

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

**House Speaker Paul Ryan Discusses the State of the Economy and
His “Better Off Now” Agenda.**

**House Speaker Paul Ryan
Thursday, July 12, 2018**

[A video presentation is shown.] [Applause.]

MR. RUBENSTEIN: So, our special guest today is the 54th Speaker of the House of Representatives, Paul Ryan.

Paul Ryan's had a very distinguished career in a very short period of time. He is a person who is a native of Janesville, Wisconsin, grew up there, born there, and came to Washington after graduating from Miami of Ohio to work on Capitol Hill and for a think tank that was led by Jack Kemp¹. Subsequently, he went to work for Sam Brownback who was a member of the House, then he went back to Wisconsin, and at the age of 28 became a member of the House of Representatives, elected in 1998, began serving in 1999, and he subsequently became Chairman of the House Budget Committee and Chairman of the House Ways and Means Committee. And then in 2015, he became Speaker of the House of Representatives. He also was a vice presidential nominee as I think all of you know in 2012 with Mitt Romney. And he's done all of this and he's only 48 years old.

He's announced that he is retiring from the House and will not run for reelection, and so he will go back to Janesville after this term in the House is over. So, it's my honor to introduce the 54th Speaker, Paul Ryan. [Applause.]

HOUSE SPEAKER PAUL RYAN (R-WI): Thank you, David. Appreciate it. Thank you.

Morning, everybody. How are you doing? Good. So, first of all – hey, there's a gavel. That's pretty cool. This is a pretty small one, actually. [Laughter.] We have much bigger ones in the House. [Laughter.]

So, David, I want to thank you. This is the second or third time I've been here with the Economic Club. And I appreciate your invitation. I am grateful to share a few thoughts about the state of our economy this morning. And I'm going to tell you, what guides me and what guides us in Congress is growth – economic growth. Economic growth does not solve all of our problems, but economic growth certainly makes it a whole lot easier to solve our problems. Growth is the beating heart of a free economy. The stronger it is, the more opportunity there is, and the more mobility there is. Growth is what gives us momentum. Growth is what gives us room to run.

In our lives, it's the difference between being stuck and moving ahead on the path of life. For our country, it is the difference between leading in the world or lagging behind. I've got to say, though, not too long ago we were on a very, very different, and dangerous, path. People were working harder to get ahead, only to fall further behind. Economic anxiety, economic uncertainty, it blanketed our country. We were drifting toward a low-wage, low-growth future. And as growth slowed, it became seen as sort of the new normal.

¹ Jack Kemp (R) served as Housing Secretary in the administration of President George H. W. Bush from 1989 to 1993, having previously served nine terms in the United States House of Representatives from 1971 to 1989.

An economist at Northwestern [University] wrote a paper titled: “Is Economic Growth Over?” That path, which many experts were saying was the best we could ever hope to achieve, was leading us straight to stagnation. It was leading us to a class-based society, where people view life and society as some zero-sum game. And our tax code had become the embodiment of this drift. Our tax code had basically become the delivery device for managed decline. It held back families living paycheck to paycheck, but it stockpiled a whole bunch of loopholes and carve-outs that were there for the well-connected. It enabled foreign competitors to overtake us and brazenly take our jobs and our capital.

And around the world, I watched this as Ways and Means chair. It was just an astounding thing to see. Around the world, countries began to take advantage of our drift, making their own tax systems far more attractive for investments and lowering their tax rates. The U.K., they went down to 19 percent. Ireland, 12 ½ percent corporate tax rate. In 2017 alone, eight OECD² countries reduced their corporate rate. In Wisconsin, as in so many other places, companies with loyal workers and long lineages, like Johnson Controls – I bet you that the thermostat in this room controlling our climate here is a Johnson Controls thermostat. They moved their headquarters overseas. They were our largest publicly traded company in Wisconsin. This was happening across the country.

It just didn’t make sense to be based in America anymore. We had lost our edge, and we had lost our way. And this prospect of this kind of imminent decline, this is what spurred us to take a positive agenda to the country in 2016. I think we showcased it here a couple years ago. We called it “A Better Way.” And its economic centerpiece was a plan for pro-growth tax reform. In 2017, we began to implement this agenda, just as we had promised. What I basically said to our members in 2015 is: We better take an agenda to the country so that we’re not just the other party, the anti-Obama party. We are the proposition party, the party of solutions. Offer the country a very clear choice, a very coherent plan. And if you benefit from winning the election, you better be ready with a plan to go if you get unified government.

So, we had a plan and we were ready to go. And guess what? We won and then we began executing it. We started with regulatory reform to help lift the tangle of red tape that was suffocating small businesses. To revitalize Main Street, we provided relief to community banks and credit unions. We jumpstarted long overdue improvements to our infrastructure, our roads, our bridges, our railways. And, for the first time in 31 years, we overhauled our tax code. The last time we did tax reform – I got my driver’s license that year. [Laughter.] And this overhaul is far more comprehensive than the one that occurred in 1986.

To help workers, we lowered tax rates and nearly doubled the standard deduction, so you can keep more money in your paycheck in the first place. To help families, we doubled the child tax credit. To help our businesses, we allowed full expensing to promote expansion. We brought the corporate tax rate in line with our competitor’s, leapfrogging many of them. And to help attract investment and to level that playing field, to stop the bleeding of inversions, we transitioned to a territorial system like the rest of the world. And as we gather here right now, it has been a little more than 200 days since the enactment of tax reform.

² The Organization for Economic Co-operation and Development is an intergovernmental economic organization with 36 member countries, founded in 1961 to stimulate economic progress and world trade.

Here is what we know: After years of stagnation, our economy is finally on the rise. By just about any economic measure, the American people are better off now. Nine out of 10 workers are keeping more of what they make. More than 5 ½ million workers have already received bonuses, raises, or better benefits as a direct result of tax reform. More money is coming back to our shores. More than \$300 billion was repatriated in the first quarter. That's the most on record. Unemployment rolls are at historically low levels. Job openings have reached record highs. Wages are up. Income is up. Confidence has come roaring back – consumer confidence, small business confidence, manufacturer confidence – all at or near record highs. We all love a good comeback story. This may be the biggest one around.

Here's what we know is very clear: Tax reform is working. It is improving people's lives. That's the entire purpose of why we're here. And to be clear, it's not the singular reason for this boom, but it was vital to ensuring American preeminence in the 21st century. Indeed, tax reform has helped to dramatically improve our country pass – its path. Our businesses and our manufacturers, they're competing again, they're expanding again. The capital – the cap expenditures is really impressive. Families are spending more again. They're saving again. Retail sales are up. Home sales are up. And for our workers, there has been a real sea change.

Now, employers are having to actually compete for workers. More people are quitting their jobs to go for better opportunities at rates we have not seen in years. More than 600,000 people came off the sidelines and joined the labor force just last month. Our economy is on a roll. And the American people are better off now. We're getting back to risk taking. We're getting back to growth. We are getting back our edge.

Of course, this is, by far, not the end of the story. Our economy is finally hitting its stride, but this is the other point I want to make: Too many families are still struggling. We need to get more people on the path of life. We need to get our economy on the path of economic growth for those people who've never seen it before. And to do that, we need to get some important things right. We have got to get at those really tough problems which growth makes so much easier to solve. So now is a time to fix some of these intractable, difficult problems.

Here are just a few challenges that I would like for you to think about. First one, workforce development. This is really the final piece of our economic agenda. It is the final plank of our "Better Way" agenda. We need to recognize that the competitiveness of our economy is inextricably linked to the competitiveness of our workforce. I got to say, you go to any factory in the Midwest today, and the CEO is going to say something like this: The good news is we have the jobs. The problem is, we can't find the workers with the skills to do the jobs. Our education system is still not properly equipped to help people adjust to this changing economy.

This is one of the areas where we cannot expect to fix 21st century problems with 20th century tools. This is a priority of ours. And this is something we can, must, and should, and will tackle as a country. We have a growing shortage – really, it's kind of an alarming shortage of skilled workers. Right now, the statistics is really kind of a startling statistic. There are more

job openings in America than there are job seekers in America. This may be a good problem to have, but it is a problem we need to solve. We have to close the skills gap.

This Congress has boosted resources for apprenticeships. We have boosted resources for workforce development programs in high-growth fields. And the House has passed a great bipartisan bill to expand career and technical education. Basically, the way I see this is we need to make two-year school cool again. We have to change this perception that everybody's kid has to go get a four-year degree in anthropology. [Laughter.] There are great jobs and great careers out there that a technical education can get you. I see it everywhere where I live. You shouldn't have to pile up mountains of debt for college just to get the skills you need for a great career. We can and should make it much easier for students to achieve proficiency in their chosen vocation, because that will smooth their entry into the workforce.

We got about 12 ½ million adults, working age, without small kids at home, able-bodied, who are not working, they're not looking for work, they're not in school. That is who we have to pull into the workforce, get them on the ladder of life. There's one good idea that I'm a big fan of that our career and technical education bill helps fix. And this idea is catching on. More companies are partnering with local schools, especially technical colleges or community colleges, on programs to better match students with their skills in the jobs that they need for those in-demand jobs.

One great example, southeastern Wisconsin, Gateway Technical College. They are working with Foxconn to develop a special curriculum for what that company's needs will be. Foxconn in Racine County, Wisconsin, is about to launch an amazing development, hiring up to 13,500 workers, and the curriculum is to have high-skilled labor. And Gateway Tech is going to build a campus right there at the Foxconn location, training that local workforce. It's a perfect, perfect solution to getting our brain drain problem fixed in Wisconsin, and make it a brain gain, and have these great vocations for people with the skills they need to do these jobs in the 21st century.

We need to encourage far more of those kinds of partnerships. And that's what this legislation is all about. In this economy, with all the opportunities available, there could not be a better time to help more people move from welfare to work. As part of this year's farm bill, the one we passed a couple weeks ago in the House, we advanced initiatives to better connect food stamp recipients with meaningful jobs. If you are work-capable and you don't have young children, you are guaranteed help for finding a job or getting the right training for a job. It balances work requirements and work support with a case management-based approach – going person to person.

We have learned, through pilot project after pilot project, that this works. This is all about empowering people, getting people to raise their sights. And if we can get these things right, helping more students get into good jobs and good careers and helping more people get out of poverty into the workforce, those are huge changes. Those are the things that will help restore intergenerational mobility for families and communities. These are the ideas that help you get at the root causes of poverty, which brings me to my second point.

If we want to make this resurgence real and lasting, we need to do a better job of reconnecting distressed communities to the greater growing economy. The country as a whole went through a weak recovery, but there are areas in which we still have yet to see any recovery or have seen next to no recovery at all. Still in this country, all around. The most recent study done by the Economic Innovation Group found that more than 52 million Americans still live in economically distressed communities. Far too many people are being left behind. Far too many people are feeling forgotten. Far too many people are not seeing this growth. So, we owe it to those communities to go bold. And we owe it to those communities to get right at the underlying disparities.

So, we are putting to work some ideas to really open up access to opportunity and jumpstart economic development. Through tax reform, a provision we put in the tax law – I worked with Tim Scott³ and Pat Tiberi⁴ on this. I got the idea from my mentor, Jack Kemp years ago. All 50 states have now designated opportunity zones in their lowest income census tracts. States work with local leaders to identify the areas with the biggest need. This, in and of itself, is promising because we've taken the decision-making out of Washington.

All told, there are more than 8,000 of these zones across the country. You may remember this earlier version, with Jack he used to call them enterprise zones. Well, these opportunity zones are essentially offering private investors a set of incentives. The longer you maintain your investment in these areas, the more tax benefits you receive. If you invest for at least a decade, you will not pay capital gains taxes on that investment. We want to encourage investors to sustain their commitment. And we want to form a long-term relationship with them and the community. Think about it this way, right now we have about \$6 trillion of unrealized capital gains that can be deployed to help alleviate poverty in distressed communities and improve people's lives. That's what this idea is all about. The potential here is incredible.

Another idea that Congress has put into effect, which was also in our tax bill, is something we call social impact bonds. We got this idea from the Brits. This is another way to leverage private capital for the public good under a performance-based, metric-based framework. Through these bonds, state and local governments place a value on a specific outcome. It could be anything from helping the homeless to reducing recidivism in the prison system.

Investors fund and evaluate these programs, and then they are repaid only if the program works, only if it gets its results. Both the risk and the reward is shifted to the private sector. And we will unlock new and innovative solutions to help fix some of the persistent problems plaguing low-income communities. We're very excited about this idea. And my guess is, you probably didn't even know this was the law of the land now. So, it's a challenge for us to communicate all of these things we've been working on, that we now have gotten into law.

Third and final issue I want to talk about. It goes back to our overall competitiveness and our growth. And just as our standing was threatened as countries around the world made their tax codes more competitive, we also can run the risk of being left behind in global trade if we do

³ Tim Scott (R) is a U. S. Senator for South Carolina since 2013.

⁴ Patrick Tiberi (R) served as the U.S. Representative for Ohio's 12th congressional district from 2001 to January 2018.

not lead here as well. Look, the final Trans-Pacific Partnership agreement was flawed, to be sure, but its broader intent was correct. Its intent was opening up American-made goods and services to new markets, while providing a counter to China in a critical region, with the United States writing the rules of the road.

Now, the president's made clear he prefers bilateral trade agreements over multilateral ones like TPP. That's a perfectly reasonable position, so long as reaching those direct pacts remains a priority. Since America dropped out of TPP, the other TPP nations have moved forward with that agreement. And any day now the EU will sign a new trade agreement with Japan. The EU has also recently initiated negotiations with Australia and New Zealand. So, the point is, the world's moving ahead. They're getting preferential agreements between themselves. So, we have to continue to pursue new agreements while we strengthen our existing ones. Otherwise, we risk having American products locked out of these new markets. We risk having jobs being moved overseas. And we risk a decline in American influence.

All of this, matters. As our generals will tell you, these agreements are just as important for our national security as they are for our economy. This administration has been vocal about trade abuses taking place. And they are right to be. They do take place. There are unquestionably bad actors, most notably China. But I've made my view clear, new tariffs are not the solution. [Applause.] It's the only applause line I got all day. [Laughter.] Good grief. [Laughs.] Look, there are better ways. There are other tools we could use. And for all of this, this is secondary to a bigger, more fundamental question about the future of our economy and our standing in it. And this is what I think is kind of unfolding in front of us here.

Today, emerging economies and old allies alike are now starting to make a choice. It's the 21st century and you've got a lot of change happening out there. And as we settle into the 21st century, will they follow what I would call the Chinese model, with centralized power, state-owned enterprises, cronyism and outright theft? Or will they choose a system based on markets, based on the rule of law, on transparency, on the kind of potential only human capital can produce? I believe most countries want the latter. But they need to know that the United States will be there to partner with them and be there to lead them. As we have in the past, we must do in the future.

The rulebook for the global economy in the 21st century is being written right now. The question is whether the United States will be holding the pen or not, or will we cede that authority to illiberal, undemocratic regimes? We must be there to set the tone, to set the precedence, to set the pace. More so, we must continue to demonstrate that our way of doing things still has juice, it still works. Churchill said it best: Democracy is the worst form of government, except for all the other forms of government. [Laughs.] That we can still do the most good for the most people is the point that we must keep emphasizing.

There is no better way to help humanity than democratic capitalism. This is another reason why tax reform was so important. It is why, on the day that I became speaker, I said that I did not believe all that talk about America being done, about our best days being behind us. I mean, remember how not too long ago we were just being told to get used to stagnation, get used to the new normal, what they called secular decline? Well, that narrative's sell-by date has come

and gone. We are back on the rise. We are showing our juice and our mojo. We can show that this model works now and into the future.

We have shown that we can achieve—what we can achieve when we reapply our founding principles, and when we renew our aspirational spirit. We have to keep retelling the story of the American idea over and over. We have to keep relitigating these debates and proving our principles. And we're doing that. So, let's continue with this work. Let's continue on the path of growth and opportunity. Thank you very, very much for having me this morning. I appreciate it. [Applause.]

MR. RUBENSTEIN: Thank you.

SPEAKER RYAN: Good morning.

MR. RUBENSTEIN: Well, let me – I would like to ask you questions about your talk. But before I do that, any regrets about not running for reelection?

SPEAKER RYAN: None whatsoever. [Laughter.]

MR. RUBENSTEIN: And you said you –

SPEAKER RYAN: I'm not that kind of guy.

MR. RUBENSTEIN: You said you wanted to spend more time with your family. But your kids are in high school. They don't want to spend time with you. So – [laughter] –

SPEAKER RYAN: Yeah. I know. I'm going to force myself on them. Yeah, when I took this job my kids weren't teenagers. And you know, our weekends were wonderful, because they were all together as a family and, you know, they loved spending their time with you. Now that my kids are teenagers, their ideal weekend is not spending all their time with you. [Laughs.] So –

MR. RUBENSTEIN: Right. So, what are you going to do with all your time? Have you decided yet what you're going to do next?

SPEAKER RYAN: No, I – no, I haven't. I have to – I have to wait until I'm done. Ethically, I think that's the right thing to do. So, I'm just going to wait until I'm done. I was hoping to keep that. [Laughter.]

MR. RUBENSTEIN: You wouldn't consider the higher calling of private equity?

SPEAKER RYAN: [Laughs.]

MR. RUBENSTEIN: No? [Laughter.]

SPEAKER RYAN: David, that's a good David Rubenstein line. Right? That's a really good –

MR. RUBENSTEIN: OK. All right. So, let's talk about your relationship with President Trump. I know you wanted to talk about that. [Laughter.] So, it has evolved. And you talk to him very frequently, or?

SPEAKER RYAN: Yeah. Quite a bit. It's a – we have a very good relationship. We talk frequently, probably three or four times a week. Sometimes three or four times a day depending on –

MR. RUBENSTEIN: Really? He listens a lot to what you're saying, or?

SPEAKER RYAN: Sure. Actually, all joking aside, I do find that having good, strong private exchanges are far more effective than going on wailing on TV, point one. Point two, when – after he won – after we all won, I sat down with him. And I thought the guy's, you know, a construction guy, he's a developer. So, Mitch⁵ and I worked out for about a month a schedule for the session for 2017 and 2018. And I put it in a Gantt⁶ chart for him. I figured a guy like that would appreciate a Gantt chart. And I put together this every elaborate Gantt chart for our agenda. And he said, I love it. Just add infrastructure. I said, fine. And so, we are still operating off of that Gantt chart. And we are still on our timeline, as we intended.

One issue got away from us, which was our big entitlement health care reform bill which we got out of the House, not in the Senate. But basically, everything else that we have intended to do, we have done. And I did that with the president. So, a lot of our conversations go back to: Remember, this is our plan for July, and this is our plan for June. And it works to be a pretty good organizing principle.

MR. RUBENSTEIN: But when you're up close with him, you see him, you say: Oh, he's a nice person, a smart guy, but I can do that job as well. So, would you ever think of running for president yourself?

SPEAKER RYAN: [Laughs.] No. [Laughter.] I have thought about it. And I decided not to do it. I like myself too much.

MR. RUBENSTEIN: Not for – not for the time being.

SPEAKER RYAN: No, I –

MR. RUBENSTEIN: You wouldn't preclude ever running?

SPEAKER RYAN: Well, you never say never to things like that, but I've just – I've had plenty of opportunities to think about it, to look at it. And I've always chosen not to do it. It just hasn't been –

⁵ Senate Majority Leader Mitch McConnell (R-KY)

⁶ A horizontal bar chart that provides a graphical illustration of a schedule that helps to plan, coordinate, and track specific tasks in a project.

MR. RUBENSTEIN: OK. All right. Suppose the president said: You know, I really like you. I don't want you to go back to be with your teenage children. I'd like you to be a Cabinet officer. Would you consider any appointment in this administration?

SPEAKER RYAN: No, because I've got my mind focused on – look, my kids have only known me as a weekend dad. My wife and I over spring break looked at the calendar. And I'm on the road in this job 12 weeks more a year than I was just as Ways and Means chair. So, my kids are two to five years away from leaving the house, going to high school, never coming back under our roof – hopefully. [Laughter.] So –

MR. RUBENSTEIN: Yeah, you'll learn soon enough.

SPEAKER RYAN: Yeah, right, right. So, I do not want to squander these moments. And I've got such a short window of time. My wife does 95 percent of the work. And I really do believe – I know this sounds corny to some people, but you got to understand I was single when I got elected to Congress. My kids have only known me as this. And these critical teenage years, I'm gone more than ever before. So, I don't –

MR. RUBENSTEIN: But they're doing pretty well this way, so – [laughter] – do you think you can improve it?

SPEAKER RYAN: Yeah, I think can improve it. It may be selfish for me.

MR. RUBENSTEIN: All right. OK. So, let's talk about the tax bill. You passed the tax bill. First tax bill reform in 30-some years. Is there going to be a tax bill 2.0 – in other words, to fix some of the things that might be –

SPEAKER RYAN: There will be. Yeah, what we're doing is we're basically – we always knew when you switch from a worldwide to a territorial system, and redo everything else, you're going to have glitches. You're going to have issues. We're compiling those issues, typically on the international side. And then we intend to put together a technical correction bill at the end of the year.

MR. RUBENSTEIN: And do you expect to get any Democratic support for that?

SPEAKER RYAN: Well, that's why we had to do it after the election. There's no way they're going to do anything to help us with this prior to the election. But I do believe – first of all, we want to roll out a 2.0, which is to make it even better, that – in addition to a technical correction bill.

MR. RUBENSTEIN: OK. And will you definitely have a lame duck session. There's no doubt there'll be a lame duck session.

SPEAKER RYAN: Yeah, I'm pretty confident about that.

MR. RUBENSTEIN: Right. Now, the Senate is going to be here in August. They're working away hard, and they're, you know, earning their salary.

SPEAKER RYAN: [Laughs.]

MR. RUBENSTEIN: But your members are back in the district work periods? How come you're not going to be here in August?

SPEAKER RYAN: Because they're working with their constituents, getting in touch with their constituents. We have passed about 800 bills out of the House, and about 550 of those bills are still sitting in the United States Senate. So, we've given them a big pile to work on. Plus, we're not in the personnel business. They're in the personnel business, which is judges and Cabinet secretaries, and ambassadors. So – plus, the rules, I think, are terrible, and it takes them forever to do anything. So, they've got – [laughs] – to work through a long list of to-do things that we have already accomplished in the House.

MR. RUBENSTEIN: OK. More than 40 of your members are not running for reelection. Is that a sign that they think that maybe the Republicans will not hold onto the House?

SPEAKER RYAN: No, I don't see it that way. We – unlike the other side, we term limit our chairmanships. So, a number of those people are people who have term limited chairmanships. And life being a past chairman is not nearly as good in Congress as life as a chairman. So, you have a number of people who have cycled out of their chairmanships, a number of people who have just reached a certain stage in life, like me, who have just decided to move on. When you look at the competitive districts, stack them up Republican versus Democrat, they pretty much wash themselves out.

MR. RUBENSTEIN: So, you're fairly confident that the Republicans will hold on to the House?

SPEAKER RYAN: Yeah. Yeah, I feel very good about it. Actually, the numbers look pretty darn good. I was not confident in 2017. I am confident now based on all the numbers we see. And it's basically because tax reform is working, the economy is working. People are seeing the results of our "Better Way" agenda. They are clearly better off now. We have a very good story to tell. We have a very good track record to run on. And the numbers back that up. So, we feel confident that we'll be able to keep our majority.

MR. RUBENSTEIN: So, who's going to be the next speaker of the House then?

SPEAKER RYAN: Kevin McCarthy is my goal – my bet. And I think he's going to be the next speaker of the House.

MR. RUBENSTEIN: OK. And you support him, you've campaigned for him, and whatever else?

SPEAKER RYAN: Yeah.

MR. RUBENSTEIN: OK. So, let me ask you about tariffs. The president has imposed some tariffs. And I think you're not a big fan of those tariffs.

SPEAKER RYAN: Right.

MR. RUBENSTEIN: So, what can the House and the Senate do about that?

SPEAKER RYAN: And that's a really good question. About 100 years ago, give or take, Congress ceded too much authority to the executive branch in this area – in many areas, but in this area in particular. So, the challenge is, we don't – you would have to pass a law to say: Don't raise those tariffs. And the president would have to sign that law. That's not going to happen. So, the question is, can we get through – I understand the president's intent. I understand his goal. I think he believes the post-war era America was overly generous with other countries and we gave them better access to our markets than we got to theirs. That's true.

And so, he wants to kind of rebalance this. If the goal to rebalance it is to get rid of tariffs, is to open up access to markets across the globe, that's fantastic. And I'm hoping that that is the goal. I think the other goal ought to be – and I've met with pretty much all of our allies in North America, in Europe, in South America. They too are getting their intellectual property stolen by China and others. They too are victims of transshipment and dumping of, say, steel and aluminum. So, I think at the end of the day it's good to get good agreements with our allies and join them to rally with us to go and get the rest of the world economy, China in particular, to play by the rules that they signed up for when they joined the WTO⁷ in the first place. I am hopeful, and I more or less believe, that's the end game here. I just want to get to that end game.

MR. RUBENSTEIN: So, Congress is not going to pass any legislation that the president's going to sign that's going to roll back these tariffs.

SPEAKER RYAN: Right.

MR. RUBENSTEIN: So ultimately, do you think this is a negotiating tactic by the president?

SPEAKER RYAN: Yes. Yes.

MR. RUBENSTEIN: And therefore, you don't think the tariffs will stay in place forever?

SPEAKER RYAN: Forever? No. [Laughter.] That's a great qualifier there, yeah.

MR. RUBENSTEIN: Well, for a year or so?

SPEAKER RYAN: I don't know the answer to that. I wish I did.

MR. RUBENSTEIN: OK. So, let's talk about NATO. Yesterday you had a little press conference where you made a statement about NATO after the president had an interesting

⁷ World Trade Organization

meeting with our NATO allies. Are you comfortable now with where that NATO meeting has gone?

SPEAKER RYAN: Well, frankly, I haven't gotten a readout of it. I've been a little busy with what we're doing in the House right now. So, A, I think Nord Stream 2⁸ is a problem. I brought this up with the Europeans, the Germans in particular. So, I think the president's right to bring up Nord Stream 2. It's a serious issue and I don't think they should do it. And then the two percent requirement and the two percent commitment. And if what we get out of this – like I said, I haven't gotten a readout of – just this morning. And I heard he gave a speech today and I haven't even seen it. If the goal is that we have a commitment to get to two percent that's fantastic, because that is what they agreed to in Wales, haven't been living up to it – especially Germany, of all countries, ought to be able to hit two percent. And so that's the goal here. What I hope comes out of this is a stronger, intact NATO, with a new commitment to hit their two percent goal. And if we get that, that's fantastic.

MR. RUBENSTEIN: OK. The tax bill that you supported and passed, it actually increases our deficit by about \$1.3 trillion a year – \$1.5 trillion over 10 years, maybe as high as \$2.3 trillion over 10 years. Is that something you're comfortable with, that additional debt? Because we already have a very large amount of debt, \$21 trillion. So how are we going to reduce the debt and the deficit?

SPEAKER RYAN: I take issue with that statistic. It's static scoring based on an inflated baseline.

MR. RUBENSTEIN: But it's from the Congressional Budget Office, and you're the head of it. You're –

SPEAKER RYAN: Yeah, right, so – well, yeah. [Laughter.] I wish I were. So, these are independent scorekeepers.

MR. RUBENSTEIN: OK, so you don't –

SPEAKER RYAN: And I know them very well. And they're really good people, work hard. But they have to use baselines that assume things are going to happen in the future, like all these tax increases. So, number one there. When I became Ways and Means chair, I had them purchase some models. I had them purchase a MEG Model, an OLG model, a stochastic – different economic growth models – so that they use what we would call reality-based scoring, or dynamic scoring. I think the dynamic scoring that they used was the most conservative estimate. And what we've already seen, since the tax law has occurred, that we've been exceeding those numbers. April was the best revenue take we've had in the history of our country.

So, I do believe that the growth is coming in better and faster, and that the baseline on which we had to write this was inaccurate. My point being, David, the tax law is not the problem when it comes to the debt. You have to have growth. It is entitlements. And that is the issue.

⁸ Nord Stream 2 is an offshore natural gas pipeline that would link Russia and Germany below the Baltic Sea. It would largely follow the route of the existing Nord Stream 1 pipeline, which became operational in 2011.

That's the one big thing that – the one big unfinished piece of business that I've dedicated pretty much my adult life to. And it at the end of the day it comes down to health care. If you do not get health care reform right, if you do not properly reform our health care entitlements, you will not address this debt crisis.

MR. RUBENSTEIN: OK. Well, with the health care bill, why was it that the House members very often said they wanted to repeal Obamacare, but they really couldn't come up with a way to do it that passed the Congress?

SPEAKER RYAN: We did. We passed it out of the House. But the frustration for our House members – and as an old budget guy, you know, I've oriented my life around reconciliation. It's an unpleasant place to be. [Laughs.] And we had to write our health care bill through the Senate reconciliation rules. So, think about – you run on a platform of this – these are all the things I want to do to fix the healthcare system. And then you go look at the Senate rules, and you can do about a third of those things in this bill. That was frustrating for our members.

Having said all of that, we took a bill that would have dramatically lowered premiums, dramatically expanded competition and choice, retained protection for people with preexisting conditions – we passed it out of the House, it conformed with the Senate rules, and the Senate failed to pass its version by one vote. And that killed the deal.

MR. RUBENSTEIN: Right. So, is that dead now for this Congress, and during your team as speaker?

SPEAKER RYAN: Yeah, because we lost the reconciliation.

MR. RUBENSTEIN: So, there's no way that in a lame duck session that you'll get anything on health care? That's – health care is what it is.

SPEAKER RYAN: You would have to get 60 votes. And the Democrats are running on Medicare for All, meaning a government-run health care system.

MR. RUBENSTEIN: All right, what about immigration reform? You brought a bill up to the House floor, and it defeated – was defeated. Usually a speaker doesn't bring a bill up if he doesn't have the votes, so why did you do that?

SPEAKER RYAN: Yeah. So, when I took this job, I said sometimes I'm going to be bringing bills to the floor. They may not pass. I'm going to let Congress work its will. The reason I did that – I brought two bills on the floor – is because our members wanted to be able to make their voices heard. They wanted to be able to have their votes on the preferred policy, even if it didn't pass. And so, I wanted to give our members the ability to express themselves. The second bill, we called it the Goodlatte 2, I thought it was a very good compromise. I actually typically don't vote unless there's a tiebreaking. I voted for this, even though I knew it wasn't going to pass, to show this is where I think we ultimately land on an immigration solution.

When the court – the Supreme Court took away our deadline – Congress works on deadlines. Right or wrong, good or bad, we work on deadlines. Tax reform, Mitch and I made a calendar year deadline. We hit the deadline. We had a March 5th deadline that the Supreme Court took away. When we lost our deadline, the Democrats basically retreated and stopped negotiating. So, then we tried to figure out, how could we do this all on our own? And that is, an issue like immigration, ultimately, you're going to have to have – it's because of the filibuster – it'll have to be bipartisan.

MR. RUBENSTEIN: So, no immigration reform this year, you would say, realistically?

SPEAKER RYAN: I don't know the answer to that because there could be – we're waiting for some court rulings. And we'll see what those court rulings say.

MR. RUBENSTEIN: OK. What about infrastructure?

SPEAKER RYAN: Yes.

MR. RUBENSTEIN: You mentioned infrastructure. Is there going to be an infrastructure bill?

SPEAKER RYAN: Yes. There will be a few. We made a decision – instead of piling everything into one big bill – which could be defeated more easily – break it into pieces. So, our FAA bill got 347 votes. That's overhauling the airport system, the air traffic control system. Our WRDA bill, which is the Water Resource Development Act, water infrastructure, I think that got about 350 votes. The Senate's now working on those. So, we'll get those. And now we're going to work on an asset recycling permitting streamlining bill. And that, I think, will have bipartisan support. So those are three really big infrastructure measures that I feel confident we can get done.

MR. RUBENSTEIN: OK. The Mueller investigation. Do you think that Mueller should be allowed to finish the investigation?

SPEAKER RYAN: Well, sure. I think he should be allowed to finish the investigation. But I think he should get on with it.

MR. RUBENSTEIN: OK. And do you think the president should pardon anybody related to the investigation?

SPEAKER RYAN: I'm not going to touch that one.

MR. RUBENSTEIN: What about self-pardons? Is that easier? Self-pardons? Do you think – is that an easier issue, or you don't want to touch that? [Laughter.]

SPEAKER RYAN: [Laughs] I'm good.

MR. RUBENSTEIN: All right. OK. So, you don't want to deal with that.

SPEAKER RYAN: I'm good. Thanks. Thanks.

MR. RUBENSTEIN: OK. All right. So, let me ask you this: Why is it that members of Congress, to be very serious, that you can't be a member of Congress unless you're very wealthy or you have to live in your office. [Applause.] You have 75 members –

SPEAKER RYAN: That was – that was an applause line? [Laughter.]

MR. RUBENSTEIN: There's 75 members, including you, who live in your office. Now, you might do it because it's access to the gym, but a lot of the other guys can't afford it. Why – for 10 years you haven't been willing to increase your salary. Why are members so afraid of getting paid what they're presumably worth?

SPEAKER RYAN: Well, because it would be self-serving. And we – could you imagine? Just – we had this issue – I've had a lot of members talk to me about this. The idea of serving ourselves first before our constituents, putting ourselves in front of constituents, is just not an attractive idea.

I'll tell you the reason why I live in my office. I lived with Pat Toomey⁹ and some other guys in, like, a group house for a while. I found I was just losing sleep because I never ate there, I just traveled back and forth. I just save time. It's hyper-efficient. I get up. I go to the gym. I do my thing, go on with my day. And so, to me – and I live in Janesville, Wisconsin. I don't live here. If we're not voting, I'm not here. So, it's just very efficient.

MR. RUBENSTEIN: OK. But Congress did have a mechanism to deal with this, where you didn't have to actually vote.

SPEAKER RYAN: Yeah, it was an automatic – yeah.

MR. RUBENSTEIN: Automatic increase. But then Congress didn't want to do that.

SPEAKER RYAN: That's right.

MR. RUBENSTEIN: So, you don't see any changes for the next couple of years?

SPEAKER RYAN: Yeah, I don't.

MR. RUBENSTEIN: OK. And what is it you're going to miss about being a member of the House, other than interviews like this? [Laughter.] What will you miss?

SPEAKER RYAN: [Laughs.] Ideas. I miss – I will miss the vocation of taking an idea that you believe in, arguing for it, fighting for it, putting it on a piece of paper, moving it through the deliberative legislative process. As sloppy and ugly as it is, it works. It's fascinating. And then seeing it take place, and then seeing it improve people's lives. So, the vocation of public policy and making a difference is what I'm going to miss the most.

⁹ Pat Toomey (R) is a U.S. Senator for Pennsylvania.

MR. RUBENSTEIN: So, what are you most proud of having achieved in your time in Washington, D.C.?

SPEAKER RYAN: Well, I would probably say tax reform, simply because it's one of the biggest goals I ever set for myself. And as a policymaker, I spent most of my life in the tax system, looking into it, and I knew it was existential for our country. And then the poverty work that I've done – I started this with Jack, I spent a lot of my time with my buddy Bob Woodson.¹⁰ And these ideas – opportunity zones, social impact bonds – I'm really excited about these ideas. I think they're going to be a big game-changer. And then Patty Murray¹¹ and I put together this commission, which now has a result which we're going to be putting into law to do what I call evidence-based policymaking.

I worked with LEO, the Laboratory of Economic Opportunity, at Notre Dame, and Raj Chetty¹² and some others to open up data sets for researchers of government programs, so that we can switch from an input-based policymaking system to an outcome based, evidence-based policymaking. I think that's the new wave of 21st century policy. I'm confident in conservative principles. I think they'll be vindicated. And I'm really excited about those accomplishments because I think we've helped shift the – our poverty fighting efforts in the right direction, our economic growth efforts in the right direction.

And then the last point I'd say is, since – I guess I'd say, since I've been on the ticket with Mitt¹³ I've spent a great deal of time thinking about foreign policy and the military. I spent a great deal of time with the military. I get a lot of – I do all the intel briefs with people over at the farm.¹⁴ And I'm really proud of the fact that we have got our military back on a good footing. I spent a lot of time getting that cap deal together with the president. I did a deal with Patty Murray back in 2013. But I feel like getting the military rebuilt – which is what we are doing now – that was extremely important. So, I feel very good about that as well.

MR. RUBENSTEIN: So what job did you like the best – Chairman of the House Budget Committee, Chairman of the House Ways and Means committee, or Speaker of the House?

SPEAKER RYAN: Ways and Means.

MR. RUBENSTEIN: Better?

SPEAKER RYAN: Yeah. I'm a policy guy. I like spending most of my time on developing policy. Speaker of the House is the greatest honor. It's a privilege. I do enjoy it. But it requires

¹⁰ Bob Woodson is an American community development leader, and founder and president of the Woodson Center, an organization that seeks to help residents of low-income neighborhoods address the problems of their communities.

¹¹ Patty Murray (D) is a U.S. Senator for Washington.

¹² Raj Chetty is an American economist and professor at Harvard University.

¹³ Paul Ryan was the 2012 Republican vice-presidential nominee, on the ticket with presidential nominee Mitt Romney.

¹⁴ Refers to the Pentagon which was built on land known as Arlington Farm, once part of the estate of the Confederate general Robert E. Lee.

so much more time away. And when I was Ways and Means chair, I got to do what I love to do, focus on policy, formulating policy, drafting policy. And then I got to be – every recess, I was at home with my family.

MR. RUBENSTEIN: But when you are the speaker, you have security guards. You don't have to go through TSA. Are you looking forward to that? You know, you're going to get pat downs and everything else, because they want to make sure that you're not treated special. So, are you – have you ever been through an airport check down – pat down?

SPEAKER RYAN: Of course, I have, yes. [Laughter.]

MR. RUBENSTEIN: Really? OK.

SPEAKER RYAN: Before I was speaker I commuted every week from Milwaukee or Chicago to D.C.

MR. RUBENSTEIN: OK. And you're not going to miss the security, and all the –

SPEAKER RYAN: No. They're really close friends of mine, but I haven't driven a car in three years. I mean, I – it's a little strange.

MR. RUBENSTEIN: Do you have to get a new license? Will it be hard?

SPEAKER RYAN: No, I just got it renewed before – because otherwise, if it expired, I have to retake the test. So, I just got it renewed. [Laughter.] I mean, I didn't want to go through that. So, I had an old Chevy Suburban which was made in Janesville. We used to make those. And I kept it at my mom's house. But my mom's a snowbird. And she would go turn it on every month just to keep it going. She goes to Florida for the winter. She comes back. Tries it. She does, ah, it's just dead. You got to tow this thing in. So, I towed it into the dealer. And they put it up. And they realized that a family of woodchucks lived in the underbody of my Suburban. [Laughter.] They ate all the wiring out of it.

MR. RUBENSTEIN: Oh, wow.

SPEAKER RYAN: And so, my car was eaten by animals. [Laughter.] And it's just dead. I had to call the insurance company. So, I don't have a car. So –

MR. RUBENSTEIN: Oh. Well, you'll have to get one.

SPEAKER RYAN: Yeah, I'm going to have to go get a car. Yeah.

MR. RUBENSTEIN: You could get a motorcycle. What about a Harley-Davidson?

SPEAKER RYAN: I'm going to be an F – [laughter] – I totally set that out for you. Geez.

MR. RUBENSTEIN: Right. So, do you think that Harley-Davidson –

SPEAKER RYAN: They cost \$2,200 more now, so I –

MR. RUBENSTEIN: Really? So, do you think that they are actually going to open this facility in Europe, or not?

SPEAKER RYAN: No, they already have a facility in Europe. No, they have a facility in Thailand, and they're going to build – they're building their Asian cycles there – well, you don't want me to go into this, do you?

MR. RUBENSTEIN: All right.

SPEAKER RYAN: OK.

MR. RUBENSTEIN: But I – in other words, you're not getting a Harley-Davidson?

SPEAKER RYAN: No, I'm going to get an F-150.

MR. RUBENSTEIN: OK. That's nice.

SPEAKER RYAN: It's a Ford.

MR. RUBENSTEIN: All right. So, as you – just a final comment. I appreciate your giving us the time. And you've been here before. So are you looking forward to the – I mean, I have – we have interns at my firm who are younger than you. You're really young. You have no gray hair. How can you retire at 48?

SPEAKER RYAN: I've got a little bit of gray hair. How can I retire at 48?

MR. RUBENSTEIN: No, this is gray hair. That's not gray hair.

SPEAKER RYAN: That's white hair. That's white hair, yeah. [Laughter.] Retire from this vocation to go do another one. So, by no means am I going to retire. I don't know what I'm going to do next, but it's going to be something.

MR. RUBENSTEIN: But you think the chances of there ever being a presidential campaign by Paul Ryan is very, very small?

SPEAKER RYAN: Yes. Meaning yes.

MR. RUBENSTEIN: But not impossible?

SPEAKER RYAN: You never say never to such things, but I really, really do not have it in my mind. And for sure, not while my kids are at home. And they're home for the next five years. So that's going to be – I'll be a has-been by then.

MR. RUBENSTEIN: I don't think so. But thank you very much for your public service. And thank you what you've done for our country. [Applause.]

SPEAKER RYAN: Thank you. Thank you.



Paul Ryan
Speaker
U.S. House of Representatives

Born and raised in the community of Janesville, Paul Ryan is a fifth-generation Wisconsin native. Currently serving his ninth term as a member of Congress, Paul works on many important issues affecting Wisconsin residents and is an effective advocate for the First Congressional District.

In October 2015, after then-House Speaker John Boehner retired from Congress, Paul was elected House Speaker. A committed conservative and public servant, Paul has spent his life advocating for real solutions that will expand opportunity for all Americans. And to the speakership, he will bring that same passion for getting results.

Prior to serving as speaker of the House, Congressman Ryan served as the chairman of the House Ways and Means Committee, where he focused on many issues across the federal government, such as fixing our broken tax code, holding the IRS accountable, strengthening Medicare and Social Security, repairing the safety net, promoting job-creating trade agreements, and developing patient-centered solutions to make health care more affordable.

During the 112th & 113th Congresses, he served as chairman of the House Budget Committee, where he put forward specific plans to tackle our looming fiscal crisis, driven by the dramatic rise in entitlement spending. These plans, titled "The Path to Prosperity," would help spur job creation, stop spending money the government doesn't have, balance the budget, and lift the crushing burden of debt.

Paul is a graduate of Joseph A. Craig High School in Janesville and earned a degree in economics and political science from Miami University in Ohio.

Paul and his wife Janna live in Janesville with their children, daughter Liza and sons Charlie and Sam. The youngest of four children, Paul is the son of Paul Sr. (deceased) and Betty Ryan.