

The Cautious Optimist: An Interview with David Petraeus

David Petraeus

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General (Ret.) David Petraeus is the Chairman of the KKR Global Institute, as well as a Visiting Professor of Public Policy at CUNY's Macauley Honors College, and a Judge Widney Professor at the University of Southern California.

During Gen. Petraeus' military career, his postings included the command of coalition forces in Iraq, the command of U.S. Central Command, and the command of coalition forces in Afghanistan. Following his military service, he was the Director of the CIA, during which time he became interested in issues of North American energy security, which led him, in turn, to a focus on topics relating to North American integration. After leaving the CIA, he has continued to focus on this topic, and in 2014 he co-chaired a Council on Foreign Relations Independent Task Force on North American integration, which produced a report titled North America: Time for a New Focus. In the following interview, The World Government Research Network's James Thompson asked Gen. Petraeus about his views regarding current and potential future trends in regional and global integration.

1. What do you consider to be the next large-scale step that will be – and not simply ought to be – taken in the North American integration process?

I don't think there are further big steps to be taken. For a variety of different reasons. One of which is, substantively, I don't necessarily see a particularly big step, something that rises to the level of a NAFTA Part II or something along those lines.

What I do see is the need for considerable, additional execution of the agreement that is in force and then all of the subsequent policy agreements and so forth. So, just to give you an example: there is actually a procedure for Mexican trucks to get cleared for entry into the United States and then to continue to drive, but for some bureaucratic reason there are only about fifty of these trucks that actually receive that particular approval out of the tens of thousands undoubtedly that cross that border, and all the others have to trans-load their cargo in a truck that has actually been approved for driving in the US, despite the fact that many of the trucks from Mexico could more than easily pass whatever inspection process and safeguards are needed to enable them to continue to drive.

There's a lot of harmonization, literally of border control infrastructure, that needs to be taken – literally the construction of additional infrastructure – that has gone for decades, I think, without a new crossing point – [although] in some cases we've invested on our side and they've invested on their side. And there are just endless of these kinds of issues that can dramatically smooth and speed the crossing of borders by people and by cargo without giving up national security; physical security, if you will, or facilitating the movement of illegal narcotics, or any of the other challenges that one can imagine.

So I don't see, for example, a common monetary union the way you have in the European Union, [with] the euro-zone. I just don't see it. And in fact, if anything, the experience of the euro-zone in the wake of the Great Recession probably is an example of the shortcomings of a common currency in which there are still national prerogatives, and where you don't have political union – true political union. So, again, I think, having seen the challenges of that...having realized that if Greece, for example, had control of its own currency, it would have just devalued the drachma dramatically, instead of being saddled by a euro that is influenced by powerhouses like Germany, and is therefore higher than it would be, and they just don't have a control that would have been valuable to them.

Now that's not to say that there aren't advantages of a single currency, and indeed, that there weren't examples of [advantages from] having no borders, but borders are going back up because of the refugee crisis. So I don't see these kinds of further integration, either political or in a monetary sense. What I do see is enormous scope for just sheer hard work to determine how to facilitate the further integration of three of the most highly integrated economies of the world, keeping in mind that the best example, the best illustration of that, is that the number one trading partner of the number one economy in the world is not the number two economy in the world; it is a modest-sized economy – Canada. And the number two trading partner of the number one economy in the world is actually Mexico in one category and is actually China in the other.

But again, nothing highlights the fact that enormous integration has taken place over the twenty one years of the North American Free Trade Agreement than those kinds of statistics, and many others. The fact that a car produced in Mexico is forty percent US content, and so forth and so on. But I don't see either the crying need for – nor actually the appetite for – further significant integration along the lines of a euro-zone or even the European Union.

2. You have previously expressed the opinion that you do not think that North American integration will be as thorough-going as European integration, and I got the sense from your previous statements that perhaps you viewed the North American states as being more fundamentally attached to their notions of sovereignty than are the European states. Do you think that, and if so, why? After all, the European states seemed very attached to their notions of sovereignty at the beginning of their integration process, just as the North American states are attached to their notions of sovereignty now.

For starters, we didn't have two world wars on our soil within fifty years, and you have to remember that even though this is what animated NATO rather than the European Union, NATO's purpose was, as I recall, to keep the Americans in, the Germans down, and the Russians out. And so you had a very different context, I think, in Europe. A history of lots of wars with

each other, and then as I said, the two world wars, that were so devastating, and gave rise to the desire to perhaps more closely integrate. The economic integration would lead to the situation where the price of going to war would be so high that people would shrink from it. And then of course what happens is you have the rise of the Soviet Union and the Warsaw Pact and you have a huge security imperative that adds to this.

But keep in mind that there were enormous gains in various respects to what started out as the European Coal and Steel Community – that was what was the first step towards European integration. And you have a continent where there are many small states, many of which are smaller than the population of the states of the United States. And where gains to scale are quite considerable. If you can get electricity from another country and maybe speed coal here or there, again there are lots and lots of these. And of course the ease of trade, enormously facilitated of course by the euro and by having no internal borders, [although] again, the enthusiasm for that has changed, with the rise of the refugee crisis, concerns about extremists, and indeed, the Great Recession, where it would have been nice for certain countries to control their currency rather than having it controlled centrally.

Beyond that, I think that there are really big differences between the three countries, or at least the relationships among them. You have the United States and Canada which share, to a degree, a link back to Great Britain. A common language – obviously a second language in Canada of French as well – both members of NATO, both part of the so-called Five Eyes, in the intelligence community, where there's extra special sharing between the US, UK, Australia, New Zealand, and Canada. And quite a high level of trust that goes with that.

And candidly that is not in place with respect to Mexico. And the Mexicans will be the first to forthrightly recognize why it is not. That there is and has been, regrettably, a degree of corruption inside their security services. That the illegal narcotics – now just illegal criminal empires – have such vast resources that they have corrupted certain institutions to the point that the number one kingpin in the entire country is able to escape from prison without anybody picking up the fact that they've been drilling a big hole right underneath the prison, into his little shower stall. You know, what's this all about?

Anyway, you have some practical issues there that are quite considerable, that people don't normally let surface, but they're in the back of everyone's mind. And frankly, the Mexicans have a unique history of generally not contributing to global security endeavors and not being part of security alliances and all the rest of that. So, you know, there has to be further building of that. There is a relationship now between the combatant commander for North America – USNORTHCOM – which is also dual-hatted as NORAD, which is really just US and Canada, but again we're quite a ways from truly integrating in any fashion. Although that is something that is conceivable.

3. Would you be in favor of the entry – at some future date – of the Mexican military into NORAD?

Well it's not inconceivable, and intellectually I'd be happy to see it happen. But practically, there are numerous hurdles that one has to get over before that is a reasonable idea. And some of these

are on the Mexican side. Mexico has just recently agreed to contribute forces to UN peace keeping operations. So they've not even done that in the past. They have virtually no history of operating with other forces, and generally their army, navy, marines, and air force have been largely domestically-focused organizations, even though they're military. But they've ended up often augmenting law-enforcement elements, number one because some vetted elements within the military are reliable, and a lot of the local police are the most vulnerable. When you start to see a downward spiral because of illegal criminal empire activity, the first to be killed, kidnapped, intimidated, corrupted, or suffer some loss of family member or whatever, will be the local police.

4. Are you in favor of the Transpacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP)? And what do you consider to be the significance of these agreements for the future of NAFTA?

I'm very, very strongly in favor of the Transpacific Partnership, and not just because it will add a few probably tenths of percentage points to our GDP growth, and probably more to some of the [other] countries that are part of it; and not just because it will help Japan make some tough reforms that are necessary, particularly in the agricultural arena and some others that are otherwise going to hold them back at a time of a demographic decline that's going to turn into a death spiral; but because this will be the most significant component of the re-balance, or the pivot to Asia, that the administration has launched. It has huge diplomatic, international political, geostrategic importance. You know, even bringing in some former adversary states, to a trading bloc that is going to result in much freer trade, lower import tariffs, etc., etc., for the countries that comprise it. So, I think it's very, very important.

TTIP, the European version, is also equally important, although frankly there's an awful lot of trade agreements already between the various countries, and it doesn't have the same significance that you have in the Pacific where you have a regional hegemon want-to-be, or perhaps actually in fact, in China, in a sense threatening the countries that have maritime or land borders with it, [and they] therefore really want the US to join them much more fully, ironically, given that some of them either defeated us in war or asked us to leave, as in the case of Philippines for the latter. So again, [TTIP is] very significant, [but] probably not coming to a theater near us. The oxygen in the room is going to be consumed by the debate over the Transpacific Partnership.

[It's] terrific that the president has trade promotion authority, but at the end of the day it's going to take an enormous amount of effort by the administration to get TPP through, and I hope that they can do it obviously before they leave office.

[TPP] is not that significant [for NAFTA]. What is significant is that we got Mexico and Canada into it, which we should have done at the outset rather than later. If you look at when countries joined TPP negotiations, [Mexico and Canada] were a little bit late to the party because we didn't invite them initially. There're some ruffled feathers about that. When we did the Council on Foreign Relations task force on North America, it was very clear that both countries were bothered by the fact that the US had not recruited them from the very beginning, given that there are ramifications, in some respects. The fact is, I think Mexico already has free trade agreements

with many of the countries in the TPP. They have a staggering number of free trade agreements. And Canada does as well. In fact Canada already has a free trade agreement with the EU, as I think Mexico may. But this is why again I stress the importance of TPP as beyond economic in its significance, and almost more significant in geostrategic, diplomatic, and security terms.

5. Hypothetically speaking, if global integration were to occur in a substantial fashion, and a global military was therefore established, how different would that military need to be – in terms of its core assets – from the current US military, aside from the fact that its personnel would come from all over the world?

First of all you have to recognize, without sounding boastful, that the US spends more on defense than the next eight or nine countries put together; its capabilities are greater than, gosh, than maybe all of the others put together. Now, obviously, in sheer numbers, and numbers do matter, especially when it comes to a country like China, which is just industrial strength in everything it does, including hacking our intellectual property, but when it comes to capabilities, the US isn't going to change its capabilities because it thinks that some country is going to have, you know, minesweepers. Actually, there are some tweaks like that. And the truth is, for example, in the Gulf region, the Arabian Gulf, the Brits actually do have a very good mine sweeping fleet, and that is one reason why we have not augmented ours as significantly.

But, the fact is that, normally, we're not going to count on anybody else, frankly, and we probably shouldn't, and we won't. Because we're going to want to be able to do what we need to do as required. And although we always want to have a coalition, and allies, Winston Churchill was right – and I verified this when I was commander of the largest coalition of countries in history, in Afghanistan – that the only thing worse than allies is not having them. But the point is, at the end of the day, the US is so far out ahead of everybody else that it's not funny. So again, we'll take all comers, we'll integrate them, we will augment them in ways that offset their shortcomings, and their caveats, keeping in mind that in Afghanistan every single country in the coalition – except for the US – had caveats. So that's how I'd answer that one, I guess.