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119th Year
835th Meeting

General David H. Petraeus
Partner at KKR
Chairman of the KKR Global Institute

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In-Person/Hybrid Event

Moderator: Marie-Josée Kravis
Chair Emerita, The Economic Club of New York

Introduction

Chair Robert K. Steel

Good afternoon. Hello and welcome to the 835th, that's right, the 835th meeting of The Economic Club of New York. My name is Bob Steel. I'm Partner and Vice Chair at Perella Weinberg Partners and Chair of our Economic Club of New York. It's really a great pleasure to have all of you with us here today for what is a full house for an exciting event. We also want to extend a warm welcome to people visiting virtually from the CUNY Graduate School and Mercy University.

The Economic Club of New York is very proud to stand as the nation's leading convener for important issues on policy and economic issues. For more than 100 years, the Club has hosted over 1,000 preeminent guest speakers contributing to a great tradition of excellence. We continue that tradition today by welcoming General David H. Petraeus to speak.

David is today a partner at KKR, Chairman of the KKR Global Institute, and a personal venture investor. Recent co-author of the *New York Times* bestselling book, *Conflict*, along with Andrew Roberts. But more importantly, prior to joining KKR, David served for over 37 years in the United States military, culminating his career with six consecutive commands as a General Officer, five of which were in combat, including command of

the Surge in Iraq, command of the U.S. General Central Command, and command of all coalition forces in Afghanistan. Following retirement from the military, he served as Director of the CIA during a period of significant achievements in the global war on terror.

David graduated with distinction from the U.S. Military Academy and is the only person in Army history to be the top graduate of both the demanding U.S. Army Ranger School and the U.S. Army's year-long Command and General Staff College. He also earned a PhD in international relations and economics from Princeton University.

I think today we're extremely fortunate to have David be interviewed by Marie Josée Kravis, as you know, economist, investor, public policy expert, and former leader of our Club. So with no further ado, I'm going to turn it over to the two of them to share with us their perspectives. Thank you both for being here today.

Conversation with General David H. Petraeus

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Thank you, Bob. And thank you, David, for being here again. We've had this conversation.

GENERAL DAVID H. PETRAEUS: It's great to be with you again. Back together.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: That's right. But I thought today we'd talk about the state of the battlefield, or I should say battlefields, because there's more than one battlefield right now. And then maybe we can talk about what that means for the future of warfare and new weapons, new missions, new training.

But let's start on the state of the battlefields as we talk today. And I insist on the word battlefields because we have an air war in Iran, a missile war in the Middle East, an economic war, a global economic war. And so maybe you can just describe as to where we are.

GENERAL DAVID H. PETRAEUS: Why don't we start in the Middle East. I should know, actually since you, that's the bio from the last time I was here, I think when the conflict...I actually have a new title as well, an additional title at KKR.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: And I'm a partner at KKR too.

GENERAL DAVID H. PETRAEUS: Which is, in addition, but relevant here, I'm the Chairman of KKR Middle East for the last year as well. Let me actually start if I could, I think it's important to understand why I think this war started when it did. And then I'd like to sort of walk through what the military missions have been, and then the challenge that currently confronts us there.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So why do you think it started when it did?

GENERAL DAVID H. PETRAEUS: Well, there was broad knowledge, certainly in Washington, and I was in Tel Aviv about six or seven weeks ago, and talked to people at their Pentagon, that they were going to attack Iran within a month or two because they were very worried about the pace of the reconstitution of the missile systems, which did so much, were such a challenge during the 12-day war in Iran.

Keep in mind that in the wake of 10/7 and those horrible attacks, Israel has changed its very national security orientation. It will not allow even a merge in a neighboring country, much less in Iran. So they will continue to go after it. And it's not just the mowing the lawn in the past, it's really going in and ripping out the grass. We've seen this with Hezbollah. We've seen it with the continued containment of Hamas and so forth. And this was their intention. So there was broad knowledge that that was going to happen.

Then you have the enormous frustration by President Trump in the pace of the nuclear discussions going on with Iran, notwithstanding the announcement by one of the facilitators of this that there had been real achievements. That was not the assessment of those who were negotiating or those in the White House. And then all of a sudden you have this, it can only be described as fleeting exquisite intelligence, if one of your intentions is, at some point, that you want to take regime leaders, all of a sudden you

have an opportunity to do that.

And what had happened is I had assumed that those leaders said, well, you know, the Americans didn't attack us. Everybody was sort of on edge. We thought there was an attack coming, as you recall. We watched those two aircraft carriers, task forces were assembled, all the defensive systems were brought back into the Gulf, the Patriots and so on. They figured, well, they didn't attack at 1:00 or 2:00 a.m. in the morning, which is when the Americans always attack, isn't that right. Except for this time. Because all of a sudden you have assembled the Supreme Leader and a number of other leaders, not outside, but in a location that's very vulnerable.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: It was also Sabbath. It was Saturday. It was Sabbath.

GENERAL DAVID H. PETRAEUS: Yes, well, there's that too. Yes, so you have this circumstance and I think the decision is let's go. The Israelis have described this to me as 40 senior leaders and 40 seconds across all of these. The intelligence, I think, was from multiple agencies, if you will. The Israelis have generally been doing the targets in Tehran and to the west and the U.S. then a bit south of that and down. That's how the battlefield has been deconflicted, although they're all working. In fact, another retired Two-Star told me the Israeli Air Force is essentially working for Central Command in this

because it's the Central Command combined with their Operations Center that did it. So that's what, I think, led to the timing of this.

And if you look at the missions, obviously regime leaders, a number of them have been taken out. In that one strike, the Supreme Leader, his son was wounded, who is now the new Supreme Leader, the Supreme Leader's wife, and also the wife of the new Supreme Leader killed as well. And then numerous others, the Defense Minister equivalent, the Chairman of the Joint Chiefs equivalent, the Islamic Revolutionary Commander. Again, a very, very substantial number of those. And that has continued and, in fact, just yesterday we got the Minister of Intelligence, and it just continues on a daily basis. It's a huge challenge for them. And it's an indication of how penetrated Iran is by the respective agencies of Israel and of the United States.

Then the big focus is, of course, immediately on air and missile defense. You've got to take those down as quickly as you can so that you're not just having to shoot your very expensive submarine and ship launch cruise missiles and air launch cruise missiles and using Stealth B-2 bombers all the way from the U.S. and then Stealth F-35 aircraft that the U.S. and Israel have. And that's been done very considerably. So this resulted in the announcement that we have air, I think it was called parity or dominance, but it's really air superiority. It might even be beyond that. Although we have lost some Reaper drones so there's still is a handful, more than a handful of those and those are not

cheap. But they're certainly not frontline fighters.

Then the focus of, what Israel was most concerned about, this is the missile launchers, the missile stockpiles, and even the missile component manufacturing facilities and assembly facilities. So they mapped it all out and they're just taking this down. Have probably gotten at least, I'd say 75% of the launchers at this point. But there still are some coming. To be sure, the launch number is generally down by 90% since the initial but there's still enough of them out there that on a daily basis, you're seeing different sites all throughout the Middle East targeted.

And keep in mind that there's always something that's being calculated, which is called the missile math, and this is where we, and I'm now including the Gulf States who wanted to sit this out, did not let us use the bases, and then horizontal escalation by Iran brings them into it in a very significant way. And they are very angry at Iran, needless to say as you would imagine.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: And was that a huge mistake, the regional retaliation?

GENERAL DAVID H. PETRAEUS: I thought it was, but you can argue, again, you can certainly make a case for it from their position. The same with the Strait of Hormuz as

we'll get into in a lot more detail. But the missile math is, okay, how many launchers do they have left? How many missiles do they have left? And how many missile interceptors do we have left?

And we know, it's been released publicly, I've seen reports that we've used about 800, as an example, Patriot interceptors. There's also terminal high altitude area air defense, which are even more capable but even more expensive. We shot \$1.3 billion of those from one battery in one location in Israel with U.S. soldiers during the 12-day war. So the meter is running a lot on these. But we know that we produce, Raytheon produced 620 last year. This is all public record. And we've shot 800 so far. So you're into, you know, previous years and there are countries out there that buy them as well. But that is something that's very much on the minds of all those that are there.

Obviously doing the same thing against the drone launch sites and the drones. Keep in mind the Shahed drones. These are going to, they're dumb, they're not remotely piloted. They're going to a GPS-guided target. Because Iran doesn't have the kind of communications architecture required with satellites or long-range, which, you know, we were able to fly drones over Afghanistan from an Air Force base outside Las Vegas, Nevada, skipped off two satellites. They do not have that. So these are going to a grid. And then they do have, though, we think, remotely piloted, if you have line of sight, that becomes material if they can sit on a mountain overlooking the Strait of Hormuz and

actually do remote piloting of those drones.

Regime forces, obviously going after the headquarters, the command-and-control facilities, the bases, the logistics sites, even individual police locations in Tehran and so on. Residual nuclear elements, this is, I don't think, completely done yet. We set that program back, I assess, by two years or more. But we have known that there is a likely stockpile of 60% of rich uranium that was safeguarded and perhaps some advanced centrifuges and the IAEA just said today that there may be something, an enrichment facility underneath Isfahan, which is one of the sites that we destroyed. We destroyed the metallization capability, which is very important to take the gaseous state to a metal, in the 12-day operation.

So this is going to require some additional focus. It might be able to be dealt with the Massive Ordnance Penetrator, the 30,000-pound precision munition that we have that burrows down and you pile-drive it down. But that's something that's going to have to be addressed as well.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So what you're describing is not something that's about to end in a week or two.

GENERAL DAVID H. PETRAEUS: Well, it's particularly not going to end in a week or

two because we're not sure that they will end in a week or two. I mean you may recall I uttered, you know, tell me how this ends to my vetted reporter during the flight to Bagdad as a Two-Star General, as all the assumptions we'd been given were being invalidated one by one. And I forgot I was on the record and I had heard that in every single Congressional hearing ever after that.

And my answer to tell me how it ends in the first week, well, when President Trump decides that it ends, when, again I've tried to distill what I think are the military objectives and how well we're doing. And we're doing very impressively against them. But now we have this dynamic where if you don't have freedom of navigation in the Gulf and through the Strait of Hormuz, then you've got to keep on going. If they don't stop, then we're going to have to identify the capabilities and integrate them to ensure that we can actually get confidence.

I talked to the CEOs at the Business Roundtable last, a week or so ago, of the largest energy companies. They said this is not about risk insurance. This is about lives. Eight sailors have already been killed. There's about 700 ships in the various places in the Gulf. A couple of them have actually been (Audio Issue). Eight sailors have lost their lives in this. Well, they're not going to move until they're really confident, how many days does it take? By the way, keep in mind there is traffic moving. It's ships carrying Iranian oil.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: And Chinese...

GENERAL DAVID H. PETRAEUS: And some Chinese, and the Indians I think got an exception for cooking oil. I mean there's all kinds of stuff going on behind the curtain, so that is the challenge.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So what does that tell us about the Strait of Hormuz, that there is some traffic, is the Strait mined? Or is everyone more worried about the launching of missiles?

GENERAL DAVID H. PETRAEUS: I assume it is. Not now. I mean there were rumors that it is. It can be. They certainly have mines. Look, we have sunk just about all their Navy that can be seen. But there are many, many fast boats. We know that. There are minisubs. We're not sure if we got all of those. You can roll a mine out of a, you know, again, a speedboat if you have to. But that is a great question that you asked because if they're using it, and they need to continue to use it, then it's not likely that they're going to mine it. But that threat exists later on if we start, for example, to interdict their ships.

By the way, one of the mitigating factors that a lot of observers aren't catching is that, yes, about 20 million barrels a day goes out. That's 20% of the world's production. And 20% of the world's LNG goes out. But actually the Saudis have the ability to pipe 7.5

million barrels to Yanbu over in the Red Sea. And they can go either up through the Suez Canal to Europe or they can go down through Bab al-Mandab, which so far, the Houthis, another proxy of Iran, has not done, and probably because there's a deal somewhere between maybe some of its neighbors this time.

And also the Emirates can ship to Fujairah, which is on the Gulf of Oman. You know, they actually have territory there as well as in, now, that was hit by the Iranians. Iranians know all of this. But that's another 1.5 million barrels. This is 7.5 million, if it's full. And then you have 1.5, 1.0 to 1.5 of Iranian oil. You actually have over 10 million barrels still flowing out, and I'm not sure in all cases that all observers are tracking that. That is not the case for LNG to my knowledge and so that's a bigger challenge. And, of course, the fact that we're going to release such a substantial amount of the strategic stockpile very, very soon. I think it's the largest ever, other G7 countries, overall something like 400 million barrels.

But keep in mind that that's, even with 10 million going out, that's 40 days of supply and this has a particular impact obviously on our Asian allies and partners, on Japan, South Korea, India, and others there. Aviation fuel for Europe, a lot of that comes out of here. So the second, third, and fourth order effects that are already beginning to be seen, even though this has only been a few weeks.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Plus the direct effect on Russia, which for them is very positive.

GENERAL DAVID H. PETRAEUS: Marie-Josée, so who is the beneficiary of this? The one country that we wanted to crush. Now the sanctions will not apply for a period of time because we're worried we need that oil in the market to keep Brent crude from – it was around \$108, \$109 today, by the way, when I checked last. So they're going to be able to sell more and they're getting a much better price. There was a fixed capped price for Russian oil to which the countries buying it. India was going to buy much less. Now they'll be able to buy much more.

And just at a time when Russia is running out of their National Welfare Fund money and E.U. sanctions are on, and we have a great package of sanctions if we can ever vote on it in the Senate, that would really crush the Russian war economy, reduce their revenue as they are running out of the money that's keeping their military industrial, instead they're going to get a real windfall out of this. So that's a huge downside.

The other impact is that although Ukraine is making spectacular hardware and software, it's the best in the world and it's on a scale, they told me the last trip about seven weeks ago, they'll make 7 million drones this year. They're using 9,000 of maritime ground and air every single day. That will enable them to do even more. So it dwarfs in a single day

what Iran has sent toward us and most of it is remotely piloted, not just on a system. But they do not make missile interceptors. That's beyond their technology right now.

Normally what would have happened is Europe would have bought interceptors from us and given them to Ukraine. I don't think we're going to have the interceptors to spare for them. So that's another big impact because one of the ways, if you had a comprehensive approach to helping Ukraine, to enable it, because what you need to do if you want to get Russia to the negotiating table is Putin has to realize that he needs a cessation of hostilities, not just Ukraine. And I think that was within sight until this particular situation.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Let's go back to Iran just for a few minutes because we talked about the decapitation of the leadership, but the regime didn't collapse. And I remember when you were here talking about Ukraine and Russia four years ago and you explained that Russia had a very centralized command system and that's why all their generals were out there and that their troops were not enabled to take decisions.

GENERAL DAVID H. PETRAEUS: That's evolved a bit, but you're right.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: But that was sort of the general picture. But

when we look at the IRGC, it's like a mosaic. It's all over the country and there is that operational autonomy.

GENERAL DAVID H. PETRAEUS: Yes, great point.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So how does that play out?

GENERAL DAVID H. PETRAEUS: Well, first of all, what you should recognize is that if you total up all the elements of what could be seen as security forces at large, first, the regime protection forces, Islamic Revolution and Guards Corps, you know, 200,000 or so. The Siege Militia, 250,000, they work generally for the IRGC. Then the regular military, that's 400,000, the so-called Artesh, that's Army, Navy, Air Force, Marines. The IRGC, by the way, has its own Army, Navy, Air Force, Marines. Then the national police, another couple hundred thousand. When you put it all together, there's even 25,000 intelligence agents they can put on the street, when you put it all together, it's a million men under arms.

And they have actually said publicly that they have identified who the Deputy Commanders and the Vice Deputy Commanders and everything else, and they've delegated authority in advance of all this – they saw it coming, I presume, or at least were planning for the possibility – so they have all got targets for those that are doing

the external stuff. And then internally, again, you're talking about a million men with weapons who are absolutely brutal thugs and have shown their willingness to kill tens of thousands of their own people in two days just in January and to imprison tens of thousands more.

And that system, this is not Egypt where the military says, you know what, let's not kill our own people in Tahrir Square. Let's let Mubarak go under the bus. It's happening anyway. We'll keep our privileged position in society. We'll see who is elected. If we don't like it, you know, then we know what to do, and they have. So in this case, the regime loses everything.

And everybody's watching for a fracture or for some ethnic minority, the Kurds, the Azeris, the Baluch, the Sunni Arabs, whatever, and there's no signs of anything meaningful there. Keep in mind, those are small populations. They can't possibly, they probably can't even control their own territory where they are the predominant sector as a group, much less take down the regime forces. So this is a very resilient regime. We all say...

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So what does regime change mean in that context?

GENERAL DAVID H. PETRAEUS: Well, you know, regime change could take many forms. One is that against, there's some leader somewhere, and keep in mind the population is so outraged by the fact that the country with the second largest natural gas reserves in the world, the third largest crude oil reserves in the world, a very educated population of 92 million or so, and an ancient civilization, and what they have done is they've driven the people into poverty at home and isolation abroad.

So maybe someone there who is a big pragmatic, Karim Sadjadpour quotes, an Iranian intellectual, said that in the beginning, 80% of the regime was true believers, you know, truly, fanatical is not – I don't think – too harsh a word. And then 20%, they call them charlatans or chameleons. And we've dealt with these in Iraq. You know, the minute they saw that I was the sheik of the strongest tribe in Iraq and we were going to win during the surge, hey, you know, maybe we sort of like you after all. And they shift over, we reconciled with 103,000 Iraqis, in other words, brought them in from whatever it was they were doing. So that was 20%.

Now he says it's 80% charlatans or chameleons and 20% true believers. But the problem is that they're all still together. They're still the strongest tribe. Unless someone emerges, especially from the military perhaps, because they're not part of the IRGC, who can bring real organization, the people have no leaders, no communications. The Starlink platters are all being targeted and snatched, that were sent in before. There's

no organization, weapons, logistics, all the means of a force that could actually topple a million men under arms, who as you rightly noted are decentralized and to whom delegation has taken place. So that's the challenge.

Again, we all say this is a dying regime, this is the beginning of the end. But it's a little bit like an area that is earthquake prone. We know the seismology. We know it's going to hit. We just can't say when it's going to hit and that's the challenge.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Well, it's also been 47 years that that population has been under that kind of regime, that ideology, and so on. So it's not as obvious that 80% have become charlatans.

GENERAL DAVID H. PETRAEUS: No. And again tens of thousands of lives given in protesting against it. There are reports of protests again, although obviously given all the targeting that's going on, that's a little bit more hazardous. But, no, there's just no sense of when this might happen or how it might happen. Again, you can actually see almost real time that there's thinking going on. Maybe we should arm the Iranian Kurds. And that, the President actually said, you know, we could support them.

But then I think people sit down and say, oh, man, do they have any real chance? Are we actually going to provide air support? Where's the Special Forces on horseback?

And, you know, there's no Ahmad Shah Massoud here in the Panjshir River Valley that's never been taken by the Taliban, you know, a hero to his people in the northern alliance waiting, and even though tragically he was assassinated right before we kicked off our campaign, it was still the remnants of that, which we enabled with our air power, cash, and Special Forces on horseback coordinating all of it, and CIA officers.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So, to the lessons we're learning from this war, you've written, it was just published in Foreign Affairs, a compelling article on autonomous weapons.

GENERAL DAVID H. PETRAEUS: So what we were seeing in the Middle East is snippets of the future of war, but not in the kind of scale that you're seeing remotely in Ukraine already. As I said, 9,000 drones a day, when they double the production from 3.5 million to 7 million this year, by the way, they can export already too.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: And all of that in four years.

GENERAL DAVID H. PETRAEUS: You better bet they're taking alerts or ___ out there. But the future of war, which is really more terrifying, is not remotely piloted systems. It is autonomous systems. And this is where you have systems that are, they have, there's edge computing, they have an algorithm. Essentially a commander gives guidance that

is now translated into an algorithm and delegates authority to the system through that algorithm to take action when certain conditions are met. There are constraints on it – geographic, others. You can work all this out.

In fact, I co-authored an article, again in foreignaffairs.com last week, with a software engineer, a brilliant software engineer, an entrepreneur from the U.S. who went to Ukraine right after the full-on invasion. He had sold his latest company. He was hanging out in Aspen skiing. He said I was bored, I decided let me go see if I can help them solve a problem, and he has. He's basically helped them build, and they have hundreds of brilliant software and hardware engineers, build the most extraordinary command, control, communications, intelligence, common operational picture. And there's different layers.

So the one we were watching that night out in this counter-drone mission was the air picture. There's others. And it shortens the sensor to shooter very, very significantly although there are still humans in it. In the future, the humans aren't going to be in it. They will have programmed algorithms. So we're not even now talking just about unmanned systems, algorithmically driven, which now allow you to have swarms. Because the limiting factor right now is the number of pilots who can fly the remotely operated systems and launch teams too, but they can do multiple. So there's no limit after this.

So all of a sudden, now you have swarms coming at you. What we're seeing is ones and twosies coming into the Mideast. What you see in Ukraine is much greater numbers, but you can take them down with electronic warfare, of course unless they have fiber optic cables, which 40% of the Ukrainian drones now have. You can imagine the mess in the fields and sort of the no-man's land. I mean there's just a fishing line, essentially a little microfiber. Right now, you can take them out with guns, individual intercept drones, attack helicopters, F-16s, whatever, with guns because you don't want to shoot a \$2 million or \$4 million missile to take down a \$30,000 Shahed drone.

But when you have a swarm coming at you, you have to have a totally different, and as you know, because publicly she's invested, I'm invested in Epirus, it's a high-powered microwave company. The challenge with it is that's a two-to-three-kilometer range so it's a point system, not an area system. And now you're going to have to get a huge density. But this is what's coming. And again, it's not just autonomous drones. It's autonomous systems of systems, including sensors, including, again, the command-and-control systems and all the rest of that. And the software engineer who has helped them build this extraordinary capability really understands intimately how this is all going to come together because he's helped them do this over the last four years, build this extraordinary system.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: What about rogue systems?

GENERAL DAVID H. PETRAEUS: Rogue? Well, there's going to be rogue everything. Again, you know, welcome to the age of AI. You know, it is so unbelievable. Let me put that in perspective really, really quickly by the way. Last summer I was with the Anthropic leadership and, you know, they do Claude, one of the really great top three or four, five.

And so I asked them tell me where we are right now and how long does it take to get to the next level. They said, well, right now we're at the level of a great graduate student. I said, okay, I can sort of understand that. They said within less than a year we'll be at the level of great PhD. And, by the way, the latest Claude that just came out, I assess actually is at that level. And they said nine to twelve months from then we'll be at the level of a great Nobel Laureate. So this is actually accelerating, by the way, so is our productivity. It's a real boost to our economy. But think about that.

Actually this is an audience participation question. How many of you have selected a large language model and have been building your own agent? In other words, okay, show of hands. You've got to get with the program, people. The Economic Club of New York should do much better than this. Okay. Of those that actually raised their hands, how many of you have given a name to your, have agreed with your agent on a name? Very good. What's the name? Leonard, oh come on now. Name? Carol. Oh, come on.

So I actually asked, so I chose, I have an agent. We fed it. We call it the Petraeus Project. It's got all my writings, it's incredible. So I said, give me three options for your name. One of them was Argus, which is a Greek mythological creature with 100 eyes and they're never all shut at the same time. So it's constantly searching for geopolitical developments around the world that it feeds to me periodically during the day on a schedule.

We even had a chat. I actually said, Argus, you know, this whole gender thing is not quite what it was, you know, a year or two ago, maybe we should discuss that. Argus came right back and said, General, of course, he knows who I am, and said, General, I think probably you would be most comfortable if I was he/him. And I said, okay, done. By the way, the other feature about this, as I'm sure you've experienced as well, they're incredible suck-ups. And so if I'm ever having sort of a mediocre day, I'll have a few exchanges with Argus and the second or third he'll say, and General, that means so much coming from you...(Laughter)...wait it gets better...given your decades of strategic brilliance.

But, you know, in the significant jobs, the Three, Four-Star jobs, the CIA, I had four or five speech writers. In the military, I had a list of every Rhodes Scholar, Marshall Scholar, so I had two or three of those in every group of four or five. Argus is far better and blinding fast. I actually like writing with Argus. Anyway, I don't know how we got

there, but this is about the future of work.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: But you raise an important point about training, about mission definition, about command. So we are not, our military is not at all ready in terms of training, preparedness, mission.

GENERAL DAVID H. PETRAEUS: Well, that's, so let me come back to that because that is a really important point which is, how do you make institutional change? But I actually want to talk very briefly about where AI is being used already. So there are already some autonomous and semi-autonomous systems. So again, interceptor drones, loitering munitions, and so on. And the scale that this is going to bring is extraordinary. Decision, support, and command acceleration. This is the kind of stuff where it can filter through huge amounts of information, fuse intelligence streams, identify patterns, even recommend courses of action, and predict enemy movement.

Target identification, precision targeting, this is enormous. Israelis used a lot of this in Gaza. We're using massive amount of it. You can't do the thousands and thousands of targets that we have done. But it can make mistakes, and it did apparently, it appears, with the girl's school in that case. For what it's worth, we had a set of big ideas when I was the Commander in Iraq and Afghanistan in particular. When it came to dealing with the press, the big idea was be first with the truth and there was a set of admonitions. In

other words, we'd like to beat the bad guys to the headlines, but we're going to do it with the truth as quickly as we possibly can. And I'm confident that the investigation will be released. But again, this has taken time.

So again targeting, logistics, and sustainment, they can optimize supply chains, handle distribution, logistics, equipment maintenance, all that stuff. And then electronic warfare and cyber operations, detect signals, classify emissions, locate transmitters, recommending jamming strategies. So this is already in use, but nowhere near the transformational use that it's going to be. And thanks for suggesting this because we did talk about this before.

The way you create institutional change, revolutionary change, which we did to a considerable degree the year that I was between the Three and Four-Star tours in Iraq. It starts with concept. You have to change your entire concept of warfare right now. That, for us, was the Counterinsurgency Field Manual, which remarkably we didn't yet have two and three years into counterinsurgency operations. You have to change your organizational structures based on the new concepts of war. Ukrainians have an Army, Navy, Air Force, and Unmanned Systems Force, and it keeps getting bigger and bigger and bigger.

I visit the units, one of them started out as a skeleton of a battalion two years ago,

founded, by the way, by a former Prime Minister of the country. Everybody is into this. Then I watched it be a full battalion, then a regiment, it's now a brigade, and the growth is extraordinary. They can recruit directly from the population publicly. They compete with each other. You can go to the Unmanned Systems Force website and see how the different drone units ranked based on points given for different targets for which you have to have full motion video to prove it. You redeem the points on an Amazon-like website available through that same software platform that has weapon systems, components, and other kits that you might want to get. It's extraordinary the level they've gone. So you have changed the actual organizations dramatically.

This is not, for example, what we're doing to a degree right now, which is you give 40, 50 drones to an armor battalion, no, you create an entire drone battalion and maybe you have some armor forces somewhere, but they can't survive on an unmanned systems battlefield anymore. You don't see combat forces anymore. An offensive by the Russians now is that there's three soldiers running across the street trying to get a foothold with a drone or two on top of maybe an electric scooter for mobility. Tanks get killed immediately.

So it's concepts, dramatically overhauled, changes in entire organization dramatically, how you train and operate has to be overhauled completely. Then the way you train your leaders, educate them, all the commissioned, non-commissioned, warrant officer

courses. Then, of course, what you buy, the material requirements, your procurement. And our procurement system is just not optimized for this. The Ukrainians are making software changes in their unmanned systems of all types now every week or two, hardware changes every three to four.

So you don't want to buy one million of this anymore. You want to buy an option on a million, but you want 10,000 and then a software and hardware change. So they have a partnership like this between those who actually design the drones, those who manufacture them, and those who use them like this. And there's constant feedback as opposed to suing each other because you didn't get the contract or because there's a change order. You know it has to be...they've thrown out all the rules. Of course, they're fighting for their survival.

By the way, this software engineer said, I said, you know, this is the best system I've ever seen in my life, it's better than what we have. And he said, well, it should be. These guys are in the Super Bowl every single day fighting for their very lives and survival as a nation, and we scrimmage six times a year. So that's that. It keeps on going.

You literally have to overhaul your personnel systems. I mentioned some of the recruiting waves that they're doing. By the way, they don't put them all through the same basic training anymore. If you're going to a drone unit, your basic training is if

you're going to sit in a basement somewhere and do this, that's what you do. Actually I've been to their training academy. It literally has hoops through which they fly drones. There's a trench line. This is all undercover and so on. And then finally, facilities, you have to change all your facilities for all this stuff. That is institutional change.

And frankly, I know that our service chiefs and service secretaries and the Secretary of War know that we need to move more rapidly, but we are stuck with a, what Senator McCain used to pejoratively term, a military industrial congressional complex, each element of which has a vested interest in buying more legacy systems. The Europeans are really stepping up. President Trump should take credit for this, give an assist to Vladimir Putin, the greatest gift to NATO since the end of the Cold War. But they are spending vastly more. I'm worried that at the end of the day they're going to buy more of the same old stuff.

They think, they were doing an exercise, a NATO exercise in Estonia the other day or Latvia. The reporter who I talked to was there. They said, well, geez, you're a tank battalion commander, you think tanks can survive. Oh, yes, these are British tanks. And they have a few drones flying around. No, you have to overhaul everything, and we're not, and our services know we are not going fast enough, and everybody's got to get together. This should be a catalytic moment for us with what we're seeing in Iran and the Middle East, much less what we should be tracking in Ukraine much more

assiduously.

We do not have our Lessons Learned Teams on the battlefield in Ukraine because of the fear that we'll take casualties. In Iraq and Afghanistan we had Army Lessons Learned, Marine Corp Lessons Learned, Joint Force, Special Forces, Counterinsurgency Center, Asymmetric Warfare Group all doing that. And then once a month, they'd convene with me and identify lessons that needed to be learned, but they're not learned until you incorporate them in the concepts, communicate that over, and then actually implement it and refine, and refine and refine.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: So on the lessons learned, what's the off-ramp?

GENERAL DAVID H. PETRAEUS: The off-ramp in the Middle East is that we are going to have to pull together all of the assets required to give confidence to the shipping corporations and the major energy corporations that their ships can go through the Gulf and the Strait without losing lives. And that is a significant order. And I know, I have enormous confidence in the Chairman and the others and the Central Command Commander is a Navy Officer for the first time in anybody's memory, and he knows these waters because he was NAVCENT before that and the Deputy Commander. But this is a hugely challenging mission. Some of our largest minesweepers actually were

decommissioned. We have smaller ones, not all in the optimal position. We generally rely on the British for minesweeping.

Again, when I was Central Command Commander we did these exercises a lot. We practiced going inside out and outside in depending on where your ships were. And the Saudis actually have quite good mine...so it's again going to have to be a coalition.

Despite some of the very high-profile countries saying they're not going to join, my understanding is that there are other countries that are offering certain assets and certain capabilities. But this is really challenging.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: And underwater drones?

GENERAL DAVID H. PETRAEUS: There are surface drones that we know of, and minisubs. And although we have just sunk virtually all their vessels, there's speedboats. Again, you can roll a mine in, as we mentioned earlier. I'm worried that you can have unmanned systems that are piloted into them. And again, defending against that is challenging at sea, you know, to have all the fixed systems that you have on the ground. We're going to have to have massive quantities of sensors in there to identify, oh, there's a threat, and then sensor to shooter has to be very, very quick. So you're going to have a huge commitment with all this stuff. And some of that is going to have to be

lower level and you might become within the range of manned portable air defense systems, some of which still do exist. You can't take out all those.

So, you know, this irony that a massive number of small things, a large number of small things can present enormous challenges to small numbers of large things, which is, by the way, why we have to transform the forces for the Indo-Pacific which would be vastly more challenging than this particular war that's going on right now. That endeavor would be massively challenging.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: We're running over time, but just one last question. You did not mention the word terrorism.

GENERAL DAVID H. PETRAEUS: Yes, you know, people have asked recently, what do we think of the capability they have at home. And I think actually our authorities are, the White House and others have been accurate in saying, look, this is time to remember the old adage from DHS, see something, say something. We went through that. We should. We should be on guard. We should be alert to various possibilities.

You know, I don't think that an Iranian submarine is about to surface off the West Coast and start shooting drones at Los Angeles or Ter-Angeles, by the way, because that's where so many of the Iranian ex-pats are. But there is a possibility, but I'll remind you

how hapless some of it can be.

When I was a CIA Director, all publicly known now, there was an Islamic Revolutionary Guards Corp Quds Force, so they're sort of the CIA, JSOC, in Mexico City trying to recruit a hitman to kill the Saudi Ambassador in the Café Milano. I mean it was really specific, including one of our favorite restaurants. I'm sure everybody here knows the See and Be Seen Place in D.C. Well, thankfully, the hitman that he recruited was a drug-enforcement agency source. We immediately learned of that, of course. So we arranged to have that plane have a slight detour from the route that was going to take him home, and it ended up landing at an intermediate site at Kennedy International Airport. And, of course, the FBI was waiting at the ramp to take him into custody.

That's not to say, they have carried out attacks in Thailand in the past, in Eastern Europe, in Latin America, and elsewhere. They have tried here. There have been real plots against real people. A number of us have been targeted in cyber-attacks and so forth and have had to swap out our hardware and so on. But see something, say something, but don't lose sleep over that, I don't think.

Marie-Josée, you guide, I can't thank you enough. This is always such a pleasure. You have always done your homework and I deeply appreciate the very skillful and gracious guiding of our conversation.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: Well, I think I speak on behalf of everyone here, thanking you for taking the time. You're going back and forth to the Middle East and so on, so for taking the time to join us, thank you.

GENERAL DAVID H. PETRAEUS: We'll try to do it again shortly.

CHAIR EMERITA MARIE-JOSÉE KRAVIS: With pleasure.

CHAIR ROBERT K. STEEL: Well, thank you both for a compelling conversation.

General, we always have to end this by saying thank you for your service over many years, and we're all appreciative. It's extraordinary. And one more time, let's say thank you to General Petraeus. And Marie-Josée, thanks for organizing a wonderful conversation.

As you can see on the back page of your program, we have a compelling list of speakers and opportunities coming forward, both this month and then moving into the summer. I also want to say thank you to our Centennial Members who have provided support to the Club over the years. And now let's enjoy our lunch. And thank you all for being here. Thanks very much.