

# **PAUL RYAN SURVEYS CONGRESS AND THE FUTURE AS SPEAKER OF THE HOUSE**

**The Honorable Paul D. Ryan  
Speaker of the House  
U.S. House of Representatives**

**September 28, 2016**

## **Excerpts from Speaker Ryan's Remarks**

**The elections: Are you confident you'll keep the same-sized majority in the House?** I feel pretty good about it, actually. I do. We're going to spend the month of October running around helping our colleagues. But I feel very good about where our Members are. We have good – really strong Members who are running great campaigns. And so, so far, so good. We look like we're going to be able to keep the kind of strong majority we have.

**What about the Senate?** I feel better about it today than I have in months, actually. If you asked me this question six, seven weeks ago, I was a little worried. I feel much, much better now. I think Rob Portman is in very good shape. I think Kelly Mayotte is doing well. I think Pat Toomey is doing extremely well. I look at the races. I think Ron Johnson, basically a tied race with Russ Feingold. So if you look across the country and the landscape, I think Joe Heck is going to win in Nevada, which is a pickup for us. So I think we're doing pretty darn well over there, too.

**What about the Presidential campaign?** Well, I think it's tight. It's close....Look at the various polls. The country is closely divided – or bitterly divided, unfortunately, you could say. And I think the debate basically froze the playing field. I don't think it changed the dynamic in this race too much. And I think in October, when the polls are so close, that tells me this thing is going into being basically a toss-up.

**What are your plans for post-election, whoever is elected?** The economy. The economy has been limping along. This has been anemic growth. I think there is so much we could do. I think, but for government, we could do so – we could hit growth potential so much more clearly.

I think our fiscal policy right now is on a direct collision course with our monetary policy. And if we can get our fiscal policy to carry the load for the economy, that will take pressure off our monetary policy.

So what that means, in my mind, number one, the Tax Code has got to be reformed. I spend a lot of time on this. We have an actual tax reform bill we're proposing. I think tax reform is number one. I think regulatory relief for business development and growth is extremely important. And then this all goes into a budget. I think you need to have some entitlement reform if you want to get our debt horizon under control.

**What is your biggest concern in international issues?** Number one is ISIS. Number two is a revanchist Russia. And I just think our standing in the world is slipping. I think that our military is getting hollowed out. I do believe – I know this sounds like a cliché – but I think our adversaries fear us less and I think our allies are now wondering if we're really as strong as we need to be or as we were. So I do worry about the rise of certain countries that will jeopardize the global commons, that will jeopardize, you know, peace and trade. South and East China Sea

is a concern. North Korea is getting really aggressive. They're moving much faster than they ever had before.

So we have multipolar or asymmetrical problems. And I think ISIS is really – we have to come up with a better plan for dealing with the ideology that fuels ISIS. And we are not doing that. We're completely reactive, and we're not even reacting very well right now with respect to ISIS. So we have to not only have a better idea and plan for how to deal with ISIS that's right in front of us, you know, in Iraq and Syria, but we have to – Tony Blair has dedicated his entire post-Prime Ministership to this project. We have to do a better job of dealing with the ideology itself, and working with a coalition of moderate Muslim countries to jointly together deal with this ideology.

What is that gets a 12-year-old boy in a madrassa [school] in Peshawar to go out and get radicalized, and then become tomorrow's ISIS leader? That is something I think we need to have a far more comprehensive strategy that's multinational.

**Are you more optimistic or pessimistic about the country's future?** I'm always optimistic. I look at the glass of life as being half full. That's just my general disposition. But I do worry that if we don't turn things around quickly, we won't be able to fix things on our own terms. I always go back to the fiscal – look, you're a private equity guy. Look at the volatility of the portfolio that pension funds and insurance companies have to hit versus the volatility, say, 20 years ago when it was basically just bonds. Look at how volatile that is. Look at the demographic challenges coming in the future. And then look at the unfunded liabilities facing us, and the debt crisis that's coming. And look at the fact that as the world's reserve currency, we're really not acting like it.

And so I believe we have a short window in which we can turn these things around, get us from this vicious cycle onto a virtuous cycle, and do it on our own terms as a country. What I mean is that our entitlement reforms do not affect people in or near retirement. We've got a labor force participation rate that is, you know, at Jimmy Carter levels. We've got 94 million able-bodied people out of the workforce – some by choice, many not. Many not even in school or looking for a job. So we've got a poverty trap we've got to deal with. We've got a debt crisis coming. We've got anemic growth. And we have a tax code that is basically pushing companies overseas.

The point in all of this is that these are fixable problems, and these are problems that are fixable today and now, if we can get the political planets to align well enough to get these things done, turn them around, dodge the bullet of a debt crisis, get able-bodied people on the ladder of life in the workforce, get growth going again, and get us another great American century. But if we blow this chance and kick the can down the road another, I don't know, half a dozen years, we will be shackled to a debt crisis where the options available to us then will be extremely ugly, socially chaotic, and we will limp through the moment. And we will lose this opportunity we have in front of us.

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DAVID M. RUBENSTEIN: Welcome, members and guests of The Economic Club of Washington. I am David Rubenstein, president of the Club. This breakfast event in the Grand Ballroom at the JW Marriott Washington, D.C. Hotel, is the second event of our 30th season. I welcome all of you, our members and our guests.

Our featured guest today is the Honorable Paul Ryan, the 54th Speaker of the House of Representatives. We are very honored to welcome him as our special guest. Paul Ryan needs no introduction, but I'm going to give him a modest introduction anyway.

Paul Ryan became the Speaker in October of last year after serving for about nine months as the chairman of the House Ways and Means Committee. Prior to that, he served for four years as the chairman of the House Budget Committee. And during that period of time, he also was the Vice Presidential nominee under Mitt Romney in 2012. He came to Congress after having worked on the congressional staffs for Senator Brownback and also Senator Chasten, and also worked for Empower America and did work there for Jack Kemp. When there was an open seat in his hometown – Janesville, Wisconsin – he went back and was elected at the age of 28, the second-youngest Member of the House of Representatives at the time. He still lives in Janesville, and commutes back and forth, and is married and the father of three children.

So we've very honored to have you here, Mr. Speaker. And by the way, why do they call that job Speaker? Because you don't really speak that much. [Laughter.] I mean, why do they call it the Speaker of the House? Because the Speaker doesn't really speak that much.

SPEAKER PAUL D. RYAN: I speak a few times. [Chuckles.] Actually, it's of old British origin. The Speaker of the House of Commons would speak to the monarchy, so speaking on behalf of the legislature to the executive branch of government. And that's kind of where it comes from.

MR. RUBENSTEIN: So, you were minding your own business as the House Ways and Means Committee chairman. It's a really powerful job. Have you ever thought that maybe that was a better job than the job you have now? [Laughter.]

SPEAKER RYAN: Not in at least 10, 15 minutes, you know? [Laughter.] But, yeah –

MR. RUBENSTEIN: All right, OK. No regrets.

SPEAKER RYAN: [Laughs.] Yeah, no regrets.

MR. RUBENSTEIN: You ever thought that, had you decided to run for President, you'd be 40 days away from being President of the United States? [Laughter, applause.]

SPEAKER RYAN: [Laughs.] Can I take a pass on that one? [Laughter.]

MR. RUBENSTEIN: OK. Well, OK. So – [laughter] – talk about the campaign a bit, painful as it may be in some ways. But you have endorsed your nominee for President. And are you coordinating policy or anything with him? How frequently do you talk with your nominee?

SPEAKER RYAN: I speak with Mike probably more frequently – Mike Pence, his running mate, a guy I served with for 12 years in Congress, know him very, very well. I speak with Donald maybe every two weeks, something like that. You may have known that in the

beginning of this, when he got the nomination, I didn't come out with an immediate endorsement.

MR. RUBENSTEIN: I noticed. I noticed that, yes.

SPEAKER RYAN: You noticed that? Yeah. [Laughter.] So it was about a month later, and we spent a lot of time talking about this, talking about our agenda. What I wanted to do is make sure that we had a running mate – or, excuse me, a nominee that was going to work with us on advancing these ideas, which – I assume we'll get into this, but –

MR. RUBENSTEIN: All right, we will.

SPEAKER RYAN: After it was clear to me that we had someone who would work with us on putting these policies in place and getting comfortable with that fact, then we basically merged forces, and we are trying to provide a unified front now.

MR. RUBENSTEIN: So right now you have a fairly good-sized majority in the House. Are you confident you'll keep the same-sized majority?

SPEAKER RYAN: I feel pretty good about it, actually. I do. We're going to spend the month of October running around helping our colleagues. But I feel very good about where our Members are. We have good – really strong Members who are running great campaigns. And so, so far, so good. We look like we're going to be able to keep the kind of strong majority we have.

MR. RUBENSTEIN: What about the Senate? Are you as confident that you'll keep control of the Senate?

SPEAKER RYAN: I feel better about it today than I have in months, actually. If you asked me this question six, seven weeks ago, I was a little worried. I feel much, much better now. I think Rob Portman is in very good shape. I think Kelly Mayotte is doing well. I think Pat Toomey is doing extremely well. I look at the races. I think Ron Johnson, basically a tied race with Russ Feingold. So if you look across the country and the landscape, I think Joe Heck is going to win in Nevada, which is a pickup for us. So I think we're doing pretty darn well over there, too.

MR. RUBENSTEIN: What about the Presidential campaign? Are you prepared to say you're going to win that one?

SPEAKER RYAN: Well, I think it's tight. It's close, I think. Look at the various polls. The country is closely divided – or bitterly divided, unfortunately, you could say. And I think the debate basically froze the playing field. I don't think it changed the dynamic in this race too much. And I think in October, when the polls are so close, that tells me this thing is going into being basically a toss-up.

MR. RUBENSTEIN: Right. So you did a Vice Presidential debate. Did you prepare a lot for that? [Laughter.]

SPEAKER RYAN: [Laughs.] I know where you're going with this one, all right? [Laughter, laughs.] Yes, I did, David. [Laughter, laughs.]

MR. RUBENSTEIN: OK, all right. Well, does preparation help? [Laughter.]

SPEAKER RYAN: [Laughs.] It does, David. [Laughter.]

MR. RUBENSTEIN: You know, Jim Baker used to be in our firm, and he said that his father taught him his lessons – I think it was the five Ps: Prior preparation prevents poor performance. Have you ever – you probably agree with that, I guess.

SPEAKER RYAN: Yeah, and Ted Olson was my Joe Biden. You know Ted Olson?

MR. RUBENSTEIN: Yes.

SPEAKER RYAN: So Ted's a good friend of mine, a really, really smart man, and we had Ted Olson play Joe Biden. And Kerry Healey, she's the president of Babson College, she was Mitt Romney's Lieutenant Governor – be Martha Raddatz of ABC News. Martha Raddatz was the moderator. So we basically would create a stage like this, which basically simulated what we would do. We did all these debates, and Ted Olson would be going off the handle and throwing his arms around and doing all these crazy things. And I'd say, like, surely Joe Biden's not going to act like that in the debate. And then I showed up in the debate and that's exactly how Joe Biden acted. [Laughter.] So halfway through the debate I remember thinking to myself, God, I feel like I'm debating Ted Olson, you know? [Laughter.] It was – it was kind of surreal.

MR. RUBENSTEIN: What was tougher, Ted Olson or –

SPEAKER RYAN: Ted Olson's definitely tougher. I'm not trying to knock Joe, but Ted Olson definitely is a guy you don't want to scrap with.

MR. RUBENSTEIN: So let's talk about being the Speaker of the House. So, when you became Speaker of the House, did Speaker John Boehner tell you in advance, by the way, I'm going to quit?

SPEAKER RYAN: No. No, he didn't. [Laughter.] I would have left the building had I known that. [Laughter.]

MR. RUBENSTEIN: So obviously you said many times you didn't want to be Speaker, and you kind of hid from people. You were trying not to be Speaker. So how did you actually change your mind? Who persuaded you?

SPEAKER RYAN: Well, John was a big part of it. He and I are both devout Catholics, and he laid on me a big, heavy dose of what we call Catholic guilt. [Laughter.] He had Cardinal Dolan call me. He had – oh yeah, he did –

MR. RUBENSTEIN: Wow.

SPEAKER RYAN: He really laid it on thick. [Laughter.] But, as you mentioned, I finally got the job that I'd always wanted to get, which was Ways and Means. I passed up running for Governor and Senate because I wanted to get the chairmanship of Ways and Means because I believe in what that committee does. It's in charge of poverty and welfare. It's in charge of our tax code and health care and entitlements. And those are the things that I've basically dedicated my career toward working toward, those reforms. So I'd finally gotten in a position to do those reforms when John, in the middle of the session, pulled out.

It was really something. The Pope came. He'd been trying to get a Pope to come for years. Finally, Pope Francis comes. It's an amazing moment for John. He had this no-confidence vote staring at him. It's the equivalent of that. And so he surprised us – everyone one of us – the morning after and said he was leaving. And immediately I said, “not me, not me,” you know, go talk to Kevin and others. And what happened was, nobody else had the votes to do it, and it became clear to me and everybody else that if I didn't do it where I would have gotten – you need 218 votes, and I had 237, I think. It was either I did it or John stayed and Nancy Pelosi would have supplied the balance of votes to keep him there. And that would have imploded our majority. That would have had us really fighting each other. So I basically had to do that.

And I did it under a couple of terms, I suppose I'd say, or conditions. As you mentioned, I have a young family. So most Speakers spend their weekends on the road. I wasn't going to do that. I'm home in Wisconsin every weekend. And the other one was I wanted to make sure that we transitioned from being seen as just an opposition party to being a proposition party, and that's what this is all about – that we would actually put out coherent, specific, bold ideas and take them to the country, no matter how risky that may seem to be by the political people, and show people what we actually believe and what we want to do if given the ability to do it. And that's basically what we're doing.

MR. RUBENSTEIN: All right. Well, we'll get into that in a moment. But when you took over as Speaker, you took his office, did you need to – he was a smoker, so was that a problem? [Laughter.]

SPEAKER RYAN: [Laughs.] Yes, it was. [Laughter.] You ever go into a – I don't know – you ever go into a hotel room, you know, that's been smoked in? It's kind of awful, no offense. [Laughs, laughter.]

MR. RUBENSTEIN: How long did it take to fix that?

SPEAKER RYAN: You ever hear these things called ozone machines?

MR. RUBENSTEIN: Right.

SPEAKER RYAN: So it's like ServiceMaster will bring it to your house if you have smoke damage. It takes all the oxygen out of the room to try and take the smoke out. Well, we did that

and it didn't work. [Laughter, laughs.] So we had to reupholster, new carpeting, paint the walls over again, new drapes. And only after doing that, after three months, did we get that out. I mean, five years, two packs a day in this room is not good for it. [Laughter.] And for the people who had been with him on the staff all along, they just didn't notice it. For those of us who were new who walked in, you could just tell just walking in, so.

MR. RUBENSTEIN: Now, you have his office now, but you also have your office in the traditional office that a Member has back in one of the House office buildings.

SPEAKER RYAN: Right.

MR. RUBENSTEIN: But that's where you actually sleep.

SPEAKER RYAN: Right.

MR. RUBENSTEIN: So there are 75 Members of Congress who sleep in the House, against the laws of the District of Columbia, I guess, is that right? No? [Laughter.] It's not against the law? Maybe not.

SPEAKER RYAN: No, I've never heard that before.

MR. RUBENSTEIN: All right. Maybe it's not against the law. OK. But – [laughter] –

SPEAKER RYAN: I don't think it is. I'm pretty sure it's not.

MR. RUBENSTEIN: OK. But let's say –

SPEAKER RYAN: You ever pull an all-nighter in your office, sleep on the couch?

MR. RUBENSTEIN: I have, but not in recent years, probably. [Laughter.] When I was younger. But, so the reason people do this, to be serious, is that the Congress hasn't increased its salary for a long time. Have you thought about, you know, when you're passing a budget or something, a new appropriation bill, just increasing salaries a little bit so that Members could afford to have a house here, or?

SPEAKER RYAN: We are finally now just pulling ahead of the bubonic plague as Congress, you know? [Laughs.]

MR. RUBENSTEIN: So you're not going to do that?

SPEAKER RYAN: Yeah, no, we're not going to do that. First of all, sneaking something like that on the American people would be the wrong thing to do. Second, the reason I did it was for convenience's sake. I work till about 11:30 every night, and then I go to bed reading. I wake up at 6:00, I work out, and then I start my day. And my day goes from leaving the gym at about 8:00 to working till about 11:30, and then I start all over again. I save myself at least a half-hour of travel time by sleeping on a cot in my office.

MR. RUBENSTEIN: OK. So –

SPEAKER RYAN: So just to me it's a convenience thing.

MR. RUBENSTEIN: All right. Then you work out every day in the House gym, and that's where a lot of legislation is discussed, or not?

SPEAKER RYAN: Actually, it's the place where Republicans and Democrats get to know each other better than any other place on Capitol Hill.

MR. RUBENSTEIN: So let's talk about the lame-duck session. It's presumed that there will be a lame-duck session. In the lame-duck session, people think that TPP<sup>1</sup> will be taken up. What do you think will happen?

SPEAKER RYAN: I don't see that. And as you may know, I'm the guy who authored the Trade Promotion Authority legislation so we could go out and get trade agreements, so obviously I'm in favor of getting good trade agreements. The Administration negotiated one in particular though, TPP, which I believe they negotiated to try and attract more Democrat votes. That came at the expense of lots of Republican votes, and they did not achieve an additional Democrat vote. So you have an agreement here which I think was designed to cater toward more Democrats – curtailing intellectual property protection for biologics, singling out commodities from what we call ISDS<sup>2</sup> protections, I can go on and on. Those votes are not there now. So we are down a significant amount among Republicans because of the quality of this agreement, and they did not pick up any single additional Democrat votes. So the last thing I want to do, just for the sake of our allies' relationships, is bring up an agreement only to see it fail. And so this agreement has got to be improved and fixed, and that's not going to happen in the next couple of months as far as I can tell.

MR. RUBENSTEIN: All right. So you won't even have a vote on it, most likely.

SPEAKER RYAN: Yeah, I don't want to bring up something and kill it.

MR. RUBENSTEIN: All right. So before we get to the lame duck, even, Congress is still in session for a little bit longer before you leave for the elections. You're going to run out of money to fund the government on Friday, I guess it is. So what are you going to do between now and Friday to get – other than finish this interview, what are you going to do to kind of – [laughter] – get this spending taken care of?

SPEAKER RYAN: I will go from this interview to the floor, where we're bringing the water resources bill to the floor in the House. The Senate already passed theirs. That's where we're addressing water-resource issues like Flint, which belongs in this bill. Flint is a water-resources issue. I've long said that's where we should deal with those issues. We have an amendment that we brought to the Rules Committee, I don't know, 11:00 last night that two Michigan Members –

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<sup>1</sup> TPP is Trans-Pacific Partnership, a trade agreement.

<sup>2</sup> ISDS is Investor-State Dispute Settlement.

Dan Kildee from Michigan, a Democrat; John Moolenaar from Michigan, a Republican – are bringing a Flint amendment to the water-resources bill. That will help unlock the continuing resolution, which has been stalling in the Senate, which now I think will be unstuck. And we should be able to move this through, I believe, before Friday.

MR. RUBENSTEIN: So, if you move it through, would it fund the government through December the 9<sup>th</sup>, or?

SPEAKER RYAN: That's right.

MR. RUBENSTEIN: December the 9<sup>th</sup>.

SPEAKER RYAN: I believe it's the 9<sup>th</sup>.

MR. RUBENSTEIN: OK. So why not just fund it through the – for longer – till the next President gets into office and all that?

SPEAKER RYAN: Excellent question. Because continuing resolutions are not good for certain agencies, particularly the military. It puts the military in a real bind, where they can't actually produce the kind of purchasing and the kind of spending that they need to do under a continuing resolution.

Let's just take, for example, munitions. Let's say – this is not necessarily the case this year, but let's say they go through a lot of munitions. The continuing resolution says just do what you were doing, but let's say they have a huge demand that was different than the year prior. They can't address that demand. So you really put the military in a big bind.

Not to mention the fact that there are just a lot of issues that need to be dealt with from one fiscal year to a next, which last year's fiscal year never foresaw. That's why we don't want to have just autopilot government forever.

MR. RUBENSTEIN: OK. So you're going to fund it, let's say, through December 9<sup>th</sup>. You come back in December, and then would you think you would have an omnibus bill, a minibus bill?

SPEAKER RYAN: Minibuses, yes. That's the word we use this year.

MR. RUBENSTEIN: Minibus means it's smaller than an omnibus, right?

SPEAKER RYAN: Yes. Very good. [Laughter.]

MR. RUBENSTEIN: Right, right.

SPEAKER RYAN: Did you practice for this interview? [Laughs.]

MR. RUBENSTEIN: I did. [Laughter, applause.] I learned. So you like minibuses, you don't like omnibuses, right?

SPEAKER RYAN: Yeah, yeah, right. [Chuckles.]

MR. RUBENSTEIN: OK. So, ultimately, though, is there any real prospect of having appropriation bills actually pass in the regular order and then, you know, pass each one separately? That day –

SPEAKER RYAN: Yeah, this has been driving me crazy. So, as Budget chair, that was always my goal, to get back to what a regular-order system – where we do individual bills – you just have better government that way, more transparent government.

MR. RUBENSTEIN: Is that going to happen anytime soon, or?

SPEAKER RYAN: Ask Harry Reid. [Laughs.] So I know that sounds partisan, but when you take 60 votes just to bring up a bill for consideration, and there are partisan incentives to prevent that from happening, that breaks this system down. And that has occurred over and over again.

So I believe we need to rewrite the way the budget process works. I'm actually now a big fan of going to a biannual budgeting system. It's what states do. I think it gives us more certainty and predictability. So we're actually working on bipartisan biennial budgeting legislation, among some other things, to redesign this budget process so that we actually have real, enforceable spending caps, but we actually have a process where we actually don't just keep kicking cans down the road, and we actually get into the guts of spending and take it seriously and pass individual appropriation bills. I think that's important because it seems these days the only time you get a real appropriations process is when we have total unified government. We have to have a process that can endure divided-government moments like what we typically have, and that is not the way this budget process is wired right now.

MR. RUBENSTEIN: So the prospect of our government not being funded, in your view, is very, very remote. And the prospect of our not paying our debt, that's not going to be a problem either?

SPEAKER RYAN: That's right. I don't think these things are worrisome. The debt limit itself, that doesn't kick in till about March, and then there are certain things the Treasury can do to move the calendar around.

MR. RUBENSTEIN: Is there a reason to have a debt limit? Because we always extend it, so.

SPEAKER RYAN: There is a reason to have a debt limit, because you want to have some speed bumps. I mean, look at where we're going. And that's something I'm extremely concerned about. This is why I spent most of my time working on entitlement reform. And debt-limit votes give us opportunities to try and get agreements. The BCA – the Budget Control Act – and then the Murray-Ryan agreement that came after that were all from debt-limit votes. So those give us moments and opportunities to actually get some fiscal consolidation that is much-needed.

MR. RUBENSTEIN: So let's talk about after the election and after the lame duck. So whoever is President has a big agenda in front of him or her. What is your agenda? What are the most important things you want to do in the next Congress?

SPEAKER RYAN: The economy. The economy has been limping along. This has been anemic growth. I think there is so much we could do. I think, but for government, we could do so – we could hit growth potential so much more clearly.

I think our fiscal policy right now is on a direct collision course with our monetary policy. And if we can get our fiscal policy to carry the load for the economy, that will take pressure off our monetary policy.

So what that means, in my mind, number one, the Tax Code has got to be reformed. I spend a lot of time on this. We have an actual tax reform bill we're proposing. I think tax reform is number one. I think regulatory relief for business development and growth is extremely important. And then this all goes into a budget. I think you need to have some entitlement reform if you want to get our debt horizon under control.

MR. RUBENSTEIN: Let's talk about fiscal relief and tax reform. Do you think you can have a comprehensive personal and corporate tax reform bill, or is that unrealistic to do both?

SPEAKER RYAN: No, it's not unrealistic. I really believe we – I think we've sort of found the secret to success on this. When I was Ways and Means chair, I changed the way our scoring procedures work. I spent a lot of my life early working on modeling – we call it scoring, on dynamic scoring. The Joint Committee on Tax now has three models that we use that try to get as close to measuring reality as possible, taking into consideration behavioral changes that occur per tax changes. We now have good modeling, and we have put out a tax reform bill that is very close to revenue-neutral, that actually gets us to a competitive tax system for individuals and businesses.

MR. RUBENSTEIN: Let's talk about the tax reform that everybody keeps talking about, but doesn't get done, which is repatriating the money from offshore. Why is it so hard to figure out how to get a compromise on that?

SPEAKER RYAN: Well, we offered one last year when I was the chair of Ways and Means. The other side of the aisle for the most part believes that we should continue to have a worldwide tax system, but simply end deferral. That's the position in which they begin negotiations and operate from. We believe that we should have a pure territorial system because everyone else in the world – England and Japan finally switched over. It makes a lot of sense. And so I do believe that this issue's coming. I don't think you can stand against a territorial system much longer. Whether you're going to invert or we'll just have takeovers, of foreign companies buying U.S. companies left and right, the only way to stop that is not to have Treasury be more punitive on companies. It is to switch us to a territorial system.

We have the bill ready to go. We have it perfectly scored. We know how to do it. And we believe that the way we design it is, if we switch over to a territorial system, that's going to be very good for capital, it's going to be very good for economic growth and jobs. And by the way, it brings revenues into the window, which we had proposed before, some of which could go to, say, the Highway Trust Fund or infrastructure. That was what we had offered last year. That was not taken up by the other side of the aisle. My guess is they will think twice about rejecting that offer again.

MR. RUBENSTEIN: All right, but, well, in your view, on your program, will individual taxes go down or go up?

SPEAKER RYAN: Yeah, so in our bill, we collapse the seven rates into three – top rate being 33 percent, bottom rate being 15 percent. There's a 25 percent rate in the middle, I think. And then we take the pass-through rate – all pass-through income, like sub-SES<sup>3</sup>, LLC<sup>4</sup>s, goes to 25 percent. Remember, they're taxed once. Corporations are taxed twice because there's dividends and capital gains, so we bring the corporate rate down to 20 percent. We take dividends and capital gains and take that as a 50 percent exclusion, which is a top rate of 16 percent. I know I'm speaking fast, but he knows exactly what I'm talking about. [Laughter.]

MR. RUBENSTEIN: Right, I understand.

SPEAKER RYAN: And then we have immediate expensing of plant equipment. So, with a territorial tax system, that we believe will create about 1.7 million new jobs, add nearly 10 percent growth to the economy, and we could do it in a relatively revenue-neutral way.

MR. RUBENSTEIN: All right. So let's talk about something else, immigration reform.

SPEAKER RYAN: This is what I like to talk about. Can you tell? [Laughs, laughter.]

MR. RUBENSTEIN: I know it, but I want to go through all these subjects.

So immigration reform. You didn't mention immigration reform. The Senate passed immigration reform a while ago. It died in the House. Many people think, and I think you're one of them, there should be some immigration reform. What is the likelihood of immigration reform?

SPEAKER RYAN: It's got to be done in stages and pieces, not some big massive bill that ends up collapsing under its own weight. I've said this all along. What happens when you bring some massive bill, like they did in the Senate? There are too many people opposed to too many provisions in it, and it can't pass. It has to be staged. And for us, what's so important is to make sure that we actually have security first, that we actually have as secure border. So many people are worried that we'll do an immigration reform, which will be an incentive for more illegal immigration because we didn't get the security piece right.

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<sup>3</sup> SES is Senior Executive Service, a position classification in the Civil Service of the federal government.

<sup>4</sup> LLC is Limited Liability Company.

So you have to have the border and interior security done correctly. And we all know how to do that with an electronic verification system, to go after identity theft, to have the requisite measures to have border security. We have a heroin problem. We have an ISIS<sup>5</sup> problem. That needs to be addressed. Then we also need to fix the legal immigration system, which is broken, to supply the economy with the labor which is not being supplied, which is important just for future growth and for getting our system right, and converting our legal immigration system into an economic-based visa system from what it is today. I think that's extremely important.

I've written extensively on what we ought to do with the undocumented. I think there's a non-amnesty way of dealing with this in a smart way. But those things take time. They take confidence-building measures. And that starts with securing the border.

MR. RUBENSTEIN: Right. In your caucus you have something called the Freedom Caucus. Are all the Members identified who are in that?

SPEAKER RYAN: Are they all identified?

MR. RUBENSTEIN: Identified. Does everybody know who's in the Freedom Caucus?

SPEAKER RYAN: Yeah. I don't think they have a letterhead, but – [laughter] –

MR. RUBENSTEIN: They don't? So do you have to negotiate with the Freedom Caucus about things? Or can you just say this is what we're going to do, and they kind of go along?

SPEAKER RYAN: Yeah, it's not – we have a lot of caucuses. There's a Tuesday group – the biggest one is the Republican Study Committee, which I used to be a member of, and the Freedom Caucus. It's not that we go and negotiate this with this caucus and that with that caucus. I employ a different kind of style, which is we have more conferences where we just talk issues out. I keep up the playbook at the leadership table. And here are the decisions we're facing. Here are the circumstances. Let's walk through this situation and decide how we're going to handle it.

For instance, you don't see a lot of talk about a government shutdown right now. Why? Because we're not going to have one, because we open up the playbook, we decided that we don't want to create brinksmanship. That doesn't do anybody any good. And we're basically having a low-drama moment here because I think we've taken sort of the sting out of the room that we used to have. So it's not that we negotiate with certain factions or groups. It's that we bring all Members into the fold, we make decisions, and we show people the evidence of the fact and circumstances in front of us, and then we make our decisions jointly. And the majority of our majority more or less determines how we're going to go on a certain play calls.

MR. RUBENSTEIN: So do you have regular meetings with your counterpart in the House?

SPEAKER RYAN: Yes.

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<sup>5</sup> ISIS is Islamic State of Iraq and Syria.

MR. RUBENSTEIN: Nancy Pelosi. And you discuss things?

SPEAKER RYAN: I met with her twice yesterday.

MR. RUBENSTEIN: OK. And what about in the Senate? Do you have regular meetings with your counterparts there?

SPEAKER RYAN: I do. I meet with Mitch fairly frequently. And the Democrats a little less, but sometimes.

MR. RUBENSTEIN: And your predecessor didn't seem to have a good relationship with President Obama, it seemed. How would you describe your relationship with President Obama?

SPEAKER RYAN: We know each other pretty well. We get along fine. I think we have mutual respect. We are so philosophically polar opposites. We disagree profoundly on many big things. But we, I think, understand each other's disagreements. I think he's pretty good at compartmentalizing. I try to do the same. We hold those visceral disagreements to the side if we're trying to work on something that is common ground to get things done. And that's the kind of relationship –

MR. RUBENSTEIN: So you have in common that you exercise a lot. So I gather last weekend – or last weekend you were both exercising the same time at the same gym. Was that a time to work out deals? Or you can't do that?

SPEAKER RYAN: No, no. It's a time to say hi and then move onto your workout. Yeah, yeah. [Laughter.]

MR. RUBENSTEIN: And so today would you say, in terms of international issues, what is your biggest concern in terms of international issues that the House has or that you have? Let's think – deal with ISIS and Syria. Is there something –

SPEAKER RYAN: Number one is ISIS. Number two is a revanchist Russia. And I just think our standing in the world is slipping. I think that our military is getting hollowed out. I do believe – I know this sounds like a cliché – but I think our adversaries fear us less and I think our allies are now wondering if we're really as strong as we need to be or as we were. So I do worry about the rise of certain countries that will jeopardize the global commons, that will jeopardize, you know, peace and trade. South and East China Sea is a concern. North Korea is getting really aggressive. They're moving much faster than they ever had before.

So we have multipolar or asymmetrical problems. And I think ISIS is really – we have to come up with a better plan for dealing with the ideology that fuels ISIS. And we are not doing that. We're completely reactive, and we're not even reacting very well right now with respect to ISIS. So we have to not only have a better idea and plan for how to deal with ISIS that's right in front of us, you know, in Iraq and Syria, but we have to – Tony Blair has dedicated his entire post-Prime Ministership to this project. We have to do a better job of dealing with the ideology

itself, and working with a coalition of moderate Muslim countries to jointly together deal with this ideology.

What is that gets a 12-year-old boy in a madrassa [school] in Peshawar to go out and get radicalized, and then become tomorrow's ISIS leader? That is something I think we need to have a far more comprehensive strategy that's multinational.

MR. RUBENSTEIN: Now, you chose not to run for President this time. Do you think you might ever consider running for President?

SPEAKER RYAN: You never say never to these things, but I've never really had this ambition. I have Presidential-sized policy ambition. I've really never had Presidential-sized personal ambition. It's just – it just was never really in my DNA<sup>6</sup>. Maybe it's the phase of life – the stage of life I'm in. One of the reasons why I didn't do it this last time was because my kids are young and wanted to be normal. There were people running for President that they thought were going to do fine, so.

MR. RUBENSTEIN: It never occurred to you that a quarter century from today – a quarter century – you'd be roughly the same age as your nominee today. So in other words, you've got a long way to go, you're so young. So do you think you might in that 25-year period of time?

SPEAKER RYAN: Who knows?

MR. RUBENSTEIN: OK. So when you go home – you go home every weekend. And how do you get there? I mean, is it take a chartered plane, or what do you do?

SPEAKER RYAN: No. I usually fly United or American to O'Hare. I live in southern Wisconsin, so it's pretty much equidistant from Chicago and Milwaukee. It would be nice if the airlines had more flights from Milwaukee to D.C., but the times aren't so good. And there's a flight like every half-hour to O'Hare. So I take –

MR. RUBENSTEIN: What about a flight from Washington to Janesville? They don't have that? [Laughter.] You don't think –

SPEAKER RYAN: I turned down the plane. If you're going – yeah, the Speaker – if the person chooses to have a government plane, can do that. It's a complete waste of money, in my mind. So I just fly commercial.

MR. RUBENSTEIN: And you fly first class?

SPEAKER RYAN: No.

MR. RUBENSTEIN: You sit in coach?

SPEAKER RYAN: [Laughs.] I fly by coach.

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<sup>6</sup> DNA is deoxyribonucleic acid.

MR. RUBENSTEIN: And when you're sitting in coach do people kind of look over and say, well, the Speaker of the House is sitting right next to me, and that's unusual?

SPEAKER RYAN: Yes. I do – they say stuff. They say it a little differently than that, though. [Laughter.]

MR. RUBENSTEIN: So, and are your children interested in politics? Or are they interested in what you're doing, or not as much? They don't care that you're Speaker or chairman of the Ways and Means Committee?

SPEAKER RYAN: They're in sixth, seventh, and ninth grade. So my daughter, actually – maybe my daughter, she just got elected to the ninth grade Craig High School – to vice president of her class, which goes to show that at least somebody in my family can get elected to vice president. [Laughter, applause.] So, you know, we'll see.

MR. RUBENSTEIN: So while you were elected – when you were in high school, you were president of your junior class, and also prom king. What did prom king mean?

SPEAKER RYAN: It's a twofer. [Laughter.] If you're elected to the class president you're automatically prom king.

MR. RUBENSTEIN: Oh.

SPEAKER RYAN: I think after that, after I had that experience they changed the rules, and now you have to become independently elected to prom king, so I would never be able to achieve that if I had to do it over again. [Laughter.]

MR. RUBENSTEIN: So you're obviously in pretty good shape. You exercise a fair bit. When you have people now who are security guards for you, presumably your predecessors weren't exercising quite at that pace. So if you want to climb a mountain, do you have guards who actually were qualified to go up with you?

SPEAKER RYAN: Guards. [Laughs.] Yeah, so I don't know how much I want to get into the detail here. So I'm a mountain climber. I climb the Grand Teton in August. I always try to find some peaks to climb in August.

MR. RUBENSTEIN: Is that safe to do?

SPEAKER RYAN: Of course it is. I've been mountain climbing since I was a teenager. And so there are some agents that are in good shape that – [laughter] – that have done this. I'm a big mountain biker too. So there are some who go up and do these things with me.

MR. RUBENSTEIN: They don't tell you mountain biking isn't safe or they don't tell you any of those things?

SPEAKER RYAN: I do what I do.

MR. RUBENSTEIN: OK.

SPEAKER RYAN: Yeah.

MR. RUBENSTEIN: Great. So back to your current job. What is the greatest pleasure of being Speaker of the House? Can you think of one? [Laughter.]

SPEAKER RYAN: How much time do I have? No. Setting the agenda is the greatest job. I got to tell you, when I was at Ways and Means, we had a big retreat over in Virginia here with the Ways and Means Committee. And I had just got the chairmanship. I've always believed in my laying it out there and running on what you – my budgets are an example of that. I put these budgets out there. All the political class tell you, oh my gosh, don't do that. You'll get killed in the election. And I just – I just don't like that dynamic. I've always rejected that device. I started with eight supporters for my first budget, and my own party told everybody: Stay away from the Ryan budget. Four years after that, I passed it four times, with an average of 232 votes.

I normalize ideas. I think you have to push the fold and run on these things in elections so that you can earn the right to do it after the election. And at Ways and Means – we decided, we're going to put out a comprehensive poverty and welfare reform plan, a comprehensive tax reform plan, and an actual plan to replace Obamacare with full entitlement reforms of Medicare and Medicaid, which are the drivers of our future debt crisis. The political class and the political consultants say: Don't do that. You're giving your opponents, you know, ammo to beat you with. So we decided at Ways and Means Committee in the beginning of 2015, we're doing this no matter what. My biggest fear then was that leadership would try and talk us out of doing it. I don't have that problem anymore. [Laughs.]

So the greatest thing in this job is to be able to push the fold and set the agenda. That's why the greatest joy I've had this year is getting all 247 House Republicans to put out a comprehensive Obamacare replacement plan, a comprehensive tax reform plan, a comprehensive poverty and welfare reform plan, a national security strategy, an overhaul of our regulatory system. What I try to tell our Members is, instead of squabbling over small-ball tactics – you know, the funding resolution at the end of the week – let's raise our gaze to a horizon that we all are shooting for.

We share the common principles. Let's apply those principles to the problems, offer the country a better way – that's why this is called A Better Way – and fight over big stuff instead of small stuff. Number one, it's unifying. Number two, it's why we're here. And so that is why we are in these jobs, because we believe in making a big positive difference. And I have to tell you, David, when 70 percent of this country doesn't like the path we are on, that's not just Republicans. That's 70 percent of the country. And so it's our job to offer an alternative. And being Speaker gives me the ability to push us in that direction.

MR. RUBENSTEIN: You know, I've often said there are only – in the era of political correctness – there are only three people you can kind of criticize anymore: One, private equity

and hedge fund people – [laughter] – lawyers, and – probably lobbyists as well – and also Members of Congress. Members of Congress, your polling data is, you know, approval ratings of 9 to 13 percent. As the head of –

SPEAKER RYAN: So we'll do a pay raise, and we're just going to skyrocket then, right? That's your advice? [Laughter.]

MR. RUBENSTEIN: Well, it can't get any worse, but OK. So does it trouble you that Members of Congress have such a low, you know, view by members of the public?

SPEAKER RYAN: No. I think – this is a fairly common thing. People don't like Congress in general. They don't like – because they're mad at government. I think that's more of a proxy about just their view of the direction of the country and government in particular. But when you look at the individual Member of Congress, there's a different story. You know the old adage, I like my Congressman but I don't like Congress? I think that's pretty clear these days.

MR. RUBENSTEIN: Right. OK. So talk about your wife. You married a Democrat. Was that difficult?

SPEAKER RYAN: She used to be a Democrat. [Laughter.]

MR. RUBENSTEIN: Oh, she was a Democrat. She's now a Republican?

SPEAKER RYAN: Yes.

MR. RUBENSTEIN: OK. [Laughter.] And so when you are dealing with the next President of the United States – let's suppose for a moment it's Donald Trump. Have you and he figured out what the highest priorities would be? Have you had a chance to sit down and say: This is what we should do?

SPEAKER RYAN: We have talked about that actually, yes. And I spend a lot of time on our transition team with the Romney/Ryan with Mike Leavitt. There's a lot of work to do there. And so we're doing the same thing with his transition team to making sure that we come running out of the gate. What I have every committee in Congress doing right now is getting prepared for the legislation of 2017. I learned this – I have been a chairman of two committees. If you wait until January to then start doing your work, it's, you know, September by the time you're ready to go. So we're getting every committee ready to go, I's dotted, T's crossed, in the queue, so we can start hitting the ground running in January. And we've been talking with –

MR. RUBENSTEIN: Suppose the next President is Hillary Clinton, have you had any discussions with her?

SPEAKER RYAN: No, I have not.

MR. RUBENSTEIN: OK. What's your relationship with her? Have you worked with her over the years?

SPEAKER RYAN: Not really. I mean, it's fine. I have only had two or three conversations with her. When she was Secretary of State and I was Budget chair, we met a few times over her budget. And I just met her on a couple of social occasions. So I can't really say I know her very well.

MR. RUBENSTEIN: OK. So when the President of the United States gives the State of the Union address, the Vice President and the Speaker sit behind and you look at the back of the head of – and that's a unique view. But what's it like to look at the back of the head of the person giving the State of the Union address? Is that – how do you also avoid having to do anything that on camera would look bad?

SPEAKER RYAN: It's weird.

MR. RUBENSTEIN: To just sit there all the time?

SPEAKER RYAN: Yeah. So, you know how Hillary was – practiced her face, you know, in the debate, just kind of sit there and be fairly unemotional and don't give lots of responses? That's what you practice doing. [Laughs.] So my wife told me – because I've only done one of these and I'm a fairly expressive person, I just am. She said, look, don't do that. You know, don't grimace or shake your head. Just be – just sit there.

MR. RUBENSTEIN: Is it tricky to figure out when you're supposed to stand and applaud, to not applaud, and all that?

SPEAKER RYAN: Yeah. You know, a little bit.

MR. RUBENSTEIN: All right, so when you are the Speaker of the House, and you want to go shopping in Washington, D.C., do people bother you? Or can you just go to restaurants where nobody bothers you?

SPEAKER RYAN: I don't go shopping in Washington, D.C. [Laughter.]

MR. RUBENSTEIN: You don't go shopping?

SPEAKER RYAN: This is about as far away from the Hill as I get. I'm just here four days a week, three nights a week. And I stay on the Hill. At home, in Janesville, it's – I'm fifth generation from Janesville, Wisconsin. It's a medium-sized town. Everybody knows everybody there. So it's completely normal at home. If I go out and about in anyplace other than Janesville, it's – you know, people see you on TV and it's just – ever since 2012, I've kind of had that experience, where you're more noticed than before. But not at home in Janesville. People are just used to me.

MR. RUBENSTEIN: Do you ever look back on that campaign and think if you'd done anything differently you and Romney would have won?

SPEAKER RYAN: Sure.

MR. RUBENSTEIN: What was the biggest regret you have looking back at that election?

SPEAKER RYAN: Well, the lesson I try to pull into this campaign, which is have a more coherent, specific agenda, so that people can sink their teeth into it, so that they know they're not just voting for a personality but they're voting for, like, a cause, an agenda – solutions. I've always, always believed that we win ideas contests and we lose personality contests. And if we allow a campaign to get thrown into being a personality contest, that won't go well for us. But if we can push and steer a campaign into a big ideas contest, we'll win.

Listen, I got this from Jack Kemp. It was – Jack Kemp, in 1980, took his economic agenda that he and other House Republicans formed – back then they called it supply-side economics – and grafted it on with Ronald Reagan and his peace through strength, defeat the Cold War – defeat the Soviet Union Cold War agenda. They merged agendas, brought it to the Nation, won a landslide, earned a mandate, implemented it and it was successful. That, to me, is the prototype for what a Presidential election needs to look like.

MR. RUBENSTEIN: So you ever regret that Jack Kemp and your father didn't see you rise up to be Speaker of the House? I mean, they probably would have taken a lot of pride in what you've accomplished.

SPEAKER RYAN: Yeah, I think about that every now and then. I do.

MR. RUBENSTEIN: Your father died when you were relatively young, is that right?

SPEAKER RYAN: Yeah. I was 16. He had a heart attack and his dad – it's kind of a curse on my family. So –

MR. RUBENSTEIN: Is that why you exercise so much?

SPEAKER RYAN: Yeah. My dad died at 55 of a heart attack. My grandfather, 57. My great-grandfather at 59. So no one's made it past 60 in my family in a long time. So that is my primary motivation for trying to stay healthy.

MR. RUBENSTEIN: And so you exercise an hour every day, fairly religiously?

SPEAKER RYAN: Right.

MR. RUBENSTEIN: And today would you say that you're optimistic about the country's future, or you're more pessimistic about the country's future?

SPEAKER RYAN: I'm always optimistic. I look at the glass of life as being half full. That's just my general disposition. But I do worry that if we don't turn things around quickly, we won't be able to fix things on our own terms. I always go back to the fiscal – look, you're a private equity guy. Look at the volatility of the portfolio that pension funds and insurance companies

have to hit versus the volatility, say, 20 years ago when it was basically just bonds. Look at how volatile that is. Look at the demographic challenges coming in the future. And then look at the unfunded liabilities facing us, and the debt crisis that's coming. And look at the fact that as the world's reserve currency, we're really not acting like it.

And so I believe we have a short window in which we can turn these things around, get us from this vicious cycle onto a virtuous cycle, and do it on our own terms as a country. What I mean is that our entitlement reforms do not affect people in or near retirement. We've got a labor force participation rate that is, you know, at Jimmy Carter levels. We've got 94 million able-bodied people out of the workforce – some by choice, many not. Many not even in school or looking for a job. So we've got a poverty trap we've got to deal with. We've got a debt crisis coming. We've got anemic growth. And we have a tax code that is basically pushing companies overseas.

The point in all of this is that these are fixable problems, and these are problems that are fixable today and now, if we can get the political planets to align well enough to get these things done, turn them around, dodge the bullet of a debt crisis, get able-bodied people on the ladder of life in the workforce, get growth going again, and get us another great American century. But if we blow this chance and kick the can down the road another, I don't know, half a dozen years, we will be shackled to a debt crisis where the options available to us then will be extremely ugly, socially chaotic, and we will limp through the moment. And we will lose this opportunity we have in front of us.

MR. RUBENSTEIN: So your life is the life of public service. You're committed to the rest of your career to be in public service.

SPEAKER RYAN: That's the vocation I chose when I was young.

MR. RUBENSTEIN: And the higher calling, public equity, your brother is in that calling. [Laughter.] But you've chosen not to go into that higher calling of mankind?

SPEAKER RYAN: [Laughs.] Yes, that's true.

MR. RUBENSTEIN: OK. Well, on behalf of everybody in the country I want to thank you for the job you're doing for us, and thank you very much for coming. [Applause.]

SPEAKER RYAN: Thank you. Appreciate it. Thank you. [Applause.]

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**The Honorable Paul D. Ryan**  
**Speaker of the House**  
**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, he 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 Ryan was elected Speaker of the House. A committed conservative and public servant, Speaker Ryan has spent his life advocating for real solutions that will expand opportunity for all Americans. And to the speakership, he brings 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 its broken tax code, holding the Internal Revenue Service 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 the Nation's 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 Ryan 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. He and his wife Janna live in Janesville with their children, daughter Liza and sons Charlie and Sam. The youngest of four children, Paul Ryan is the son of Paul Sr. (deceased) and Betty Ryan.