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Remarks on Presenting the Presidential Medal of Freedom to Arthur B. Laffer

June 19, 2019

The President. Well, this is a big day. Very important for a very important subject. Today it's my privilege to award our Nation's highest civilian honor to the father of supply-side economics: Dr. Arthur Laffer.

I know Art has been to the Oval Office, unlike most people, many times. But this is a very special time for you. This is a tremendous award. You have the congressional Medal of Honor on the military side, which, of course, is something incredibly special. And the Presidential Medal is—I just want to congratulate you. There's nothing like it, right?

Mr. Laffer. Nothing.

The President. Thank you very much, Art.

Mr. Laffer. Thank you.

The President. Joining us for this momentous ceremony are Art's six children. Thank you very much. Congratulations. And we're also grateful to be joined by Vice President Mike Pence. We just got back from Florida. Had a big night. That was a big night in Orlando, Mike. Right?

Secretary Steve Mnuchin, Alex Acosta, Elaine Chao, and Ben Carson, thank you very much for being here. And our top economic adviser and a great friend—of all of us, actually—I hear that voice and I just say "money, money, money." Larry Kudlow. [*Laughter*] Right? Larry. Thank you, Larry.

National Economic Council Director Lawrence A. Kudlow. Thank you, sir.

The President. Few people in history have revolutionized economic thought and policy like Dr. Art Laffer.

He developed a brilliant theory, shaped unprecedented economic reforms, and helped turn a severe recession into a remarkable boom. He proved that the most powerful way to grow the economy and raise government revenue was not to increase tax rates, but to adopt strong incentives that unleash the power of human freedom and innovate, create jobs, and deliver greater opportunity to all Americans. And he's proved it over and over again.

A Yale graduate, Art went on to earn his Ph.D. in economics from Stanford University. He became the youngest ever tenured professor at the University of Chicago. Oh, that's good. That wasn't too long, was it? [*Laughter*] He's very deceiving. He's a little older than he looks. He looks like he's in his forties. [*Laughter*] He's a little older than that. Just a little bit, right?

Mr. Laffer. A lot.

The President. Don't talk about it. [*Laughter*]

In 1970, Art served as the very first Chief Economist at the Office of Management and Budget, where he designed an economic model that is still used today to forecast tax revenue and accurately predict economic growth. Art then returned to the University of Chicago. At the start of the Ford administration, our Nation's economic situation was becoming dire indeed. We remember.

In 1974 alone, 2 million Americans joined the unemployment lines, and inflation hit 11 percent. Right now we have inflation at almost nothing. I like that better. Don't you? It's good to read this, because we read this, and we realize how well we're doing right now.

The consensus in Washington, on both sides of the aisle, was that the Government could tax, inflate, and regulate its way to prosperity. But Art had a different idea. Right? You did have a different idea. I'd have you tell it. It would be much more interesting, huh?

In 1974, Art came to dinner with the White House Chief Staff—Chief of Staff Don Rumsfeld; Deputy Chief of Staff Dick Cheney—who's been, by the way, a tremendous supporter, and we appreciate Dick very much; and Wall Street Journal reporter Jude Wanniski.

The dinner has since become very, very legendary in many minds. Art drew on his napkin a series of lines and a curve that changed history. With the now famous "Laffer Curve"—still, a very, very highly respected economic curve—Art showed that if tax rates are too high, people stop spending, and they stop investing. The result is less growth and lower tax revenues.

On the other hand, at the certain point on the curve, lower tax rates spur investment, economic growth, and raise Government revenue. I think Steve Forbes agrees with that. [*Laughter*] Where's Steve? I've heard you for a long time talking about that. [*Laughter*] Very much agree.

Prominent academics called this theory "insanity," "totally wacky," and "completely off the wall." [*Laughter*] With optimism, confidence, and exceptional intellect, Art would go on to prove them all wrong. He proved them wrong on a number of occasions.

In 1978, California Governor Jerry Brown asked Art to help him implement Proposition 13, which the people had overwhelmingly enacted to dramatically reduce the state property tax. I think they could use it again out there, by the way. They should do that immediately. The results were so successful that job creation soon grew at twice the nationwide rate. Within 2 years, 43 States adopted similar reforms.

During that same period, Art also advised Ronald Reagan, and helped shape his low-tax, progrowth agenda. After President Reagan's election, Art served on the President's Economic Policy Advisory Board. He played a vital role in both the 1981 and 1986 tax rate cuts, which ultimately lowered the top marginal tax rate from 70 percent to 28 percent. That's not bad. That's a pretty big reduction, I would say.

The Reagan economy soared, creating sustained economic growth, shrinking poverty, expanding incomes, and dramatically increasing Federal revenue. Sounds very familiar. It sounds very, very familiar, actually. [*Laughter*] Our economy has never, ever been stronger than it is today. It's true.

Dr. Laffer's policies not only expanded opportunity for our citizens, they spurred economic reforms around the world and helped lift untold millions out of poverty. Art has advised many world leaders, including former U.K. Prime Minister Margaret Thatcher, a great one.

Staying true to the progrowth vision that Dr. Laffer helped develop, in 2017, we passed historic tax cuts and reforms into law. Now unemployment has reached its lowest level in over 51 years, with fast-growing wages, low inflation, and real GDP. And this is GDP growth that's higher than anybody ever thought possible. First quarter was 3.2. And everybody said, first quarter is not going to be so good, because first quarter is never very good for us. But it was not only good; it was double and even triple what people expected. And we're going to see some other very pleasant surprises, especially when the trade deals are all worked out. And they're coming along very well, Art, as you know.

Our tax cuts and reforms also created Opportunity Zones in distressed communities, another idea that Dr. Laffer helped develop early in his career.

In 1999, TIME magazine named Dr. Laffer one of the greatest minds of the 20th century. Former Wall Street Journal reporter Jude Wanniski wrote, "In studying public finance, there is nothing more important than an appreciation of the Laffer Curve." I've heard and studied the Laffer Curve for many years at the Wharton School of Finance. It's a very important thing that you've done, Art. Very important.

Dr. Laffer helped inspire, guide, and implement extraordinary economic reforms that recognize the power of human freedom and ingenuity to grow our economy and lift families out of poverty and into a really bright future.

Today, our Nation is stronger, our people more prosperous, and the world a much better place because of the brilliance and boldness of Dr. Arthur Laffer. And it's now my profound honor to ask the Military Aide to come forward as I present Dr. Laffer with the Presidential Medal of Freedom. It's my great honor. Thank you.

[*At this point, Maj. Brandon M. Westling, USAF, Air Force Aide to the President, read the citation, and the President presented the medal, assisted by Lt. Col. Rogelio Maese, USMC, Marine Corps Aide to the President.*]

Mr. Laffer. Oh, my gosh. [*Laughter*]

[*Mr. Laffer lowered the microphone at the podium.*]

When your staff said, "Keep it short," I didn't know that's what they meant. [*Laughter*] No, I'm just joking.

The President. This is your day.

Mr. Laffer. Thank you very much.

Let me, if I can: Sincerity and brevity—or so they say—go hand in hand. And in that vein, Mr. President, I want to thank you from the top, the middle, and the bottom of my heart. Thank you.

Good economic policy is a team effort. And goodness knows my fellow teammates are the best ever: Larry Kudlow, my friend forever and ever and ever. Steve Moore. Where are you, Steve? Steve Moore. Steve Forbes. Steve Forbes canceled his trip abroad to be here today. Is David Malpass here? Kevin Hassett. Team players, Steven Mnuchin, wherever—there you are. You're way back there. Steven. I mean, you don't get a better team than that, ever. I mean, this is the team of all teams.

And I just want to reflect for a second on some of my past colleagues and working with other administrations. For example, in the past, my colleagues included Nobel Laureate and dear friend Bob Mundell; the legendary editorial page editor, Bob Bartley, of the Wall Street Journal; Jude Wanniski, the crazy, wild revolutionary for supply-side economics; Milton Friedman, of course; my godfather and dearest supporter, Justin Dart; George Schultz, my mentor who has hired me four times and not gotten tired of it yet, I guess; Jack Kemp, who we called, "The Weapon"—he's delivered it; and my classmate at Yale, and my dear friend, a guy named Dick Cheney. It's just really wonderful to have—each of whom deserves a lot of praise.

By the way, just for the record, Bob Bartley, Milton Friedman, Justin Dart, George Schultz, Jack Kemp, and Dick Cheney all received the President Medal of Freedom. Isn't that amazing? I'm in great, great company, let me tell you. I'm awed by that.

But to get over the—to get the ball over the—to get the ball over the goal line, committed leadership is the sine qua non for this. And we had President Kennedy, President Reagan, Prime Minister Margaret Thatcher, and of course, you, Mr. President, Donald Trump, to really make it all happen. Without the leaders—[*applause*]—and all I can say is, wow.

I mean, you know, President Kennedy established the current Presidential Medal of Freedom, and both President Reagan and Margaret Thatcher were recipients.

My business partners here—my business partners, friends, and fellow dreamcatchers—a number of whom are here today, by the way—have allowed all of this to happen for me, and I am eternally grateful. They are the salt of the Earth. And in fact, they actually lived the lives that we economists just talk about. They actually do it. And it's for—it is for them that we do what we do. They have kept, do keep, and will keep America prosperous.

And my final shout-out, if I may, is to my family—my wonderful family. All six of my children are here today, as well as Mike Madzin and Mike Stabile. I'm missing my 13 grandchildren and my 4 great-grandchildren, for which I am sure the White House staff is eternally grateful. [*Laughter*]

My family makes me very, very proud and gives me a reason every morning to get up and get to work. Thank you.

NOTE: The President spoke at 5:16 p.m. in the Oval Office at the White House. In his remarks, he referred to Arthur, Justin, Rachel, Patricia, and Allison Laffer and Molly Laffer Rembert, children, of Mr. Laffer; former Secretary of Defense Donald H. Rumsfeld; former Vice President Richard B. Cheney; and Steve Forbes, chairman and editor-in-chief, Forbes Media, LLC. Mr. Laffer referred to Stephen Moore, Project for Economic Growth distinguished visiting fellow, Heritage Foundation; President of the World Bank David R. Malpass; Council of Economic Advisers Chairman Kevin A. Hassett; Robert A. Mundell, professor, Columbia University and the Chinese University of Hong Kong; former Secretary of State George P. Schultz; and Michael Madzin, portfolio manager, Laffer Investments. The transcript released by the Office of the Press Secretary also included reading of the citation.

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Names: Acosta, R. Alexander; Brown, Edmund G. "Jerry," Jr.; Carson, Benjamin S., Sr.; Chao, Elaine L.; Cheney, Richard B.; Forbes, Steve; Kudlow, Lawrence A.; Laffer, Allison; Laffer, Arthur B.; Laffer, Arthur B., Jr.; Laffer, Justin; Laffer, Patricia; Laffer, Rachel; Mnuchin, Steven T.; Pence, Michael R.; Rembert, Molly Laffer; Rumsfeld, Donald H.; Westling, Brandon M.

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