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# REAGAN NATIONAL DEFENSE FORUM

## PEACE THROUGH STRENGTH IN AN ERA OF COMPETITION

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**DECEMBER 1, 2018**  
**11:00 AM – 12:00 PM**

### **KEYNOTE ADDRESS WITH THE U.S. SECRETARY OF DEFENSE, THE HONORABLE JAMES N. MATTIS**

**Introduction:** Mr. John Heubusch, Executive Director, The Ronald Reagan Presidential Foundation and Institute

**Moderator:** Mr. Bret Baier, *Fox News*

**Video:**

[https://www.youtube.com/watch?v=DjX2wIsofdg&index=7&list=PLHNOi2zcxo7sBxM7HfhmB\\_tf6QXeqj48K&t=0s](https://www.youtube.com/watch?v=DjX2wIsofdg&index=7&list=PLHNOi2zcxo7sBxM7HfhmB_tf6QXeqj48K&t=0s)

Heubusch: If you would please rise and remain for the presentation of the Colors by the Honor Guard from the Los Angeles Air Force Base, and the singing of our National Anthem by Mr. Steve Amerson.

Heubusch: (silence)

Amerson: (singing)

Heubusch: Please be seated.

Heubusch: This morning marks an anniversary for our keynote speaker. Exactly two years ago today, President Trump announced to the nation his intention to nominate James Mattis as our nation's 26th Secretary of Defense. Having met and interviewed with the President just 10 days prior, time and events, no doubt, moved swiftly for the Retired Marine Four Star. The President's very first cabinet pick. While Secretary Mattis was not yet a household name, he was by then a living legend in the Marine Corps and elsewhere in the vast military community. Now why is that? Well, in part it stems from the fact that from the time he was commissioned as a 2nd Lieutenant in 1972, until he retired as Commander of the U.S. Central Command in 2013, those he led were challenged body and mind. Body in that they were superbly training in fully capable of killing the enemy 24/7. Mind in that it was critical for every soldier under his command,

and I quote General Mattis here, "To engage your brain before you engage your enemy." Having studied centuries of battlefield history, from the Spartans, to the Samurai, to the Comanche, he stressed the need for intellectual rigor in the Corps. The study of military strategy and the culture and history of a particular region or theater of combat were as important as the weapons one carried to war. So a deeply read scholar and soldier keynotes for us today.

Heubusch: He's written a few books as well. One in particular has come to define the practice of modern day warfare. His co-authorship with David Petraeus of the original 2006 Field Manual on Counterinsurgency Operations has evolved into the fullest and most complete document on war fighting theory in use by American forces today.

Heubusch: He was a practitioner of that guidance as well. When the order came from Washington to deploy forces for the invasion of Afghanistan in 2001, General Mattis led the deepest insertion of Marines into a combat zone in U.S. history.

Heubusch: 2003, as the Ground Commander in Iraq, he led the 20,000 troops of the First Marine Division for 500 miles over 17 days, the longest sustained march in Marine Corp history.

Heubusch: Earlier this year, the White House report the United States is presently engaged in open-ended hostilities in seven countries. From the observation posts along the Syrian-Turkish border, to operational support of U.S. Customs Agents facing caravans in Mexico, and numerous battles against the Taliban, the Haqqani network, Al-Qaeda, and the Islamic state in between, the United States Military is in the fight.

Heubusch: The Pentagon's budget is the largest the world has ever known. What better time to have Secretary Mattis at the helm? Deeply thoughtful and extremely aggressive. Honest, self-disciplined, the rare combination of confidence and humility. The prominent biography of his life just published reveals in it's title, The essence of the man: No Better Friend, No Worse Enemy.

Heubusch: Ladies and gentlemen, please welcome the 26th United States Secretary of Defense, James Mattis.

Heubusch: Well deserved.

Mattis: Thanks a lot. We'll see if you still clap when I get done talking here.

Mattis: That could be the real trick, and I can tell you I have never heard in this beautiful corner of America is probably appropriate that I hear the best rendition of our National Anthem I've ever heard in my life.

Mattis: I would just tell you that I couldn't sing or dance so I ended up in the infantry myself. But we need people who can bring that spirit out in all of us, and there's something about music and there's something about that anthem that still draws us all back together no matter what the issues of the day are.

Mattis: And in that regard, I would just say that here in the valley where the spirit of the Gipper lives on, we cannot begin here today without acknowledging the passing of that true patriot, President George Bush. He's certainly ... in the Department of Defense we saw him as one of our own, for obvious reasons. One of the youngest aviators in our history.

Decorated for Valor, a warrior and a statesman, and he dedicated more than four decades of his life to public service and he taught us how to live a life without regret. Didn't he? By everything he did. You know, he was always enthusiastic and he was always out to give 100%, but more importantly, for of us who need role models, and I think that is the human condition, he always put others first. Whether it was his family, his shipmates at sea, his country. He always put others first. So we join President Bush's family, all of us in the Department of Defense, and I'm sure all of you in remembering his unwavering service to our nation.

Mattis: We can't get gather here in Simi Valley either without recognizing just the common citizens of this valley. And what you've done for those who've had their homes burned down and all the evacuees who were forced out of their homes. This is a very generous part of the country. And a reminder that we in America that we have never left anything to our government, we have always pulled together in the smallest towns, the large cities to look out for those who are on the margins. For those who've unsettled, that sort of thing. It's a reminder that when tough times come Americans pull together, we don't pull apart.

Mattis: We see every challenge as an opportunity certainly, to heed the better angels of our nature. And in that, it's a healthy reminder if we gather beside an ocean that is named for peace, to remember and fulfill in our time President Reagan's dictum of peace through strength.

Mattis: So to all the members of Congress who join us here today, to our value allies who are represented here today. The industry leaders and the members of the press, I love you.

Mattis: To all the military personnel who are here, and the veteran's, thank you for letting me share a few minutes with you, here today.

Mattis: As an American I proudly note the diversity of fiercely held views. Present here today a patchwork worthy of our country. I know it also, our shared commitment to protecting our experiment in Democracy. The common thread stitching us together across state lines, and across party lines. And make no mistake, our experiment in Democracy needs protecting in this world that's addressed by George Schultz as being, "Awash in change." For we can all see the storm clouds that loom on the horizon.

Mattis: Go back in time two years. We were fighting overseas, yet automatic spending caps had resulted in the smallest U.S. military since 1940. We had munition shortages. Aircraft that were unable to fly, ships too often unable to sail, an aging nuclear deterrent. And an eroding technological edge over our adversaries in an era of renewed great power competition.

Mattis: That's a sobering reality, yet nothing under the sun is new to us, and we looked to our history and we could see how President Reagan confronted an under strength military in his time. And with such tightness as George Schultz he acted. He acted to restore America's strength.

Mattis: One year ago we released our National Defense Strategy. It was nested inside President Trump's National Security Strategy and to do the same that President Reagan had done, we mapped out our emergence from strategic atrophy. Expand the competitive space with our adversaries, and rebuild our military advantage through three lines of effort.

Mattis: First was to rebuild the lethality of our force. Making it more agile, more innovative.

Mattis: Second we wanted to strengthen and expand our robust constellation of allies and partners.

Mattis: And third, so I could look all of you in the eye, so I could look congress in the eye and say that we are spending the money you are giving us as we should be. We needed to reform our department for performance, affordability and accountability and today I owe you, the American people, an accounting to that strategy and how we will ensure our successors have the tools to deter war in the future.

Mattis: None of our work would be possible without the political courage of our Congress. Amid competing priorities, our House and Senate passed the Bipartisan Budget Act to give our troops what they needed in the upcoming fiscal year of FY18.

Mattis: For the first time in 10 years, our congress passed on-time authorizations and the appropriations for fiscal year 19. 87% of the House and Senate supported that authorization bill named, again, for a Naval Aviator John McCain, whose legacy endures.

Mattis: So the American center held together on national security. And numerous members of our Congress took political risk voting for our record budget in an election year. From increasing active duty end strength by 15,000 troops to giving a 2.6% pay raise to our men and women in uniform. You in the Congress proved America's security is a bipartisan priority.

Mattis: Congress has returned by doing this, to its rightful place in the driver's seat of funding America's national defense, rather than remaining in the spectator's seat of the Budget Control Act's mindless automatic cuts. And I visit here today to pay my respects to two role models: Chairman Thornberry and Ranking Member Smith of the House Arms Services Committee.

Mattis: The bipartisan nature of how you work together to put in to practice Senator Vandenberg's call for collaboration when he said, "Politics stops at the water's edge."

Mattis: So thank you both. I look forward to again working with you in the House Committee.

Mattis: Now let me briefly update you on some key areas of progress in our national defense strategy. Beginning with our first line of effort, lethality. We have put America's adversaries on notice: Work with the Secretary of State, Secretary Pompeo's diplomats. For if the U.S. military is called to the fore, it will be your longest, and your worst day. We are engaging in long overdue recapitalization of our nuclear deterrent to keep it safe and secure. And we are recognizing that the stability of the nuclear deterrent is brought over 60 years. We are now investing to keep our triad credible. Insuring, as President Reagan stated in his 1984 State of Union Address, "A nuclear war cannot be won and must never be fought."

Mattis: Concurrently we are dealing with Putin's duplicitous violation of the INF Treaty. As NATO Secretary General Stoltenberg noted, "The United States is in full compliance with its obligations. There are no new U.S. missiles in Europe. But there are new Russian missiles." A treaty that is respected by only one side cannot be effective, and will not keep us safe. So we will reenergize our arms control efforts, but the onus is on Russia.

Mattis: This is further highlighted by Russia's brazen contempt and dismissal of the 2003 agreement with the Ukraine that allowed both Russian and Ukrainian ships free passage through the Kerch Strait. An agreement brazenly violated last weekend.

Mattis: Regarding the ground combat forces that we have, going back to our National Defense Strategy, ladies and gentlemen. Our close combat lethality task force is integrating human and technological factors to ensure our close combat units never enter a fair fight. And I bring this up because somewhere around 85% of our casualties since 1945 have been taken in our close combat infantry units. They deserve every advantage that we can give them.

Mattis: From increased production of munitions to procuring advanced fighter jets to increasing our fleet size, we are making ourselves more lethal will supporting an efficient industrial base.

Mattis: To our allies who join us here today, we value you and we do not take you for granted. Accordingly, our second line of effort in the Department of Defense is that we pursue strengthening our alliances, because history is clear; Nations with allies thrive. America's alliances are a durable asymmetric advantage that no competitor in the world can match. Unlike other nations, we don't buy friends. We earn them. We do not see vassal states, we want empowered partners who invest in their own sovereignty and determine their own destiny.

Mattis: In Europe, our NATO alliance represents half of the Earth's economic and military might.

Mattis: Thanks to President Trump's unrelenting call, in 2017 allies boosting the defense budget by a combine 5.2%. The biggest increase in a quarter century.

Mattis: Combined, our 28 NATO allies have increased spending by 41 billion dollars in the last two years, and it is now clear to every observer, including Moscow, NATO is strong and growing stronger-

PART 1 OF 3 ENDS [00:20:04]

Mattis: ... including Moscow. NATO is strong and growing stronger. It is adapting to be fit for its time. In the Indo-Pacific region, we keep our decades old alliances strong, while building new partnerships, from this year's historic visit of the USS Carl Vinson to Vietnam to our deepening security cooperation with India, which shows the growing trust between the world's two largest democracies, both Pacific powers. In Korea, our diplomats speak from a position of unquestioned strength as they endeavor to achieve the complete verified denuclearization of North Korea.

Mattis: In the Mideast, our Defeat ISIS Coalition is now 79 nations and international organizations working to ensure the enduring defeat of ISIS, which is now down to less than 2% of its original geographic caliphate. In Afghanistan, President Trump's decision to change the game. For the first time in 17 years, the United Nations believes we have reason for hope for peace. Afghan troops are in the lead of the fighting and taking hard casualties, but NATO and the international community are stepping up their commitments, and the Taliban may actually now be open for the first time for sincere talks about peace. We'll see. In our own fortunate hemisphere from Ottawa to Mexico City to Buenos Aires and Santiago, we see increasing democratization, and despite

economic headwinds and transnational crime, opportunities for the Americas to become a region of increasing political and economic stability.

Mattis: Our third line of effort is we continue a range of reforms. Last month we completed our first ever consolidated financial audit in Department of Defense history. It covers \$2.7 trillion in assets. We conducted it to find problems. I intended to find problems. I would have been disappointed had we not. We will embrace the findings and we will take corrective action on a host of revealed issues. We intend to uphold the trust of the American taxpayers and the Congress. Turning now to our technology and innovation investments, as adversaries increase the number and sophistication of ballistic, cruise, and hypersonic missiles, when rogue states pursue missile capabilities that threaten our homeland here, we are advancing the next generation of missile defense to protect the United States and our allies and partners.

Mattis: Recent back-to-back successful tests of our Aegis missile defense system show we can enhance our defense through the adaptation of our technology. While much remains to be done, we are reclaiming our mantle of technological enterprise and signaling our determination to achieve more here, in space, in hypersonics, and artificial intelligence. The work goes on in change tactics, heightened incorporation of space and cyber operations, training and readiness, equipment and maintenance. America's warriors rehearsed a grim game from firing range to the flight deck, from the sea floor to outer space. Thanks to President Trump and our Congress, we have begun to arrest the erosion of our competitive advantage, but without sustained predictable funding, the gains we've made will swiftly fade, and our investments will never realize their full potential.

Mattis: I share a responsibility with Congress that not just the next Secretary of Defense, but the secretary after next has the military advantages necessary to deter conflict or win if we must fight. History is unconfused as to what happens when a democracy permits its strength to wane. We see it in our own history. Osan, Korea 1950, soldiers from Task Force Smith went into battle against enemy tanks carrying obsolete bazookas incapable of knocking out their targets. We might believe this could never happen in our time, but if the same America that had defeated the Third Reich in World War II could forget in just five years the hard learned lessons of Anzio, Normandy, and the Bulge, so can we in our generation.

Mattis: As historian, TR Fehrenbach wrote, "The lesson of Korea is that it happened." The US Navy has not lost a ship to enemy action since 1944. The US Air Force has held air superiority since 1945. It is hubris to think that can't change. We have no preordained right to victory on the battlefield. Our will to win is not more important than our will to prepare to win. This includes war fighting excellence from our military, and steady predictable funding from Congress, and engaged support from our most innovative industry leaders, including Silicon Valley. Absent such commitments, we will pay the cost. As Congress's own National Defense Strategy Commission report puts it, and I quote here, "The costs will not be measured in abstract concepts like international stability and global order. They will be measured in American lives."

Mattis: When we measure defense spending, we must realize its near historic lows as a share of both the federal budget and our national economy that in 1957 defense spending was 52% of the federal budget, and in 2017, it was 15%. Defense spending today accounts for 3% of America's gross domestic product. Fiscal solvency and strategic solvency we

say can coexist, a point that Chairmans Thornberry and Inhofe made clear in a recent op-ed when they said, "Our top priority is the troops." Cutting defense will not close the deficit and I would suggest that doing so would be a disservice to our troops and the American people they serve and protect because we all know here today that America can afford survival.

Mattis: We are in an era of great power competition, but as President Trump has said, "Competition does not mean hostility, nor does it inevitably lead to conflict." It won't if we continue to invest in strength. This is true of America's relationship with China. We seek a constructive results oriented relationship with Beijing, but we do not accept predatory economic practices or coercion of smaller states. No one nation can, on its own, change the international order or veto other nations' diplomatic or economic or security decisions. Alongside [Asian 00:27:13], and with our allies and partners, we will defend our interests, show respect for other nations' sovereignty and uphold our values as we exercise what has been recently termed as constructive vigilance.

Mattis: We are Americans; we are not spectators in the arc of history. We make history. Reagan said it best, "I do not believe," he said, "in a fate that will befall us no matter what we do. I do believe in a fate that will befall us if we do nothing." America will sustain our military's warrior ethos because we must. With Congress and industry partners, we will hold the line and we will send a simple message to any potential adversary. Not today, your military cannot win it, so don't even try it. Certainly our world is awash in change, yet some things last. Some things are permanent and the fighting faith of your military is one of them. President Reagan noted that in his first inaugural address in the story of a young Barbara from Chippewa Falls, Wisconsin this very truth.

Mattis: Private Martin Treptow, he served with the Rainbow Division amid the blasted earth of France in World War I. When a runner was needed to convey a message during an assault at La Croix Rouge, Private Treptow did not hesitate. When his brother soldiers found his body later, they recovered a blood stained diary and in it, these words: "My pledge, I will work, I will save, I will sacrifice, I will endure. I will fight cheerfully and do my utmost as if the issue of the whole struggle depended on me." Private Treptow fought and died a century ago, but that same fighting faith endures and must endure in our time if our noble experiment in democracy is to endure.

Mattis: Go back to those close combat infantry units I mentioned before. Consider the Latin root of infantry, young soldier, infant soldier, young soldier. Now consider that we take over 80% of our casualties in their ranks and yet they volunteer for the military. They volunteer for the infantry knowing that. They've grown up with the wars in Afghanistan and Iraq. They choose to serve anyway. They come from America's every corner as living, breathing examples of e pluribus unum, out of many, one. They pull together. These high spirited, rambunctious young people look past the hot political rhetoric of our day and voluntarily sign a blank check payable to you, payable with their very lives. If we can be as uncomplicated in our hearts and as steadfast in our purpose as our troops, we will do just fine and so remain "that shining city on a hill." Thank you very much, ladies and gentlemen.

Heubusch: Secretary Mattis has kindly agreed to spend a few minutes in an interview with our good friend Bret Baier from Fox News. Bret.

Baier: Thank you. Thank you very much. It's an honor to be here. Mr. Secretary, thanks for doing this. I wrote a number of things down from your opening remarks. One of them was the message, "We love you," to members of the press and members of Congress. That's a different message than we've heard sometimes. I also noted your kind remarks about the 41st President of United States, and your memories about him. With the passing of President Bush, the country lost the last Cold War President. What President Reagan, and then President Bush did to fight communism around the world really changed the trajectory of the world. Now, as you mentioned in your opening remarks, Russia is again aggressive under Vladimir Putin, most recently in Ukraine firing on those ships and capturing those sailors. Unless I'm mistaken, you didn't move US assets after that happened. What can the US do to deter Russia's behavior in this environment?

Mattis: This is a very complex situation because Mr. Putin is clearly a slow learner. He is not recognizing that what he is doing is actually creating the animosity against his people. He's not acting in the best interests of the Russian people. He is actually causing NATO to rearm and to strengthen the democracy's stance, the unified stance of all the democracies together. We're joined here today by several members of the NATO Alliance, including the Minister of Defense of Lithuania. He and I were in the forests of his country last year alongside troops from a number of NATO nations. What we are seeing Putin do with his ripping up of international agreements, violating in the Kursk Strait this last week a joint statement, agreement between Ukraine and Russia. We are dealing with someone that we simply cannot trust.

Baier: Has the relationship worsened since you've been Defense Secretary?

Mattis: There is no doubt the relationship has worsened. He tried again to muck around in our elections this last month. We are seeing a continued effort along those lines. Russia doesn't speak with one voice. We find that Russia, on the surface, tries to make certain very deceitful statements stick. They don't stick. Their actions speak louder than words, and it has worsened the relationship.

Baier: I want to bounce around the world, but following up on this, you said they tried again to muck around in our elections this past time. Why did you feel the US had to go on the offense to battle Russia and China in cyber? Has the threat increased significantly?

Mattis: I don't know if the threat has increased. It his continued efforts to try to subvert democratic processes that must be defended.

Baier: And go on the offense to do that.

Mattis: We'll do whatever is necessary to defend them.

Baier: I was trying to get you down that road. I'm going to bounce around the world if we can, talk about some hot spots, and then talk about, as you mentioned, readiness for the military. Today, Secretary Pompeo released a statement saying, "Iran has test launched a ballistic missile with multiple independent warheads." What can you tell us about this launch and how would you rate the threat from Iran maybe compared to the threat from North Korea?

Mattis: Iran is an interesting case of a regime that does not care for the best interests of their people. They're a revolutionary cause at that level. They take constant actions that

actually put their people in worse position. The threat from Iran is multi-faceted and certainly what they have done with this launch is violated the sense of the United Nations Security Council resolution that told them not to do these kinds of launches. It shows that our best efforts to try to talk them out of their aggressive support of terrorism is probably going to be as unsuccessful as the UN's effort to stop them from launching missiles. Right now, the strategic level of threat from Iran is less worldwide than Korea's, but it is certainly significant regionally, and it could grow beyond that if it's not dealt with.

Baier: This recent launch is significant?

Mattis: Yes.

Baier: Okay. Clearly this administration has changed direction when it comes to Iran on foreign policy focus from the last administration. Some of the critics say maybe too far. The Wall Street Journal today reported that the CIA has medium to high confidence that Saudi Crown Prince Mohammad Bin Salman personally targeted Jamal Khashoggi, the journalist, and probably ordered his death. Do you agree with that?

Mattis: First, when it comes to Iran, that is a fact that we're going to have to deal with. It's best dealt with diplomatically where diplomatic means don't work. The more we can unite everyone to confront Iran, we have to do so. When it comes to the Khashoggi murder, we have every expectation that whoever was involved in this, whether directly involved or directing the murder, is going to be held to account. That is our country's expectation. We see that as not in any way reducing the strategic imperative to work together, as many nations as possible, to keep their murderous mischief under control to reduce it, to roll it back. You know what they do through their proxies. Lebanese Hezbollah in Lebanon, you've seen what they've done in Syria to keep a murderer in power. He would not be in power today were it not for the Iranian regime.

Mattis: Again, we do not have issues with Iranian people. It's the regime, and what we're going to have to do is figure a way to have these two thrusts, accountability for Khashoggi's murder, and unified confrontation against Iran's mischief, their terrorism, their murder, their mayhem, and keep those two lines of effort unrelenting. We want to know what happened by who all was engaged with Khashoggi, but at the same time, we cannot deny the threat that Iran poses to all civilized nations.

Baier: Some people looked at that image of the Crown Prince giving a high five to Vladimir Putin at the G20 and had a real problem with it just looking at the geopolitical implications of all of that. But basically you're saying that Saudi Arabia's help with the US, when it comes to Iran, takes precedence right now.

Mattis: I don't think there is a precedence. Accountability for the murder of Khashoggi stands alone. It is distinct from any other factors going on. However, it is integral to our relationship with Saudi. Right now, we do not have a smoking gun. Except for the last 24 hours, ladies and gentlemen, I have seen all the intelligence we have. We do not have a smoking gun that the Crown Prince was involved. We certainly need to continue to explore everyone or explore all aspects of the murder, and find anyone who was involved, but that should not in any way dissuade us from basically confronting Iran.

Baier: All right, moving on. What happens if Congress passes legislation to halt US military involvement in Yemen?

Mattis: I don't like speculating on Congress. I'll wait. I have another opportunity coming up this time in the House of Representatives.

Baier: You're going to make that case?

Mattis: I will make the case that we need to act on our own best interests. That includes standing up for the principles we believe in. That includes freedom of the press I might add, Bret, as a representative sitting here, and an admired one. I would just tell you that we do not find standing up for our values in any way inconsistent with also providing-

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Mattis: -in any way inconsistent with also providing for the protection of this country.

Baier: Afghanistan. This week unfortunately you lost five soldiers in Afghanistan, 79 wounded. Do you really believe that the Taliban has an incentive to sit down for peace talks? You've dropped more bombs in Afghanistan just in recent weeks than you have in more than a decade. So are you trying to bomb the Taliban to the peace table?

Mattis: The Taliban have made very clear that the lives of the Afghan people are of no interest to them. They know they cannot win at the ballot box, at least that's been their supposition and that's why they use bombs. If you can't win at the ballot box you have to try to terrorize people into dominating them.

Mattis: So we are going to stand with the 41 nations. The largest wartime coalition in modern history is the NATO lead campaign in Afghanistan. Was down to 39 nations when we came in. Two nations have changed. By the way they're both muslim nations. We're up to 41 nations. We have donor nations, 70 of them. They're committed to this effort. I would just tell you that if we leave 20 odd of the most dangerous terrorist groups in the world centered in that region, and we walk out of there, then we know what will happen. Our intelligent services are very specific that we will be under attack in a number of years.

Baier: So are you facing pressure to wind up the US mission in Afghanistan?

Mattis: We're facing pressure right now on the Taliban. That's our goal. Our goal is to reconcile. We now have ambassador Khalilzad, he is a very strong ambassador. He's in charge of the reconciliation effort and we're going to do our level best to drive this to a political resolution in order to end it.

Mattis: When you look at 1979, the year I first sailed into Mideast waters, that's the year that the soviet union invaded Afghanistan and turned the country upside down. We're going to have to try to end this war. 40 years is enough. It's time to end it and get the people of Afghanistan back on the right track. It's gonna take regional help. It's gonna take the UN's help. But for the first time that I can ever recall, a week ago the UN representative there said he sees real hope for peace. First time we've ever heard that.

Baier: And that's what winning looks like there.

Mattis: Absolutely. Winning goes back to secretary Clinton. When she was the secretary of state she laid out three conditions to the Taliban. Break without [inaudible 00:42:58] that attacked the United States and other countries, quit killing Afghan people and live by the Constitution. If you can win with your party platform then come on in. Those are the three starting points for how we reconcile and bring this war to an end.

Baier: You mentioned Latin America. The refugee situation from Venezuela is really now one of the worst in the world. If Venezuela continues to spiral as it is, downward, do you foresee the US having to do something there?

Mattis: First of all we are doing something there. When you look back at last year, a pretty rough year for democracy from some people's calculation, but not in our hemisphere. Their democracy is actually spreading. We have three countries. Cuba, Nicaragua, Venezuela, who are living in the past. They're not going the right direction. The rest of the hemisphere from Canada to the tip of Chile and Argentina is going in the right direction.

Mattis: Those countries are very concerned down in that region with what's going on in Venezuela. It is tragic. Again, it's what happens when you have an irresponsible despite leading a country to ruin. I think what we should do is work by, with, and through our Latin American allies and we stabilize the situation right now. You'll see that we have a US naval ship comfort. A hospital ship that's down there providing medical aid to many of these refugees. We're doing our best diplomatically and through humanitarian aid. But ultimately this regime is going to have to go and it's up to the Venezuelan people. It's up to the regional states in that area to help expedite that and bring that country back to a more prosperous and positive future.

Baier: You've been asked to cut the defense budget by five percent. The seven hundred sixteen billion dollar defense budget. First, can you do it? Second, what effect, if you do it, would it have on fixing problems like those that lead to many of the accidents involving aging equipment?

Mattis: This is the normal give and take of building the president's budget ladies and gentleman. This is not a decision. This is where the president is trying to sort out competing priorities. As I mentioned chairman Thornberry and chairman Niehoff have written where the house and the senate committees right now, armed source committees are right now. I would just tell you that the issue is in play and I'll give my advice to the president. I owe him the courtesy of that in private before I speak about it publicly.

Baier: Well you could say it's gonna be challenging.

Mattis: It should be challenging. We don't wanna spend any money in excess of what is needed on our defense. But at the same time this is not an arena where we can calculate so precisely that I think we can take chances either. We've got to make certain we restore America's strength. You know and I know that has been president Trump's platform from the beginning. It's up to me to make the logical argument about what the president's submission should look like from office of management and budget to the congress.

Mattis: At that point the congress, under their constitutional responsibilities, will take our input on board. Again, remember ladies and gentlemen, it's the worse form of government

except for all the rest we've tried. This is what it looks like in the real world as we push it forward. But I'm optimistic at the end of the day we'll have what we need to keep our country safe.

Baier: Are you concerned that with the force that you have today that you could lose a war with Russia or China?

Mattis: Not in the least.

Baier: Zilch. Notta.

Mattis: No. My goal is to deter it and give the diplomats time. You all know what my technical job description is to run the department of offense. The military operations, that sort of thing. Give the president advice, work with our allies. My real job description, secretary Panetta, when you were there I think my real job description is how do you keep the peace one more year, one more month, one more week, one more day, one more hour, so the diplomats can work their magic. Our allies can work with us and we keep another tragedy of war from breaking out.

Baier: There's a lot of question about the magic that is or is not working with North Korea. Days before this forum last year, North Korea launched it's third ICBM, intercontinental ballistic missile. H.R. McMaster, the national security advisor, told me right here on this stage that the threat was increasing every day. What is your assessment of North Korea now as we get word of building long range missiles and working on it's nuclear program continues?

Mattis: Well first of all I think if you look at one year ago you summed it up very well. It was going anywhere but good. Following the Singapore discussion between chairman Kim and president Trump, it has now been shown to be clearly in the diplomat's hands. We have been able to actually reduce some of our exercises as a sincere measure to say that we want the diplomat to succeed. None of us thought this would be easy, that it would be automatic, that it would follow a script. So we're going to have to roll up our sleeves and keep at it.

Mattis: We've got a lot of allies with us. As you know, thanks to the administration. We have three unanimous United Nations security council resolutions imposing sanctions on North Korea. Life is not good there. Yes, they're trying little ways to work around them. But the bottom line is if they want out from underneath the UN's security council resolution sanctions, they're going to have to make progress.

Baier: But looking at the entail as you do, are you optimistic?

Mattis: You know ladies and gentleman, I'm not paid to be optimistic or pessimistic. I maintain a military that is second to none with the fervent hope we won't have to employ it. But I have no doubt about the outcome if we must.

Baier: Which country is more serious threat to the US? China, Russia, or North Korea? I'll throw Aran in there too.

Mattis: The way I would look at it Bret ... I've always admired the way you do questions by the way. I'll just throw it in. Because he goes to the heart of the issue. He doesn't dance around with his own opinion. You know what I mean? It goes straight to the issue.

Mattis: I would break it down three ways. Power, urgency, and will. In terms of urgency, North Korea is the problem. We have got to address that issue. It's an urgent issue. That's why the United Nations has security council of resolutions that are unanimous. How many times ladies and gentleman do you see repeatedly China, France, United Kingdom, Russia, the United States, and more all voting with one voice. So think what that says about the urgency of this issue in Korea.

Mattis: Second, I would talk about power. Raw power. When you look at Russia and the cavalier use of force, the cavalier discussions about nuclear weapons, clearly Russia needs to be dissuaded, deterred from going down a path that too often potent appears willing to go down.

Mattis: When you look at will, I've had several meetings with my Chinese counterpart and there is no doubt in my mind that China wants to return to what it believes is it's rightful place in the world as a great nation. I believe that we're going to have to find ways to work with China to nuclear arm superpowers in a manner that when we step on each other's toes which may happen from time to time, we have a way to manage those issues. And we are working quietly and I would say quite closely together, my Chinese counterpart and myself, security Pompeo and counselor Yang, we are working on trying to craft that way ahead.

Mattis: We're looking for cooperation where we can with China. We will confront them where we must. But it is not our desire to end up in that situation. It's to find a way to manage a new relationship. I believe 10 years from now, 15 years from now what the Trump administration will be most remembered for, were we able to create that new way to operate with China? Were we able to create a mechanism by which we could maneuver on the world stage economically, diplomatically, security wise, and keep the peace and not stumble into a miscalculation.

Baier: I only have a couple minutes left so this is a little bit of a lightning round here. Will you sign the extension orders for the nearly 6,000 active duty troops at the US southern border that the DHS has asked for?

Mattis: We've just received since I left yesterday to talk to our air force academy cadets and on my way out here, we've just received secretary Nielsen's request. She's the secretary of homeland security of course. I will review it when I get back. Some things have been done, completed. This is the engineer work to put in certain crowd control capabilities. We have no troops in a law enforcement capacity, as you know it's prohibited under the US constitution.

Mattis: Remember here that ... And I will review it Bret and I'll make certain of what we're doing is appropriate for our troops. If it is and border patrol needs the help, of course we'll provide it. But look back to when president Clinton deployed troops along the border in order to maintain control over immigration. Look back to when president Bush put troops there. The longest duration deployment of federal troops on the border were under president Obama, seven years they were deployed there.

Mattis: So we'll look at it. If there's a specific issue that requires department of defense' support for the commissioner border patrol then of course we'll provide that. But we'll stay strictly within the constitution, strictly within our laws, and the law enforcement functions will be carried out by the appropriate people. Either the border patrol or US Marshalls or other federal police. But not by the US military.

Baier: All right. Last thing. The president was asked in an interview whether he was going to fire you or you were going to leave. First he called you a sort of democrat. Then he said, "Everybody leaves. People leave Washington. But you have a good relationship." So do you have any plans to leave the administration soon?

Mattis: Well if I did Bret, you wouldn't be the one to know. Okay? But ladies and gentlemen let me explain something. When the president of the United States, republican or democrat, male, female, none of that matters. When the president of the United States ... And I had never met Mr. Trump til I met him as president elect when he called me back for a job interview. When the president of the United States asks you to do something, in America you just do it. To quote Nike, "Just do it."

Mattis: Don't get all caught up in the Hamlet wishing and wondering and wringing your hands or something like that, and saying, "To do or what not to do." Or whatever. Just do it. Get up. Go up. Do your job to the best of your ability. Uphold the constitution. Give the president your best military advice in my case.

Mattis: But we've gotta get back to the point where service in this country is something you do. I mean, tell you the truth the only reason I'm back in this outfit is because I love the troops because I learned to hate minefields at age 21. But I love guys so valent they would go through looking for something they didn't wanna find 'cause they didn't want their buddy behind them to step on it. The other reason is I got a love affair with the US constitution. I'll just leave it at that.

Baier: All right. Let's leave it at that. Because obviously there's no national draft. This is the last thing. You've mentioned it here. There's fewer than half of one percent of Americans currently serving in the US military. Fewer than nine percent have ever served. So many Americans don't have a close connection at all to someone who is serving or has served. So the civilian military divide is expanding. How do you get people who don't have a connection to buy in? Is that a concern for you?

Mattis: It is a concern. I think many of us, when the draft developed such a poor reputation for whatever reason. For Vietnam, for unfairness, and we got rid of it. Many of us in those days wondered would this turn out to be very good for the military and the all volunteer ... I should describe it as the all recruited. 'Cause there's vigorous recruiting that goes on. Military has been very good. We have all volunteers there. But would it end up being good for the republic? Would it divorce us from the body politic? Would people make decisions quite smug in the fact that none of their family members would be in harm's way?

Mattis: We've got to consider it ladies and gentlemen. We can't hide from that elephant in the room. I think if, on a broader level, we can get back to a fundamental friendliness with one another as Americans, if we can rediscover a respect for each other as fellow Americans. Even if we have very different ideas about how we can take the country forward. We probably don't have big differences about where we wanna go ultimately.

So if we can create a society in which respect and friendliness is the passport that we all have when we meet each other. Whether it be in our school districts or in our businesses or public life or private life. If we can get back to that then the military is part of that society representing the most selfless who literally will go in harm's way for us will not seem alien anymore. They'll seem like your own brothers and sisters.

Mattis: At that point, whether they belong to your family, your immediate family, or your larger American family, I think we can keep this thing together that we call America. And it's just one big great experiment. But it's noble work even if it's hard work and we better all go back to finding a way that we can embrace one another. And in military we're not that special. We're simply patriot to decide this is the way we pay our dues. And countries like bank, if you wanna take something out of it, if you wanna get something out, you want economic opportunity and your kids to go to college, you gotta put something into it.

Mattis: There's a hundred different ways to serve. But the military, the most selfless, has got to remain embraced by the American people whether you have a member in the military or you do not. But thank you very much.

Baier: Thank you for your service to the country and thank you for this. I'd love to have you on special reports sometime. Thank you.

PART 3 OF 3 ENDS [00:59:26]