

JOHN WALDRON: It is my honor to welcome General James Mattis. General, thank you for being with us today.

GENERAL JAMES MATTIS: Thank you, John. It's good to talk with you this morning.

JOHN WALDRON: We appreciate your taking the time. There's certainly plenty to talk about in the world. So, we're going to get right into it.

I want to start with the pandemic, if that's okay with you, and just given the way you think about things and you take lessons from, you know, history and things that happen in our world, I'm interested in your perspective on what the lessons are that you think we will learn from the global response to COVID. And what you anticipate the lasting effects of this pandemic will be when it's in the rearview mirror.

GENERAL JAMES MATTIS: I think one of the lessons we see here is when America leads internationally, things happen. And then we don't lead internationally, someone else does not step up. And this is a fundamental lesson that we need to embrace. You remember when New York City was attacked on 9/11, 50 nations joined America as we led the fight. Look at the global financial crisis and how America led in the midst of that and averted what was a darn near disaster. Could have gone much deeper into the world's economy. Look at the Ebola river crisis coming out of the pandemic-- or epidemic that started there. And America led the effort to stop it.

And so, I think that when America steps back, coalitions do not form. Initially, you saw a lot of people say, "We're going to go it alone." Unilateralism just spread everywhere in the most unusual way in a world that has a globalized economy. But now I think people realize that the pandemic is not going to respect borders. And I think the lasting lesson will not be unilateralism, I think it's going to be quite the opposite. We've got to work together more on the multinational, on the international level, and work it that way if we want to make certain that we don't end up with the situation that we face right now speaking here in America and Europe and elsewhere in the world.

I think too that there's a lesson not yet learned. And when you look at the amount of American government impact, payer, lender, insurer of last resort, is the government going to retreat from that role? And if so what do you do about this enormous debt

that has grown up and I don't think we've learned the lessons yet. I don't think we really map and compass to show the way out of something like this. But I think that decision, however, they're going to deal with it's going to help shape or will shape the business landscape for years to come and it's uncharted territory right now.

JOHN WALDRON: We face a number of conflicts and threats going into this pandemic that have received less attention over the past 11 months than they certainly deserve. Afghanistan. North Korea. Cyber security, just to name a few that come to the top of mind here. What are the key geopolitical issues that you are most concerned about? And how have those situations evolved during the pandemic?

GENERAL JAMES MATTIS: Yeah John. I mean things like cyber; we're not worried about Great Britain attacking us with cyber. So, many of the reasons that we had concerns before COVID and probably still demand our attention, they still exist without much change. One thing about COVID, it's been a global political stress test, to put it in your terms. And the stress test is revealing a lot of things, for better or worse.

But a couple of things that have not changed. If you take the threats in terms of urgency, power, and will. In terms of urgency there's been no reduction in North Korea's missile and nuclear capability. For all the theatrics of diplomacy, there's basically no change. So that continues to be an urgent threat. In terms of power, you look at Putin and his criminal government, frankly, and how they've changed orders in Europe with force of arms for the first time since World War II. Mucked around in our elections. We're going to have to deal with the Putin that is there, not the Putin we wanted to have there. And with Russia's demographics and economic situation worsening year on year, he's going to eventually be in a tough situation where he has to either do something or face a weakening economy with the result like in history will tell you 100 percent of the time, with a weak economy you end up with a weak military. That's a reality.

But the one with the political will to really change our way of life and pose authoritarian rules and procedures across the globe, of course, is China. I think that what you're seeing with COVID is those nations that have trusted governments that have, I would call it, not polarized societies. They're dealing with threats. These geopolitical threats still exist. And our role should be to bring the allies, the democracies together and try to keep the

rules of the road of ones of respect for free and open markets, open freedom of navigation, all these respects for sovereignty, frankly, that allow for business to prosper and bring hope to the people who going through COVID-- remember that old medieval fable of the traveler on the road to London runs into two people. One is named fear and one is named plague. He said, "Why you going to London?" And plague says, "Oh, we're going up there. We're going to kill 10,000 people." And the traveler looks at him and says, "Really, you can do that?" And the plague says, "Oh no, no, I can't do that. I'll only kill a few. But you see, fear, he's going to kill the rest."

You deal with that fear in your markets, and that could be a bigger play in the future. When you look at the geopolitical situation, terrorism will remain an ambient threat. But these geopolitical threats that I just listed: North Korea, Russia, China, we're going to have to find a way to manage those.

JOHN WALDRON: So, you've written "nations with allies thrive and those without whither," which I think is a great sort of-- kind of captures the import of allies. What is your assessment of the state of the United States key alliances as we sit here now? And how do you think those alliances have been altered during the pandemic?

GENERAL JAMES MATTIS: Well, the alliances were under stress before the pandemic. America had chosen a more unilateral approach to the world. It didn't go over well with our allies. It went over pretty well with our advisories, but not with our allies. From the Pacific, and Asia, South Asia, Middle East, and of course in NATO, North Atlantic. And I think that, you know, I was privileged to fight many times for our country, John. And I never fought in an all-American formation. When I commanded the United States Command, we had 77 nations on my staff and it just was a reminder, for example, three of those nations, have had more boys more of their lads per capita die fighting in Afghanistan after America was attacked than we've had die, to put it in context in a very, very rough context.

And I think that because, and Churchill, it's tough to do. As Churchill put it John, he said the only thing tougher than fighting with allies is fighting without allies. I mean, you've got to make a lot of accommodations. Welcome to the real world. As Condoleezza Rice used to put it, we do things with our allies, not to our allies, and it takes a certain degree of maturity, but at the same time, I think if we put the State Department back in the driver's seat of American foreign policy. For 25 years, foreign policy has

been militarized by the United States, that's not a partisan statement. Both parties have done this. I think if we get the State Department back into the driver's seat, we fall back into using the traditional diplomatic tools, we can restore the trust that has been pretty much shredded with our allies and we can restore it in pretty short order as well, as you see the congratulations coming in from foreign capitals right now to the new president elect.

I think two, that you can't go wrong. I find the most boring leader in our history is George Washington because he has a very methodical way of leading. How did he get those troops, all of them free men? They don't take orders from anybody, you know, and eventually he had Delaware watermen taking orders from Virginia grantees of plantation and South Carolina guys fighting under a Bostonian. They couldn't even understand what he's saying, it sounded so funny. So how did he bring them together to do it and humble the British army, the Red Coats, who a few years later with defeat Napoleon with French help, of course again? It was very boring. He would listen, he would learn. He would listen, willing to be persuaded by the way in word, how he could help and then he would lead. And he brought all these disparate groups together. And I think if America goes back again to first principles, that's the way we come back, tying our alliance back together with a sense of trust. And trust is the point of the realm when you get into geopolitical policy.

JOHN WALDRON: General Mattis, I want to ask you just on these alliances, as we sit here today with the COVID vaccine, again this morning, you know, good news. Hopefully, we're on the precipice of seeing a vaccine that can be approved and ultimately distributed. And the distribution of that, you know, I know is complex. It's going to have to be global. And it's going to take some time. But I'm interested in your perspective on whether this alliance conversation has something to play around the vaccine distribution and how we think about that from our own national security standpoint.

GENERAL JAMES MATTIS: Yeah, it sure does. It'll be a canary in the mineshaft, to a degree. And it's not going to be perfect because this is going to be like painting a train as it's going down the track. But I think that what we're seeing is that solitude is not sovereignty. You know? With a pandemic that does not respect borders, the idea-- and that solitude is not sovereignty is drawn straight from the Norwegian foreign minister. I'm quoting her here. What we've got to do is understand that we need to have science and international health

organizations helping direct these vaccines as we snuff out the pandemic. And at times that means we're going to be sending a lot of vaccine overseas.

I think, two, it's hard to do this if you don't have international organizations already in existence, already used to working together, already with communication lines and knowing who to contact in other capitals. This is the value of having these international organizations up and operating at all times. Another reason why I think pandemics in a globalized world are going to drive us to a more collaborative effort.

But I think that we'll have to determine the priorities. And we're going to have to use scientists and doctors to do that. Public health officials. And that's for our own good. And we just need the kind of political leadership that can explain, you know, for all of you in business and government, doing your best is not good enough right now in a crisis. You've got to do what's required. And you cannot say, "Well, I did my best." And the political leaders are going to have to do what's required here and go after this with vaccine across borders. Borders cannot become nonsensically inhibitive.

JOHN WALDRON: So, one of the things that's always struck me about you, reading about how you attacked your various roles, was this notion that you require soldiers to undergo cultural sensitivity training prior to their deployment in Iraq. It always sort of stuck with me as something I wouldn't have expected in the military as much as in maybe other aspects. Can you just talk about why you did that; what lessons can be taken from that kind of an engagement and approach?

GENERAL JAMES MATTIS: Sure, John. You know, being a Marine infantry guy, I can't really take on the world sensitivity. I'd say cultural awareness training. But you're absolutely right. It was sensitivity. It was awareness. And I would just tell you, if you're going to make an investment, whether it be in a chemical plant in Peoria, or southern India, you want to know the culture. You want to know what's the governance like. What's the education like? You need to know things.

With the military, because violence strips the veneer of civilization off of people, it reveals their character. And their character is largely formed by their culture. So, to not be aware of the culture and the differences where you're going is to open yourself up to terrible surprises. You can go in with the best of intentions and then find that you just paved the

road straight to Hades. It's not going to work.

But our bigger power is the power of inspiration. And inspiration, go back to George Washington now, "Listen to other people. Learn from them. Help them. And then lead." And it's simply showing respect for other people, the same respect we want shown ourselves. To put in military parlance, because when we're going in, in our own way we're ambassadors in green when we land in a foreign country. We need to act like ambassadors and guests in a foreign country. Going into Iraq, for example, I go back to antiquity and I pulled out some words called "No better friend, no worse enemy." We were going to be the best friend in the world and liberate these people. But they weren't our enemies unless they chose to be. And it was that that allowed us to have a lot of success, frankly, in a part of the world where a largely Christian foreign Army is not welcome. So, it does work. It's a matter of reality. And I'm sure an investment, whether it be investing our troops' lives or investing money, you look at culture as a pretty key parameter within which you have to operate.

JOHN WALDRON: Yeah, we do. Well General Mattis, appreciate you giving us the time to talk to us directly about these issues that really matter in the world. And we wish you well. Stay well and navigate through this pandemic. And hopefully, we get to the other side in a reasonable period of time. Thank you very much.

GENERAL JAMES MATTIS: Keep the faith.

JOHN WALDRON: Sounds good, take care.

This transcript should not be copied, distributed, published or reproduced, in whole or in part, or disclosed by any recipient to any other person. The information contained in this transcript does not constitute a recommendation from any Goldman Sachs entity to the recipient. Neither Goldman Sachs nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this transcript and any liability therefore (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. The views expressed in this transcript are not necessarily those of Goldman Sachs, and Goldman Sachs is not providing any financial, economic, legal, accounting or tax advice or recommendations in this transcript. In addition, the receipt of this transcript by any recipient is not to be taken as constituting the giving of investment advice by Goldman Sachs to that recipient, nor to constitute such person a client of any Goldman Sachs entity.

This transcript is provided in conjunction with the associated video/audio content for convenience. The content of this transcript may differ from the associated video/audio, please consult the original content as the definitive source. Goldman Sachs is not responsible for any errors in the transcript.