

The Club welcomed the Honorable Lawrence A. Kudlow, assistant to President Donald Trump and director of the National Economic Council on Friday, November 2, for a special meeting at the Standard Club. Director Kudlow gave remarks and then participated in a Q&A moderated by Club President & CEO Donna F. Zarcone, who took live questions from the audience via the texting platform Poll Everywhere.

Director Kudlow spoke to the Club the same morning the Bureau of Labor Statistics released the most recent Employment Situation Summary report. It marked an unchanged unemployment rate of 3.7 percent, and an increase of 250,000 jobs in October.

Below are highlights of Director Kudlow's remarks and Q&A session:

On the health of the U.S. economy...

“This increase in economic growth – from roughly 1-2 percent to 3-4 percent – is not a sugar high [...] As the president pledged during the campaign, we have lowered the marginal tax rate especially for large and small businesses. We've also put in 100 percent immediate expensing for investment and created very easy conditions so our great corporations can bring home their overseas money.”

On Democrats winning the House and overturning tax rates...

“If there is a turnover [in the House] and there is an attempt to raise tax rates, first of all, I think it will be stopped in the Senate. If it's not, I believe the president will veto any attempts to raise taxes and he will veto any attempts to raise regulations and unwind the Congressional laws and his own executive orders. No president that has done what he's done insofar as rolling back costly and burdensome regulations across the board.”

On productivity and workforce retraining...

“Let's go back to the business tax cuts. Lower rates are here to stay, so better business investment and more capital per worker will raise the productivity rate. Productivity has been low for 20 years because [we're] starved for capital; the workforce needed it for retraining, new equipment, re-skilling, as my colleague Ivanka Trump puts it, and she's dead right on this. So the money will be there to help the workforce improve. The workforce improves, the productivity rate goes up and covers the wage increase. The fact that we haven't seen it in a while doesn't mean it can't happen again. I saw it in the 80s and it continued in the 90s. We're bringing it back.”

On trade with China...

“President Trump has said again and again that America cannot allow certain countries like China to abuse trading practices and laws. Other presidents have looked at it, given lip service to

it, and then walked away. President Trump believes [...] that these unfair trading practices – which include theft of intellectual property, forced transfer of technology, cyber security invasions to steal secrets of companies, now tariffs and non-tariff barriers for trading agriculture industrial goods – he believes that has harmed America's workforce, businesspeople and economy. There is evidence to support that belief. He has an arsenal of tools to use and he has chosen to use tariffs. It doesn't mean they're forever, it just means it's part of his negotiating style.”

On whether this U.S. is winning the trade battle with China...

“I'm not sure I'd call it a trade battle. Some clever senator called it a trade skirmish [...] we may be able to do business with China. The two presidents have a relationship that's good. There'll be hard negotiations if it gets to that stage [...] One thing I will say is this: I think the stock markets are somewhat illustrative. The American economy is booming, the Chinese economy is slowing and they acknowledge that. Does that give us a position of strength? I think it does. Our policies are working, their policies seem not to be working. I say this with respect, they need more reforms in my judgment.”

On his journey from identifying as a Democrat to a Republican...

“Churchill said if you're not a socialist in your 20s, you have no heart, and if you're not a capitalist in your 30s, you have no mind. I love that and that is kind of me all right [...] I changed my registration when I worked for Ronald Reagan. Ronald Reagan was a Democrat, Donald Trump was a Democrat. I think the best Republicans are former Democrats.”

Please note that the content of this program was edited and condensed for clarity.