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General David H. Berger
Commandant, Marine Corps

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Moderator: Charles Phillips
Managing Partner and Co-Founder
RECOGNIZE

Introduction

President Barbara Van Allen

Good afternoon and welcome to the, actually, 700th meeting of The Economic Club of New York. I'm Barbara Van Allen, President and CEO of the Club. The Economic Club is recognized as the nation's leading nonpartisan forum for discussions on social, economic, and political issues. More than 1,000 prominent guests have appeared before the Club over the last century and have established a strong tradition of excellence which continues up to today.

I'd like to extend a warm welcome to students from Mercy College, Columbia Business School, and the Gabelli School of Business at Fordham who are joining us virtually today as well. We also have some members of our largest class ever of 2023 Fellows – a select group of diverse, rising, next-gen business thought leaders who are also joining us.

And, of course, a special welcome to our special guest, the Honorable General David Berger. General Berger is currently serving as the 38th Commandant of the Marine Corps. He has commanded at every level to include women in Support of Operation SECURE TOMORROW in Haiti, Operation IRAQI FREEDOM, and Operation ENDURING FREEDOM. He's also served as Chief of Staff of the Kosovo Force in

Kosovo ___city, and more recently as the Commander of all Marine Forces in the Pacific. Along with a number of military schools, General Berger is a graduate of Tulane University and Johns Hopkins University School of Advanced International Studies.

The format today will be a conversation, but first we'll have some opening remarks from the General. And we are delighted to welcome as our moderator, Club Trustee and Managing Partner and Co-Founder of RECOGNIZE, Charles Phillips, will be doing the honors. As a reminder, this conversation is on the record, and we do have media on the line and in the room. General, if you're ready, the mike is yours, sir.

Opening Remarks by General David H. Berger

First of all, thank you again, to the Club for allowing me to join you. I got the rundown beforehand about General Milley's very spirited remarks. Of course, he made it sound even bigger than it really is, but that's what I would expect. Thanks for allowing me to spend time with you this afternoon.

I get to come to New York occasionally and what I've learned over several years is if you start off with a sports joke in New York, you can get a lot of applause or you're never invited back, so I'm not going to do a sports joke in New York.

For those of you all who don't know the connection here, my biggest thanks to my Marine Corps friend, Charles. He and I started out in the Marine Corps in the same class in Quantico, Virginia. And the way that the Marine Corps does it is all Marine officers, regardless of what specialty, whatever your ____, all of them, each of them goes through Basic School for six and a half months in Quantico, Virginia. And he and I were in the same class. And 30, 40 years later, we ____, so I'm really grateful.

And that was the Class of 1981, and to say that the world changed a little bit since 1981 would be a vast understatement. And I can say that, because looking around the room, pretty much everybody here was alive in 1981. I think most Marines were not. So it's really great to be in this room because you get what I'm talking about.

I'm going to talk some about how much, how fast the military has changed and needs to change. But before I get there, I'm going to visually quickly walk you around the world and I think it might be helpful context for you. I'm going to start on the opposite side of the globe, back in the Far East, and there, the People's Republic of China from our perspective in all categories is trying to change the World Order and they have a plan to do it. And they very much want a different world that displaces the world that's existed since World War II. And they want to write a different set of rules, economically, diplomatically, militarily, and they have the capabilities and they have the willpower to make that happen.

There's directed Chinese military activities, some of you all may know _____ either on the water, between ships or between aircraft. I would say we can put that aside for just a moment. A big challenge for us, the theft of intellectual property also is a huge challenge for us. Because it may take us years to develop a capability, to be able to _____ intellectual property, and we can get there in six months. That's the way to stay ahead.

You also have, of course, the partners, the other countries in the region, in the Far East, and for them it's a matter of economic and diplomatic coercion, both, times two. And if you ever travel to any of the islands in the Pacific, and some of you may, it's pretty disconcerting when you go and visit our country team, our U.S. Embassy, and there'll be half a dozen people there. And as Charles was telling us, in Africa you'll be outnumbered 100 to 1 probably by Chinese diplomats, businessmen, etc. They're definitely spreading.

And you saw what happened in Taiwan last week after President Tsai's visit here – the literal encirclement of Taiwan, a pretty heavy pressure campaign. If you look right below China, of course, is North Korea. Two weeks ago, they claimed to have demonstrated not just a nuclear weapons capability but a sub-surface one launched from a submarine. They are absolutely intent on disrupting the regional status quo and a nuclear weapons capability is their lever to do that.

If you look from there farther East, I'm going to take you into the Middle East. Here, Iran, not a new challenge, but they are also on the march to develop their own nuclear weapons capability and an intercontinental missile delivery system that would allow them to reach way beyond the Middle East. Inside Iran, of course, there's violent protests within their own population and a cracking down of dissent and protests which you and I are watching in real time.

The Iranians recent conversations three weeks ago with the Saudis brokered by the Chinese, we should pay attention to that third part, that's an increasingly complex security environment in the Middle East. You look north of there and, of course, all eyes are on Ukraine and Russia's ongoing assault of the sovereignty has now settled into over the past several months a World War I style, just grind of one force against another where it's a matter of yards and feet.

Add into that mix, China's recent involvement and President Xi's involvement in trying to negotiate or offering to negotiate his 12-points Peace Plan. Now you can see the Chinese involvement in the Ukraine Crisis at the same time. And that, of course, has NATO back on, taking great attention to why is China now involved in Europe?

You look South into the African continent which Charles has traveled to recently. We talked on the way up here. You have a whole cauldron of terrorism, poverty, climate

change, and probably three, four, or five other things that are endemic across the continent of Africa. And again you see Chinese involvement in several countries from Djibouti to the East Coast down to South Africa. And this year for the first time we have the South African military, South African military participating with both China and Russia in military exercises. The African continent is a challenge.

Across the Atlantic you're looking into South America, a number of South American countries which are infested with anti-Democratic movements and they are spreading and they are taking hold in South America. And at the same time you see China's involvement there in this hemisphere, building it to Argentina, Venezuela, Bolivia, and now most recently even in Central America, in Honduras.

So that's kind of the world environment. The threats are pervasive. But also the opportunities, I would say, are everywhere. And this is the good news because around that whole landscape that I just walked you around the world, your Marines are around the world right now operating across the globe. When we were in Washington, D.C. this morning, we get a situation report that we review every day. And today a little more than 33,000 of your Marines are forward-deployed or forward-stationed, away from their families, doing what you want them to do. As of this morning, they're in 51 countries, pretty amazing, around the world. They are all well-trained. They are all well-led. They are all very ready and that's today. But the reason I'm here today is not just to focus on

today but what about tomorrow?

I think any Marine that you talk to would tell you very proudly that we have been adjusting and adapting for more than 250 years, and we've become actually pretty good at it. However, the rate of change is accelerating. And I'm talking about change in the world environment, as I just kind of briefly talked you through, and also the rate of change in technology. So we, the Marine Corps have to accelerate the pace, the rate at which we adapt in order to stay ahead.

Now that didn't happen, that didn't start with me as this, when I got to become Commandant. General Neller before me came to the same conclusion that we, as a service, the Marine Corps, is not organized, it's not manned, it's not trained, it's not equipped for the future. We're ready this afternoon, but not for the future. So when I came in, that's where I started, exactly where General Neller left off, that we were not manned, trained, and equipped for the future.

But what is that future that we have to prepare for? That was the hard question. Really difficult to predict the future, of course, but Marines, as you know, never back away from a challenge, have to be ready for anything. And we're the force, the 911 force that gets the call when things are going bad, and in a matter of hours, either helping solve a crisis or avoiding one, making the other side think twice about taking one more step.

So we had the National Defense Strategy, which is derived from our National Security Strategy, pretty clear that we had to be ready for anything. And our conclusion was, get ready for the worst-case scenario. There's growing threats around the world as I described, but the common thread you probably picked up on is one country is expanding into all continents, becoming a global challenge, and that is China. So they're not just expanding in the category that you're very familiar with, economically. I would tell you absolutely yes, diplomatically, and expanding and strengthening militarily. And they're doing it fast.

Our National Defense Strategy and our Secretary of Defense extract, highlight China as our pacing challenge for the next ten to fifteen years. So what does pacing challenge, what does that mean? It means that they're closing in on us, that they see a gap. We have an advantage militarily. They're trying to close that gap. And pacing means we have to stay in front. That's the runner that you've got to stay in front of. It means if we don't modernize now, if we don't make the changes now, we will not only lose our ability to deter, we're going to lose our advantage to win, to fight and win.

So we took the worst-case scenario, a fight with modern China, their military. And we looked ten years out to see where will they be, where will technology be, down all the way to demographics and tried to envision what kind of Marine Corps we would need ten years into the future. And the logic behind ten, just to share it with you, is in the

government, especially in the Department of Defense, there are cycles of budget and people, and I wanted to get, we needed to get beyond that, beyond five, six years, beyond that inside churn. So that's why we picked ten. We didn't want to go too far because it starts getting fuzzy at fifteen and twenty years, so we picked ten.

And then here's the different part, if that's the Marine Corps we think we will need a decade out, we mapped it, we back-landed back today, not forward. We have to maintain advantage, of course, over a pacing challenge and at the same time be ready to respond to any crisis anywhere in the world because that's what your Marine Corps does. And that meant we couldn't just get new capabilities, couldn't just sort of restructure our units. We were going to have to build a force that's capable of meeting challenges a decade out, and in order to do that, we're going to have to rethink how we recruit, how we train, how we educate, how we retain Marines. And if we didn't retain them, of course, we weren't going to get the return on investment. So retention, keeping Marines, reenlisting them became very important.

And then we're going to have to do it without any budget increase – an important statement. And we're going to have to move faster than most people are comfortable moving. You all have seen this before in the corporate world. This is where leaders get uncomfortable making big decisions, sometimes unpopular. It also meant we had to learn fast, which meant we were going to experiment, try things rapidly. And we decided

to use the Marine Corps as our laboratory.

We could have pulled one unit offline and designated it as an experimental unit. But we thought for speed and for learning, use real Marine units that are getting ready to deploy, and that's what we've done. We told them to move fast, don't be afraid to try things, break things, learn quickly, run hard, fail early. And in just a few years, three and a half, four years, of course you would imagine we have learned a ton.

We call our modernization effort, Force Design, Force Design 2030. And I would tell you, even in the past few years of experimentation and adaptation, the Force Design today looks different than it did three years ago. We are in a much better place right now. The concepts, how we will operate, how we will fight, the capabilities, the weapon systems, the planes, the ships, all of that is being pushed out now around the world, real time, while we're sitting here.

And our retention inside the Marine Corps, keeping the Marines we need to keep, the highest rate it's been in 50 years. So when Marines ask, and people ask are we ready, my answer to you is absolutely yes. And we are also changing to make sure we're ready in the future. They will be ready tomorrow. They will be ready five years from now. Thanks again for having me today. I can't wait to hear what's your mind in the questions. Thanks again.

Conversation with General David H. Berger

GENERAL DAVID H. BERGER: A little different than when we were...

CHARLES PHILLIPS: ...a little different, a long time ago. Well, General Berger, it's a delight to have you. We're really honored that you're here. Thanks for agreeing to do this. And no shortage of things to talk about from the Ukraine War, cyber theft you mentioned, and weapons innovation. But while we were waiting to get started, someone reminded me, because I do a number of these interviews on behalf of the Club, the last interview they saw me do was with LL Cool J, so I assure you, I changed the questions. It's not the same questions so don't get worried.

So I think everyone in the room respects the Marine Corps, has a great deal of information about it but they're not close to Marines. They don't know people who are actually serving. And so I think, you know, there's been so much change in the Marine Corps. I mean obviously since the beginning, lots of things have changed. But even in recent years, my son joined about six years ago, got deployed to Okinawa during COVID, a lot of change happening. And so I guess people are wondering, and they're saying, well, we're having trouble finding people to work in business, and people are quitting, they want to work remote, it's hard to motivate people. How do you find Marines, train them, retain them given the environment and the demographics that we

have today? And what's different from a few years ago?

GENERAL DAVID H. BERGER: I'm probably going to start in a different place than perhaps you would expect. I think Marine Corps, Marine Corps recruiting and retention, why they stay, is the same reason when you were in it. In other words, the things that have not changed. To become a Marine, you cannot, you can't join the Marines. You can't, like you can join the Navy or join the Air Force, you can't join the Marines. You have to become a Marine, a fundamental difference. And you'll be a Marine for life.

So what's different? Recruiting is absolutely more challenging right now. This year, the Army, the Navy, the Air Force will, all the services, it will be hard. The Marine Corps will be the only service, again, that recruits what we need in every category. And why? I think it's because, one, the youth of America still want, I think they still want a challenge. I think they want to become; you know, they want to be a part of something bigger. They want to be pushed hard. And the Marine Corps for them is that challenge.

So I think being selected, being part of an elite type of force still draws people into the Marine Corps. But I agree with the first part, I think we, as a nation the population has to become reconnected with its military, absolutely.

CHARLES PHILLIPS: Well, like any other business, you actually formed a kind of management strategy. It's called the Talent Management Strategy Group, or TMS

internally in the Marine Corps. And so, why did you form that? And then for some of the specialized skills, you made some very innovative decisions. Maybe you can explain how you attract people in technology and these other specialized skill sets.

GENERAL DAVID H. BERGER: When you and I came into the Marine Corps in the early 80s, it was, what do you think? Four or five years after we went to an all-volunteer force, maybe about the 70s, after Vietnam. So when he and I came in, it was sort of an industrial model of recruiting and training people. And then four years later, _____. And that worked fine for us for decades. That was fine. A very young Marine Corps, not all that well-experienced, didn't need to be. Not all that technical, didn't need to be.

A different operating environment right now. We have to have a better balance of youth and experience, maturity, because the world that we're asking young Marines to operate in now is a lot more complex than the one that he and I operated within. I think Captains right now are making decisions that Lieutenant Colonels did on the battlefield. The same with Corporals and Sergeants.

With all that said then, you know, how do we tap into that? I think we have to change; we are changing the way that we are recruiting and managing their careers, which I'm assuming you are doing the same, or you're going to lose that talent. We have to understand what they're good at, what they're inclined to do, and find a match between

that and what the Marine Corps needs. And if it's a Marine, we have to keep them. We have to work harder, I think, to keep them.

We have to find out what challenges they're looking for and put that in front of them. We have to develop their skills. We have to remember what they came into, which is, the Marine Corps for, which is I want to make a difference. I want to be part of something bigger. We have to give them that feeling or I think, with the population now that are leaving, they're looking for it somewhere else. We really have to actually, not bend the Marine Corps, but we have to meet them part of the way right now.

CHARLES PHILLIPS: Well, one of your innovations was a lateral entry program where people with specified skill sets wouldn't go to basic, they would come in some other way and have a different career path. Maybe you can talk about that innovation.

GENERAL DAVID H. BERGER: A few years ago, Congress passed a law that allowed all the services to bring someone in who is not in the military at a higher rank. And they would be able to do that on the basis of their education and their experience. And in the technical field, where we didn't have enough of that built up yet, cyber would be a great example, where it's sort of a new field. It takes ten, fifteen years to build up that experience in the military so Congress opened the door for us to do that. So we're allowed to very selectively, allow people to come in from the private sector. They've

been doing cyber stuff for five, six, seven years, but they won't come in at the bottom as a Lieutenant like you and I did. They will come in as a Private.

So we're giving them credit now for their education and their work experience. The difference is, though, back to the square one, they have to become a Marine. So lateral entry is a door, it's a venue to bring in talent, but they're still going to have to become a Marine.

CHARLES PHILLIPS: Well, I should mention General Berger is personally helping us at the recruiting station this morning in New York. I'm sure that went well. It's the cleanest recruiting station in all the country probably this morning. So let's move onto the Force Design 2030 because that's a major change in the thinking behind the Marine Corps and the things that we've done historically versus the programs that you've put in place. Maybe you could set the context on, describe what it is and how you came to the specific changes, all the things you eliminated and bringing new things on. It's just a different way of thinking about the Marine Corps.

GENERAL DAVID H. BERGER: We have a process in the military, the Marine Corps, like the other services of each year, each budget cycle we look at what capabilities we think we need to do our job. We fit it into the budget, and we do this every year, kind of refine the organization. Our conclusion was that annual process was falling behind, the

world was moving too fast. I think probably not unlike what you would do periodically, not every year but episodically if you sense that your organization is starting to fall behind and your normal processes are not going to match what you need it to, you take a step back, you look deeper, and you figure out where do we need to be in the future and what is our core capability, core? What is it that makes us, us?

So that's what we did. That is Force Design. It's taking a step back, looking deeper into the future, figuring out what the nation needs of its Marine Corps, and then mapping it back to today, which is a different speed. In order to get where we need to get to rapidly, the regular process wasn't going to work. So now, back to use the Marine Corps as your laboratory. We are pushing capabilities out to the field to Marine units, who are breaking things, trying things at a really rapid pace. And then our challenge is to draw on what's working and what's needed and then feed it back into a cycle at a pace we're not used to doing.

You also have to contend with, of course, people who think this is going too fast, it's too hectic, slow down. And they would like to retard the modernization, just decelerate that a bit. We can't do that. Because I think it's clear to us, clear to you probably, you've dealt with it, it's your Marine Corp, it's your military that's behind. And then we get into a fight and that's how things go really badly. So we've got to move quickly. But a great part of all that, Marines are not bashful at all about learning, they're not bashful about

breaking stuff.

In fact, she has a cell phone in front of her, most of you all probably have one in your pocket. You have one. In the Marine Corps where he and I _____, it would take us seven years to develop that phone. And then we would send a team down to a unit with five phones, and we would train some people on how to use the new phone. And then they would, in turn, train their unit on how to use the new phone. And that would take about three weeks.

If you tried to do that, if you even tried to do that, we would bring that phone down to them and they would, first of all, tell them, thanks, we don't need the instruction, because we don't need it. And they would figure out how to use a phone in about, like half an hour. And after we left, they would take the phone apart, illegally, and then put it back together, re-code it, add a couple of patches. And when we showed up tomorrow, they would tell us, there were two things that really weren't right, but we found two other things that are really awesome. So just give us a set of phones, we're tired of your instruction. We have to field and develop equipment in a way different way.

One last point about the technical skills. There is a nexus here between the technical skills that you highlight and real fighting. We need cyber experts, but it has to be connected to killing things. We need technical experts but it's connected to what the

nation needs Marines to do, kick in a door. So it's not technology for technology's sake. It's to do the business you need the Marine Corps to do. So we need the combination of a really brilliant mind and someone who will go through that wall this afternoon like it's nothing. That's what we're looking for.

CHARLES PHILLIPS: You kind of alluded to that some people resisted the change. There's been some controversy, especially among retired generals, some in the press as well about the changes you are making, because these are dramatic changes. We moved \$17 billion out of traditional things that we associate with Marines, like tanks and artillery, into new areas. And so how did you manage through that change? And the second kind of criticism was, well, it's all focused on China, what about if something happens in Europe or somewhere else? So can you address, kind of how you're dealing with all that?

GENERAL DAVID H. BERGER: One thing you learn when you become a Commandant in the Marine Corps is every morning you get to read through for an hour, hour and a half, the most sensitive, classified information that the nation has. You get to travel around like I get to, like some of you all get to, to understand where technology is now and where it's going and what other corporations are capable of. All of that informs where the Marine Corps is going. And I ___ the day after I retire.

So from my perspective, all the decisions that we are making in terms of making sure the Marine Corps is ready today and next week and five years from now are based on every bit of knowledge that we have about the enemies that the nation has, technology, the whole operating environment. We're informed by all of that and available experimentation. I think clear assessment is healthy. It tests our assumptions. But in the end, as long as what you do is pointing you in the right path, and the Secretary of Defense and the President are comfortable with where the Marine Corps is headed, and we're very, very capable, I think, in a really good way.

But the criticism, I think, we pay attention to, we listen to, but we're really informed by what Marines experiment with, what actually works, what we're seeing in Ukraine and elsewhere around the world. That's what's driving us.

CHARLES PHILLIPS: You had an exercise recently at Twentynine Palms with the Third Marine Littoral Regiment which is kind of an example of this, designed to fight on islands, somewhat independent and kind of a different way of thinking, very mobile. How did that exercise go? And are there any other proof points that the redesign that you initiated, that it's working?

GENERAL DAVID H. BERGER: The exercise, the training exercise he's talking about is up in the desert in California. It's a big training area, really big. And the ultimate training

if you're a Marine is your force fighting against another Marine force, free play, no script, both who have credible capabilities. And for two weeks you just go at it after each other. And there's no, you don't know what their game plan is and they don't know what yours is.

So our First Littoral Regiment that Charles is talking about that's in Hawaii, went to the desert, went to Twentynine Palms, California, for their exercise. And they fought against another regiment for two weeks. And for the first week, it was a struggle because they had a whole bunch of different new capabilities and they were testing things out. And you could just see it was going to take a little while to get their feet under them. And once they got their momentum, once everything was hitting on all cylinders, they could do things that the other regiment just could not counter at all.

So initially, a steep learning curve. After that, the Colonel who was in charge of that regiment figured out how to master all the things that he had in place, thinking very unconventionally. But also basics, camouflage and decoys and deception, mixed all together with electronic warfare and satellite capabilities, he could run circles around the conventional regiment. And he was not going to take them on head-on-head. He looked for weaknesses and found them.

CHARLES PHILLIPS: We all have to make changes in our businesses and it's a cultural

issue getting people to accept these new things. So how did the rank-and-file Marines respond to a very different Marine Corps? When you first came up with this idea, are they bought in? Did the young officers buy in? Just, kind of what state are we at right now?

GENERAL DAVID H. BERGER: The way you captured it is probably dead-on accurate. A stratus, a spectrum, from youngest, who didn't grow up for 30 years in a role of manning and training and equipment, they're embracing it right away. They can see that the old things, the old think is not going to work and they're ready to try anything. They're really energetic. The more senior you got, the more...oh, maybe we should think about this, maybe we should slow down. Where things are today, I would say I am very comfortable with all of us, the leadership of the Marine Corps knowing we've got to move, move quickly, but under control. And as long as we're constantly moving and adapting and every iteration, feeding it back into the Marine Corps, we're in a great place.

I think initially, yes, some doubters at the top. And that's probably understandable, I would imagine, in any organization. This was the organization that got them to become a General, if you follow me, and then saying we've got to make some changes.

CHARLES PHILLIPS: When we started, we'd be on the radio all the time talking to a

commander multiple times a day. As we were saying, in Ukraine, doing that or using your cell phone, you can't afford to do that. You can get located and eliminated pretty quickly. So how do you coordinate across this vast set of units when the communication is so different now?

GENERAL DAVID H. BERGER: A couple of things. First, there are technical capabilities that we can't talk about today that do help, without a doubt. The biggest thing you can do is, and it's the strength of the Marine Corps, is discipline. We're used to carrying that phone with us all day, every day. Every Marine has got one in his cargo pocket. The discipline part comes in, no phones go to the field. When we're training or operating, no cell phones, period. It's got to fall back on the individual and unit discipline that those things will get our unit located. That's not good. Can't turn them on, can't take them with us.

So, to answer your question, how do you operate? This is the blocks of becoming a Marine. Leadership is based not on micro-management, not on prescriptive sort of guidance, but on, I need to accomplish this, let's figure out how to do it. Come back and ask me if you need something. Otherwise, go, execute. And that's, the reason why is as important as the how. The reason why is, in combat, in a conflict, there's a huge advantage to whichever side can see an opportunity and immediately take initiative. The one who hesitates, the one who calls their headquarters, is going to be off cycle. So we

breed our leaders to take the initiative. You don't need me to have guidance. What is it that we need to accomplish? Go. And that's how we generate tempo.

CHARLES PHILLIPS: That's great. Let's hit some other hot spots around the world. You mentioned China some. They've gotten obviously more aggressive; the spy balloons and the Chinese Navy is building up. We're all kind of concerned and there's been, I guess, the assumption that about 2027, Xi has told people to be ready to invade Taiwan. It doesn't mean they will, but it's a convenient time frame that's the end of his second term or third term by then. And that's the 100th anniversary of PLA. So it seems like an unusual time frame and that it might be in his head. How are we preparing for that? And everybody is worried about it, they want to hear that we have this under control in several ways and so I'd love to hear you talk about Taiwan and the Marines.

GENERAL DAVID H. BERGER: Yes, I think probably a couple of time frames to keep in mind, 2027, certainly some people have read about it and written about as the time frame when Xi wants to get his military to be at a certain level of capability. And whether he means that and what you do with it, that's a whole other issue. But ___ up to this level of capability, and his next time line is 2049.

So with that in mind, you know, what does that mean for us and Taiwan? First of all, you know, success, a winning strategy, your national strategy, success is no war. Right?

Deter it. Prevent it from happening. And that means, you know, for deterrents to work, you've got to have a very credible capability. They have to believe that you will use it, and you have to message that. You have to communicate that to them.

So I think the work that we're doing with Taiwan covertly and quietly is, one, to make them the strongest defense they can themselves. Make yourselves hard. Make it difficult. Make China think really hard about coming across those straits. And second is to help them militarily where they need it in developing their capabilities and their techniques and their systems, all of that. That's the U.S. military's job, help them. And the third part, I think, is really impactful, although maybe not as apparent to most, is the collection of allies and partners stitched together, make sort of a different piece of canvas than if it's Taiwan versus China. We can paint a picture if it's Taiwan with the U.S. and Japan and everyone else who ranks this world order that's been in a place, that's made everybody economically successful. That's what they have to face. It's not China versus Taiwan. So the allies and partners are a huge part of that.

CHARLES PHILLIPS: Let's talk about Ukraine for just a second. The innovation coming out of this war, maybe it's the first digital war. As you know, my firm owns a software engineering company with 3,500 engineers in the Ukraine, so we've gotten a lot of information back. And just watching them, some of them have joined the military. What are the lessons of innovation you've seen coming out of the Ukraine that might be

useful for the Marine Corps or anything else you want to comment on, how this is defining the future of warfare?

GENERAL DAVID H. BERGER: This war, look, that's probably a fair characterization, the first digital war. That's a great characterization. I would say exponentially more sensor systems than any other conflict we've ever seen. From satellites all the way down to the very basic cell phone like you were talking. They emit, they send out an electronic signature. So there's all this ubiquitous sensing right now, especially saturated in that area.

So what does, what does that, what do we glean from that? What are we watching and learning? Number one, basics still apply. Camouflage, deception, discipline, they're all going to matter. But there's a technical aspect here too and which side can adapt faster than the other side, here I would just give very high marks to Ukraine and their military, because they are adapting much quicker than Russia is as things change in this conflict over 12 months. And if you can stay in front of that – they've been able to – it matters immensely.

Electronic signature is a huge part of this conflict. Information, a huge part of this conflict. The ability to harness it, the ability to control it, to stay in front of that cycle.

Here again, I think ___ stops sort of in a net assessment. Ukraine does pretty favorably

there too. They have basically gotten most of the world on their side and kept them there, and their own people. Really in the last two months, this battle in Bakhmut, which you and I are watching, two months ago it seemed like they were never going to be able to hold out. They should just fall back. Their ability to adapt to the fight they have in front of them is masterful.

The last part I would say, they have been able to use weapon systems and capabilities that all the countries in Europe are giving them and learn them very quickly. They didn't go to school for six months. Very rapidly they're using our artillery systems, our HIMARS systems, our weapons systems, our control systems, and the rest of Europe providing the same, and they're learning it super quick. That ability to adapt and learn very quickly has kept them in front. We need to understand all that. One more point, I would say we need to understand the basics of logistics. If you haven't planned forward in advance, thought it through deeply, you can run out of things, run out of momentum. I think Russia thought they were going to be in Kyiv in a week. They started running out of things. They didn't think about their logistics. A good lesson to learn for all of us, I think there.

CHARLES PHILLIPS: I think a lot of us probably didn't spend a lot of time thinking about NATO until recently, and now it's important again. And Ukraine has been trying to get in for a long time and demanding to get in. But what about Finland? That added double the

border with Russia, by adding Finland. Does that change the calculus? Any way we should be thinking about that? Anything different since that happened? In other words, what's the implication of them joining?

GENERAL DAVID H. BERGER: Two or three years ago you could have filled this room with people who said NATO is old, it's a tired thing, it's not really reliable anymore, it's a leftover from World War II. Not anymore. Now it's the team to be on. Sign me up. Get me into NATO, fast.

Finland is extremely fascinating, I think, studies here. Fiercely independent from NATO, outside of NATO since its origination, for 67 years. And then next door, Russia invades a neighbor. Immediately, like where's the, give me the sheet, I want to sign up now. I think it really restores some people's faith in what our alliance is. That alliance is strong. Article 5 is a really big lever to pull. I think, what does that mean? I think a rejuvenation of NATO, number one, as a regularization. Number two, great leadership still matters.

If the U.S. hadn't stepped in and done what it did in the first, I don't know, 72, 96 hours, I'm not sure another country – I'm trying to think of another country who could have wrangled together quickly NATO to respond rapidly and get everybody on board. Great leadership from the United States really does matter. ___ it, and that's huge. And I don't know of another country who could have come even close to that. The U.S.'s role

internationally, globally, matters.

CHARLES PHILLIPS: Let me ask a question about innovation and technology. Then we'll open it up for questions from the floor. But DOD has spent about a \$1.1 billion last year on unusual unclassified AI technologies. I've met with Heidi Shyu, who is, you know, kind of Under Secretary of Defense for research and innovation, as part of being on the Defense Innovation Board. She's identified the right areas, 14 areas to invest in. It sounds like a lot of investment is going in, but is anything coming out that a Marine would see in a fast-enough time frame that you would see or care about? And do you have the ability to impact that? If not, what are the reforms needed to make sure that as we're spending the money, that it results in innovation that someone can use quickly?

GENERAL DAVID H. BERGER: Here I'm probably in maybe a different place than some of my peers. I need communication. No, it's not getting out to the field fast enough. There's another train of thought that thinks, don't go too fast, we have to prove things before we fully field them. I'm like, this is moving way too fast for that. We've got to get on a more accelerated ramp than we're on right now. I grew up in a kind of a linear world of progression. This is not a linear world of progression right now. This is more like Moore's Law Curve. We have to get it to the field faster.

What's slowing us down? We're on an acquisition process truly. We need a ____

weapons systems immediately throws, gets everybody nervous in the room about authorities. And once they ___ in the room, then we take seven steps back instead of one-half step forward. Now, I'm being a little bit self-critical, but I think we need to embrace it and move as quickly as we can. And here, I think Heidi Shyu, she knows the areas. She's laid them out. We have to embrace it. There's going to be some missteps in this fielding, and we should be okay with that.

I think one part probably that has some folks in the military kind of, a bit anxious is the marriage of artificial intelligence and autonomy. But we already are pretty far down that path now with the weapon systems we have now. So this isn't beyond the thinkable. I would like us to go fast, go faster. Not reckless, but to go faster. I think I would like to see us think about beyond the authorities that we can't seem to get on top of or that it's got to prove itself for three or four years before we go big. We're going to have to find a different way to go more energetically than that.

CHARLES PHILLIPS: Okay, any questions from the audience?

QUESTION: Hi General. Thank you, first of all, for your service, for keeping us all safe ___ overseas ___. You were talking earlier about China, from your vantage point, four or five years for different scenarios. There's another scenario outside of the military which _____. How would you say that you and other military leaders are partnering with other

leaders in Washington to think about how to build ___ together?

GENERAL DAVID H. BERGER: Yes, I think it comes together in a couple of places. I would say within Washington, D.C., the initial thinking of it, really the application comes in the country team, in the embassy, the ambassador staff. In any country around the world, we will go in and first and foremost understand what the ambassador is trying to accomplish there. And I would agree, in most cases what do they really need? It's a ___ or a diplomatic, or an economic need and we're really kind of a supporting cast to that. What we ___ is whatever people can't, other parts of our government can't, but I think we're really very comfortable figuring out how can we support this competition, this economic competition? How does the military fit into that?

And the one caveat, it's sort of like boxing or wrestling, you're never going to get out of position, ever. Because if the adversary, if the other side moves quickly and you're in a bad posture, it's going to be hard, really hard, just to survive. So we have to be postured all the time so that we can respond quickly if there's a crisis. I would agree with you, especially in certain parts of the world – ___ covered it during one of his recent trips – it is all about economic leverage, all about economic coercion.

Senior military leadership should do our best to study that, to understand that and to figure out how our part fits into the bigger scheme. We're known as the lead. Most of the

time we should not be the lead. But we have to figure out what's our role, our complementary role. I fall back on the ambassador and the country team. Listen to the way they're describing the problem, because it's local, right, the solutions are going to be local.

CHARLES PHILLIPS: Any others? Well, let me ask one last one. Go back to a comment you made early about the importance of logistics so you don't run out of stuff. You also said that once Marines are deployed on thousands of small islands that are 1,000 miles apart or hundreds of miles apart, forward-deployed in Asia, they may not be able to count on traditional re-supply. And so how do we handle when we're that far forward-deployed, that spread out, that logistics part of it?

GENERAL DAVID H. BERGER: Here's the major shift from the last, not the last 20 years but I would say from 2002 at the conclusion of the Afghanistan conflict, where you operated from fixed locations. Mostly the stuff was trucked or flown into you through water, food, supplies on a regular cycle. And no one was significantly threatening that sort of, what we called a supply chain, a re-supply chain. I mean there are ___ and convoys, you have to take measures, but mostly we could protect our supply chains. We're assuming that on a higher-end competition, that every one of those supply chains will be challenged.

So what's the difference? If he's my commander and he sends me off to do a mission in a part of the world ___our future, if it's a really high-end kind of contested environment, we're going to find our own water. We're going to find our own food. We're going to fix our machinery or equipment forward ourselves organically, medical, communications, everything that we need to the largest extent possible. We're going to forage basically. The only thing I can think of is ammunition, finding ammo. Everything else, we have to be self-sustaining. So part of it is training how to do that. Part of it is changing how to do contracting. But it's actually back full circle, the way the Marine Corps used to be a long time ago. Self-contained, go into a problem, don't need a lot. But ____, it's coming back to where we once were.

CHARLES PHILLIPS: Spoken like a true Marine. General Berger, thanks so much. This has been informative and we all appreciate what you do for the country. So thank you.

GENERAL DAVID H. BERGER: Folks, just, I need you all to find a recruiting station in New York. I'll tell you why. If you ever get frustrated reading the journal, reading the headlines or whatever and you're lying awake at night going, this place looks like a basket case, go out and find a recruiting station in the Empire State and walk in there. Because you'll be surrounded by Marines and other people who want to become Marines. Your country is in good shape. Your military is in great shape. And they are bringing in high school students and college students who want to defend this nation.

So put into context all the bad news that you and I hear every day all day long, at the end of the day there are sergeants and corporals and lieutenants, every rank, across your whole military, they're in a good place. The U.S. military is in a very, very good place. We just need to keep it there, that's all.

CHARLES PHILLIPS: Super. Thank you.

PRESIDENT BARBARA VAN ALLEN: General, thank you. That was just terrific, and Chuck, as always, great interview. We really appreciated having both of you with us today. And I think we all feel a little more reassured frankly, than before we came in the room.

I just want to give everybody a quick update. Tomorrow we have a webinar at 12:15 with two men who need no introduction, Glenn Hubbard, Columbia Business School, and Larry Summers, Harvard. These two economists will talk about where the economy is right now, where they see monetary policy going and some of the implications for that. They also, I know, are going to talk a little bit about China and the situation there. On April 13th we have another webinar with Dr. Ella Washington, who is an organizational psychologist, Professor at Georgetown's McDonough School of Business. She's going to examine inclusive leadership and what that looks like in the workplace today. On April 18th, we have a lunch discussion on where the markets are

likely to go this year as well as insights on investing in technology these days from Club member, Lee Ainslie, Founder and Managing Partner of Maverick Capital. On April 25th, we have the Chair and CEO of Merck joining us in the room, Robert Davis. He's going to talk about the future of biopharmaceuticals and probably what are the issues about timing and bringing to market will come up during that discussion as well. May 9th, we have our Club Chair and the President of the Federal Reserve Bank of New York, John Williams, for a Signature Luncheon. And on May 23rd, we're going to host Henry Kissinger, Chairman of Kissinger Associates, the 56th Secretary of State, for a Signature Luncheon, where we'll also celebrate his 100th birthday. And there are actually many more things that are swirling that I haven't mentioned yet, so stay tuned, some of which are pretty exciting.

So always, we take a moment to thank those of our 361 members of the Centennial Society whose financial contributions represent the backbone of the Club, and we express our appreciation for that. So thank you all for attending. Thank you, virtually, for joining us as well. We have twice this number virtually. And we're going to say goodbye to you, see you soon, hopefully tomorrow even. And for everyone in the room, please enjoy your lunch. Thank you.