

# KEVIN MCCARTHY

55<sup>th</sup> Speaker of the United States House of Representatives

**Thierry de Montbrial, Founder and Executive Chairman of Ifri and the WPC**

Ladies and gentlemen, it is a great pleasure and honor to have with us Mr. McCarthy, who was the 55<sup>th</sup> Speaker of the House of Representatives in the United States of America. I think I can say safely that his political career is still, in fact, starting. You have a great future for the next, I will say, 25 years at least. Thank you very much for being with us. I think you are one of the people who really know Donald Trump, and, of course, you know most of the political class in the United States. You have great experience, and we would like to take advantage of that to make some predictions. I hope you will be careful enough because maybe next year we will organize a similar meeting to debrief and to say to what extent your predictions were correct. Let me ask you a very simple question to start with: who is Donald Trump really?

**Kevin McCarthy, 55<sup>th</sup> Speaker of the United States House of Representatives**

I think what you see is what you get. I mean, there are a couple of things Donald Trump has always believed even before he ran for office. He firmly believed that tariffs work, that America has been at a disadvantage. He looks at everything differently than those who had sat in that position before. He thinks about everything like a business. He loves to negotiate. He believes he can negotiate any deal.

The difference between this term and his term before is that when he first came in the last time, he did not know the job. He had people around him. Most people did not think he could win. He did not have the same quality that he will have this time. He will have better quality people around him. However, he has the 10,000 hours. He knows what he wants to do. He knows he only has one term, and he cannot run for re-election. That means he will do exactly what he wants. Therefore, he will focus on day one. If you notice, he does not wait until the day he begins. He will use tariffs now as a negotiation tool to level the playing field. He will focus on immigration. There will be a lot of executive orders. He will talk to Mexico about tariffs and the idea "stop the migration coming into America." He will use that. He will use any tactic he can to get a better playing field for a negotiation.

Regulations: the current administration has really ramped it up, especially in the agencies. You will see this new professional come in, especially in the financial end. I think that will rev up the economy in America even more. Normally, in a presidential year, people hold their money back. They wait to see what is happening. We had a concern in this last election about the tax policy in America because it is coming due every 10 years because of the manner in which we passed it, which is called reconciliation. However, with the Republicans having the House and the Senate, now they can do reconciliation again and they do not have to worry

about 60 votes being leveraged, so you do not have to worry about your tax rates going up. That brings stability early. Those will be the first things.

The cabinet, I think quite a few of them will get in this time. He is much further along than he was before. They have got a funding problem. How you start, you have got to first see how you finish. Congress is not finishing correctly. They have funding this year that they are not going to do, so they are going to pass it on. Trump is therefore going to have to worry about the next. He has got the debt ceiling, he has got government funding coming up in March. You have got to reconstitute the committees, you have got to start putting in your cabinet. To be bogged down on last year's funding is a mistake on the Republican side. They should get that done now and they actually should get the debt ceiling done now to give him that honeymoon.

### **Thierry de Montbrial**

He is a strongman.

### **Kevin McCarthy**

He is a strongman leader.

### **Thierry de Montbrial**

Everybody can recognize that, but even strongmen have their weaknesses. What are his weaknesses, if any?

### **Kevin McCarthy**

His strengths and weaknesses can be the same thing: his personality. Right? He gathers all the attention, but that also wears people out. This time, I think he will have learned. He will do better, but he will be unconventional. What is interesting is, think about what he has brought in. It is a good thing. American government needs a disruptor. I mean, that is what the voters said in this process, economically, from the border as well, but we need the Defense Department to be shaken up. We need to look at our government funding too much, and to be able to have like an Elon come in with what we have, a DOGE. It is very important because the structure we have now in Congress, nobody there is going to get something through with a funding cut. However, if Elon proposes it, gets Republicans and Democrats, uses X to perpetuate it, it is kind of like how we dealt with it when the Soviet Union collapsed. We had a whole military designed to defend ourselves against the Soviet Union, but what member of Congress is going to raise their hand and say, "Close my base?" Well, no one. Therefore, we created something called a BRAC, a Base Realignment and Closure, where a different committee got together – outside people – and if they finished something it was guaranteed a vote. No amendments. You voted up or voted down, and bipartisan, it usually passes, so I think we can take a chunk of something that could put us in a stronger position.

The one thing I will say about foreign policy, in the election between Trump and Kamala Harris, I think from a foreign policy point of view, it is much better that Trump got elected, and some people can disagree with me. However, from this point, if Kamala had been elected, she never went through the primary, she never got tested about it, and she does not have the 10,000 hours. Therefore, I believe the world would be unstable not knowing what her

policies had been. Trump, people understand him. The one thing I will say, looking at the world of Putin, every president that Putin has been in power with in America, he has invaded another country except one, under Trump. In the Middle East, the leaders have worked with Trump, so they have an understanding there. I think that can bring some stability, plus also an opportunity for others in the region to lead.

**Thierry de Montbrial**

Thank you very much. Let us take a few cases, starting with trade. You said he believes in tariffs. It is easy to raise tariffs, but other countries can retaliate. Then, in history, that can lead to trade wars, and at the end of the day trade wars are detrimental to everybody. Do you think that Trump has thought deeply enough about these consequences?

**Kevin McCarthy**

Yes, but understand what he is trying to do. The difference that people have to see with him from people who have been before is that he will say things that are unusual. Take, for instance, North Korea the last time. He calls him Rocket Man, and everybody says, "Oh, my God, you are going to create a war." Then he sits down, talks to him. When you said before, if he performed the tariffs, then inflation. We did not have inflation under that. Biden kept all of them. They were not unbelievable. However, what he is really trying to do is make a point about something. If he is proposing a tariff, maybe with China, what he is literally saying is America opens up our entire market for you to come in, and you selectively decide what can come in. Well, that is unfair. Therefore, what it does is it brings attention, and nine times out of 10 it brings people to the table. When he tweeted that he looks to Canada, Mexico and China: "We are trying to end the fentanyl coming in, killing Americans, the number one killer of Americans between the ages of 18 and 45." Think about those years. Your most productive years, the years you reproduce, and the years you serve in the military. It is critical for us. What did Trudeau do? He flew down to see him. It is not therefore creating a trade war. It is opening up a negotiation, and everything that he does is to get a negotiation, but also set the negotiation to some type of advantage that he wants.

**Thierry de Montbrial**

However, you never always win in this game. For instance, you mentioned Kim Jong Un, the Korean guy. Who won in this opening of the game? Well, none. There was no result, actually. There was a meeting.

**Kevin McCarthy**

It is not over, though, but during that time did Kim Jong Un stop testing missiles? He is testing more now. Did it slow a pattern? It did not finish. Look, I love Angela Duckworth's book. The greatest attribute if someone is going to be successful is perseverance. I will tell you in American politics, and none of you probably watched it, we have never seen that much politics in such a short amount of time. A sitting president debates and gets off the stage. They select somebody without going to a primary. We had assassination attempts. Not one, but two. We have not seen that since the 1960s. I mean, he came a milli-inch from being killed at our convention. I talked to him the very next day, and Trump is like Trump. Right? I saw that

happen. I am talking to him. He goes, "Kevin, I could hear the bullet." Could you imagine hearing the bullet? He goes, "You know what I learned?" I thought this was going to be lifechanging. He goes, "I really learned something I never knew before." I said, "What was it?" He goes, "You know, you will learn this too because you have big, beautiful ears. There is a lot of blood in your ears. It went right there."

### **Thierry de Montbrial**

Yes, but you know, I do not want to play devil's advocate, but it seems to me as an observer from the outside that this meeting with Kim Jong Un was actually very good for whom? For Kim Jong Un.

### **Kevin McCarthy**

I do not know how you solve the problem without talking to him. Let us go further on foreign policy. People will think that he is just going to shut down Ukraine. Well, when we did our second round, our last round of funding in Congress, he did not oppose it. He was the individual sitting on the outside who came up with the idea that to make the money alone, that could be forgiven, half forgiven with the current president and half with the next one. I think what he will do is, if you read his latest tweets too about Syria, he is telling Putin, "You are losing. You ought to wake up. Millions of people have died because of you." He is not going to walk out of it. He is going to set the stage to make it a different place. He started out calling him Rocket Man. Everybody was afraid war was going to develop. What did he do? He put a missile defense in South Korea. He is going to build to the place, but he believes he can negotiate, and that is really the part he likes to get to.

### **Thierry de Montbrial**

Okay. Let us take another example, because the best we can do in this discussion is Ukraine. He said, as everybody remembers, that he would solve the problem, I do not know in how many minutes, but anyway, the problem seems to be with Ukraine is that it will not be a deal between two men. It will not be a deal just between Trump and Putin. There will be many other actors involved. My question is therefore a real question. Sometimes questions are not real questions. In this case, it is a real question. To your knowledge, can Trump be as good in multilateral negotiations as he is in bilateral negotiations? If he has to negotiate with 10 or 11, or whatever, different parties who have a variety of interests, in terms of how to negotiate, it would be a much more complex situation.

### **Kevin McCarthy**

Trump is not one who sits down and looks at the actual details. He takes the macro approach. Now, let us look at who is going to be a part of it. Marco Rubio, who has been in our intel part of the Gang of Eight with me. Tim Waltz, who served in it. I believe Trump will have a better cabinet this time than he had last time. He also knows the job from that position. I think another position, if you look, when Europe was upset with Trump in the last term, it is more about the tone, not what he said. Because when you look back now, was he not right that Europe should actually spend more on their defense? And he comes from this position that America will be there for you, but American taxpayers should not have to pay for everything. If

you want our defense system, you should actually pay for it as well because we have financial things. That is different from presidents in the past, but he is not moving away from the policies and the positions we have. It is more of a fiscal negotiation.

**Thierry de Montbrial**

Okay. Let us continue to look at a few examples. You mentioned Syria, but take the Middle East in general, or just take the war in Gaza and the war which has developed since then. There are several options on how to deal with such a complex issue. He could, for instance, in one scenario, decide to support Netanyahu's policies. He could, I think, decide that Iran is so weak that it is the right time to solve the nuclear problem, to bomb, together with Israel, the nuclear facilities of Iran. That would be one possible option. Another option would be to move back to redefine a variant of the two-state solution as was decided after the Oslo agreement and killed by the assassination of Yitzhak Rabin. These are two options. Do you have an idea yourself of what kind of scenario he would engage in this case?

**Kevin McCarthy**

First thing, I think he would engage in two things, neither of those. I would check his past behavior. The Abraham Accords was an amazing thing that was accomplished, and I really think had the Biden Administration embraced the Abraham Accords from the very beginning, 7 October would not have happened. Also, there was a fundamental change in American policy in the Middle East where the American policy kind of shunned some of our allies and allowed Iran to produce more oil. They were only producing 400,000 barrels per day at the end of Trump's administration a day. They then went to 3 million. That is a lot of capital, and what does Iran do with their capital? They provided it to proxies who have disrupted the Middle East.

I think you will see more of a tightening of economics on Iran, and Iran is in a weaker position if you take just in the last six weeks. Their missile defense system is not there. You laid out two scenarios, but I do not believe those two scenarios are the only scenarios. I believe Iran is in a different position, that they realized they have now sent ballistic missiles from Iran into Israel that did not hit. They also now do not have a defense against missiles coming at them. They have to think twice about picking another fight. It may be an economic time with a weakness in defense, and now just losing bases in Syria, that may be a setting of the table that they decide they do not need a nuclear weapon because one of those options could be on the table. Therefore, it may be good timing for other things to transpire, a different option that is not on the table today.