first to provide, they were the very first to provide the anti-tank-guided missiles.

We then followed up with thousands of these very lethal javelins and then the Stinger air defense shoulder launch guided missiles. But they are also the first to have anti-ship missiles and they've been the first in a variety of other ways. So it's interesting to see global Britain move out and demonstrate the kind of agility that a lot of us thought it might have and indeed has demonstrated in this case. But then noting that the capabilities from the U.S. inevitably dwarf really everything that everyone else does by a factor of at least two or three.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: But there is an elephant in the room and that's energy. And on the one hand, we're bleeding Russia with sanctions and so on, but we're also feeding Russia with important revenue, substantial revenues for oil and gas.

GENERAL DAVID H. PETRAEUS: Crude oil, I think, is literally three times the revenue of gas actually. The gas is the one in which so many countries are just completely dependent and you just cannot replace it with LNG and, in fact, I believe Germany still

does not have a regasification terminal of any kind.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: And that would take years to build.

GENERAL DAVID H. PETRAEUS: Yes, exactly right. So there are real challenges here. On the one hand, it increases Russia's trade surplus, its current account surplus, and it's feeding the effort. And, of course, it's coal as well. So they're a top three producer in each of the areas of coal, natural gas, and crude oil. And, of course, then we should talk about the impact on agricultural foodstuffs. Thirty-five percent of the world's wheat exports actually come out of, roughly out of the Black Sea region, a combination of Russia, but especially Ukraine. Those are not going to many countries this year. Egypt and a number of other African countries, in particular, that are dependent on that could experience real troubles as a result. Of course, the global market of that will see an impact. There's some countries in South America that have had drought conditions that will suffer as well.

And then we haven't talked about palladium, you know, nickel, copper, all these other minerals that are so important that come out of Russia as well. And obviously this is why at the end of the day we've got to try to figure out how to get to a negotiated resolution albeit one that, again, I'm not in the least bit disappointed to see Russia's capacity for invading another country, in this case perhaps a NATO country, reduced

very, very considerably as a result of this unprovoked invasion of neighboring Ukraine.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: But in light of this dependence on so many natural resources and foodstuffs, I wonder how long Europe can stay united. You mentioned the election of Emmanuel Macron but one of the key issues in the French election was purchasing power. People are really hurt by inflation and these rising prices and those pressures will be felt more and more. How long do you think Europe can stay united?

GENERAL DAVID H. PETRAEUS: I think that is a concern. It depends. I think it does. It's interesting because I did a Zoom this morning with a German group that did include some members of the Bundestag and so forth. And again we were quite open with each other that the challenge is going to be how long can governments maintain their majority and so forth if indeed inflation sets in, citizens are paying a good bit more for, again, heating, electricity, gasoline, and a variety of commodities that otherwise, they were used to paying much less for in the past.

And so I do think that that is a potential Achilles' heel, especially for parts of Europe that are most dependent and it has to be a concern. You do see slight changes in some of the rhetoric from some of the leaders of some of these countries as they are trying to figure out how, on the one hand, to do what they know is right – provide lethal

capabilities for example, increase defense spending, whatever it may be – while making sure that they don't leave elements of their coalition behind. So I do think that that is what bears most careful watching. And, of course, we're just beginning to see the effects of all this creep into some of the markets. That will take a bit longer to really develop.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Well, as least rhetorically Germany has made a huge U-turn on policies and in its support of Ukraine. But one of the big questions and one of the attacks on Chancellor Scholz is that he's not moving quickly enough, which is interesting from a country that used to focus on pacifism and they're pushing him to move more quickly. But does Germany have the capabilities to move more quickly?

GENERAL DAVID H. PETRAEUS: I think it has the capabilities. What I don't know, in all honesty, you know, having never done a Whip count of the Bundestag, because they actually require change, I believe, to the constitution for some of these issues. So that very first weekend when, you know, a revolution took place in Germany, where he declared we're going to jump right past 1.5% of defense and go to the 2% of GDP on defense – by the way, keep in mind if that goes through, Germany likely would become the third largest spender on defense in the world, presumably behind, I would guess it would be the U.S. and China – again this is really, it truly is revolutionary.

Given the size of their economy compared to those of the U.K., France, and Italy that typically the second below the U.S., quite a bit below, Germany is going to jump right past them and become vastly more prominent. He also committed, as you'll recall, \$110 billion equivalent for defense-readiness needed without question. But again all this very rapidly done. And then, of course, the commitment of lethal supplies. And I suspect there had to be some discussion behind closed doors to account for the modulation – shall we say – and the rhetoric since that time as they're trying to figure out how to keep all the elements of this coalition together as they make the changes to which he committed, some of which are again truly revolutionary.

And again, the ramifications of this are really very significant. As someone, who again grew up in NATO from the time he was a Second Lieutenant Airborne Platoon Leader in Vicenza, Italy, all the way to literally a Three and a Four-Star Commander, in each case, dual-hatted, as a NATO Commander, this is really dramatic because it was always the U.S., the U.K., and typically France and Italy. This brings them way up above, similar in a way to their status, of course, in the EU. And that is going to be transformational for NATO.

Now also, of course, we haven't touched on the fact that ironically in trying to make Russia great again, Putin has made, Russia has made NATO great again and even could expand the membership because Sweden and Finland will feel compelled to join

NATO, which would be again another pretty substantial addition. This is a lot more than a small country in Central Europe. So the landscape really is being transformed as we watch, and he can thank himself for all of this.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So you envisage then substantial reform, NATO reform capabilities, deployments?

GENERAL DAVID H. PETRAEUS: Yes. And I think it's ongoing capability. I mean you're already seeing that we've doubled the forces in the three Baltic states. Keep in mind that we didn't have any forces in the Baltic states before 2014. I mean they joined NATO and nobody saw that as all that big a deal despite having borders with Russia needless to say. And then we put forces in, in the wake of 2014. They have already been doubled and I think you'll see even more than that. What you'll see also is infrastructure and it's really always about, again big operations, logistics. It's about infrastructure. It's not just about pushing forces out there. It's about the expeditionary and logistic capability needed initially and then the fixed installations capability. You're seeing it in Eastern Poland. We'll see it, certainly I'm pretty sure, in Eastern Slovakia, Hungary and Romania.

So these are very, very significant changes. And NATO had really only begun to address them. They created a special command essentially to push everything out to

the east or at least to make, you know, all the trains could keep running all the way, this kind of thing. Make sure all the bridges could actually be strong enough to withstand, say a U.S. Abrams tank on a tank carrier going across them. That kind of preparation. Now you're talking about the actual infrastructure of bases and installations out there. And that is very, very significant. And I think as long as Vladimir Putin is in the Kremlin you're going to have the residual serious worries that will compel NATO to do that. And again, it has really breathed extraordinary new life into NATO. Vladimir Putin was always the greatest gift to NATO since the end of the Cold War. Now he is incomparably so.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: One topic we haven't alluded to is the nuclear option and Vladimir Putin has referred to it a number of times and so have some of his acolytes. Is that something that you think is a serious imminent threat?

GENERAL DAVID H. PETRAEUS: I think it's a serious concern. I don't think it's an imminent threat, but I think it is one that you can no longer dismiss the way perhaps we might have prior to the beginning of this operation, this invasion. Just the fact that he has rattled the nuclear saber more than once, that some of his senior officials have described, you know, they have a policy called Escalate to De-Escalate. They reminded us of this doctrine, which is very, very concerning.

All of these issues, and then just the prospect that he could perhaps be put into a position, you know, he put himself there to be sure, but he could end up in a position where he feels some degree of desperation. That has to be concerning. Again, he has the biggest nuclear – it doesn't really matter, at a certain point whose is bigger – he's got tons of capabilities. And some of these actually, he has much more variability in the so-called tactical nuclear realm.

I tend to think that this is still such an extraordinary threshold to cross that they will think many times before they do so because the countries around the world that have either abstained from voting or actually voted with Russia, I think find it much, much more difficult to continue to do so in the future if indeed he becomes the first country since World War 2 to use nuclear weapons. But again this is an issue that I'm sure the Red Cell and my old agency, and I know actually that the NSC staff has let it be known that they are examining how this might happen, what could happen, how to respond to it and so forth.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: And how do you think President Xi is reacting to all of this?

GENERAL DAVID H. PETRAEUS: Well, this is really interesting because I suspect that when there was the embrace and the announcement of a partnership with no limits on

the eve of the Olympic opening ceremonies in Beijing that there was no expectation, certainly on President Xi's part, that Vladimir Putin would do something so poorly. At some point, one has to assume that Putin would have told President Xi that we are going to do this little operation, and don't worry, though, it'll all be over in a few days and our man will be in place in Kyiv and we can go home and have a victory parade. And obviously the exact opposite of that has happened.

So there has to be concern about having again embraced so firmly someone who has become the global pariah. But then when you add in the other challenges right now during the period that presumably again, President Xi hoped let's just get through the Winter Olympics and then we're going to have a nice, calm, quiet, no drama period until the re-election when the party gathers in the fall for an unprecedented third five-year term. And instead it's anything but that. Obviously zero-Covid in Shanghai has proved to be very, very difficult for the Chinese citizenry. You see the possibility of that actually now in the capital, Beijing. You see this panic buying that is emptying shelves. You see the stock market plummeted today. All of these issues that again clearly he would have wanted to avoid.

And on top of that, of course, you still have Evergrande. You still have the challenges of the real estate development companies, the biggest again, Evergrande, with \$300 billion in debt that it can't possibly renew the overhang of – if you will – of the coming

demographic decline. They're already losing 5 million people a year out of the workforce and, of course, it's going to spiral downward over time. Again just a number of issues. And again there has to be real concern in Beijing as a result of all that especially because it's the opposite of what he presumably had hoped would be the case between the end of the Winter Olympics and the re-election this fall. So I think difficult times there as well.

And then, you know, with respect to the impact on our ability to deter something we desperately want to avoid at all costs would be the potential conflict between the world's two superpowers. I actually think from a Washington perspective, especially given where we were in the wake of the decision to withdraw from Afghanistan, and you'll recall I said I believed we would come to regret this, and I think, I presume we have. I mean it has been, not just heartbreaking and tragic, it has been disastrous in many respects. Certainly for the 40 million people we were trying to help for two decades. But it also allowed President Xi to say, see, we told you, the Americans are not dependable partners. You can't count on them, and they're a great power in decline. Look at how the withdrawal went.

So I think this is a corrective to that. You know, this is certainly by no means something Washington welcomed. But again if there is to be a crisis, then by all means, let's try to correct that image, which I felt was wrong in any event when it came to important

interests but particularly given that deterrents rest on an adversary's perception of two elements. One is your capabilities and the other is your willingness to employ them. I mean I think this does allow the United States to do what, I believe, we should do which is to lead the world in really important causes like this one. And that there is again a positive result of that in the sense of when you look at the effort to deter a would-be adversary from doing something you desperately want to avoid becoming engaged in.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So you think that – I don't want to be too political, but this new package promised by the U.S. has to be approved by the Senate and there seems to be a lot of horse-trading going on in our Senate. That would be detrimental to the U.S., of the U.S. and the world, don't you think?

GENERAL DAVID H. PETRAEUS: I tend to think there is such strong bipartisan support, I mean you know – I perhaps should remind the viewers – I am completely nonpartisan, I'm not political at all. I don't even register, much less vote, support a party, endorse candidates. And I speak to members of either party. I just spoke, in fact, to the Ukraine Caucus which has members from both parties in the U.S. Senate. And it is very, very clear that there is strong bipartisan support for just about anything that folks want to put forward to support Ukraine at this point in time. And that's how we've been able to do these massive draw-downs of our military capabilities. You know we're way over \$3 billion. I'm trying to determine whether or not that latest commitment yesterday

adds on top of the \$3-point something billion that we've already committed since 24<sup>th</sup> of February. I think that's the case.

And again we're talking a massive sum and enormous capabilities that we are providing to Ukraine. And some of these don't get much coverage. Counter-fire radars, I think it's eight or nine more of those because we're giving those in the past. Those are extraordinary because they can identify precisely where the Russian artillery is that's hitting Ukrainian forces. And if it's integrated properly with these new 155 mm Howitzers, they can immediately target those digitally and respond with very heavy artillery fire.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So one of the questions that keeps coming up is why the Russians haven't used more cyber, more cyber-attacks, more cyber intelligence?

GENERAL DAVID H. PETRAEUS: Great question. It's, I think, in part, first of all, they have. They did hit Ukraine very, very hard right at the outset. And I think basically the effort, here again, just as in the Ukrainian military writ large, but the effort to shore up Ukraine's cybersecurity has paid off. And it's publicly known that there has been considerable assistance from various agencies of the U.S. government and that reportedly that assistance continues albeit no longer with boots on the ground in Kyiv

but presumably nearby. And, of course, you don't need to even be nearby in this day and age. You just need to have high-speed internet access and secure links and that's very, very doable. So that's one of the reasons.

Now, there is legitimate concern, I mean when the President of the United States says we need to get our force shields up and so forth, that is serious, and that is presumably the result of intelligence that says that Russia is exploring some kinds of potentially very damaging attacks. But the fact is that again the work that has been done, not just in Ukraine but in the United States and so forth in recent years appears to be paying off a bit. Although I recognize very much how much more needs to be done.

The Cybersecurity and Infrastructure Security Agency has only been around for a few years. We're just on the second director, admittedly a second extraordinary director following the founding director. So Jen Easterly is just, across the charts, sheer brilliant as are the two others that are in the key positions in the White House and also as the so-called Cyber Czar, Chris Inglis, former longest serving civilian deputy of NSA.

So all of this, I think, is starting to come together. We were late in the establishment of CISA compared with, say the U.K. or some other governments around the world. Once again, it took us a while. But now what we're seeing are the results of all this and knowing that there's a lot more that needs to be done, there still actually has been quite

a bit achieved. And we're seeing those results materialize slowly, including, by the way, the ability to go after those who get paid in bitcoin for ransomware attacks. And, you know, remember, bitcoin is a distributed ledger and you can \_\_\_ if you have the determination, the tools, and the persistence, and they left a cyber trail to follow.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Unfortunately, David, we could go on and on and on but they have told me that the clock is ticking, and I'm going to ask you one very quick question because it came from the chat. You referred to a website that provides information on...what is that website, if you could share it?

GENERAL DAVID H. PETRAEUS: I believe it's oryx.com. It is O-R-Y-X is the website. And I think you can pick it up pretty quickly. I believe it tweets as well because I think I look at some of the...when they come up. But that's the one that is really quite extraordinary and it has documented painstakingly every destroyed item that it reports on its ledger.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Well, thank you for your time, for your insights, for your informative responses. And unfortunately it seems that this war may last longer than we anticipated so we'll probably call upon you again to update us on what is happening and what might happen and what should happen. So thank you so much. Thank you for your time and all of your information and knowledge. And I'll turn it

over to Barbara.

PRESIDENT BARBARA VAN ALLEN: Well, thank you both. What a terrific conversation, so full of insights and we do hope to get you back, both of you, together again down the road a bit.

I want to thank everybody for joining us and I'm putting up on the screen very quickly the upcoming events. As you can see, we have a full schedule, and I encourage you to continue to check our website as we keep adding many items to the calendar. I also want to just bring to your attention June 27<sup>th</sup> we're going to have our Peter G. Peterson Leadership Excellence Award Dinner, where we're going to be giving two awards this year. So that's a very exciting new addition to the calendar, June 27<sup>th</sup>.

I'd also like to take a moment to recognize the members of the Centennial Society that joined us today as their contributions continue to be the financial backbone of support for the Club's work. Thank you everyone. Please enjoy your day. Thank you, Marie-Josée, and thank you so much, General Petraeus. Thank you.