



Recalling the Reagan-Kemp Vision

BY RICHARD W. RAHN

IT'S TIME TO REPLACE OBAMA MALAISE

What is the Republican Party's vision for America? You may have a hard time answering other than "not President Obama and his policies."

Most Republicans plan to run their fall campaigns focusing on the Obama scandals — admittedly a target-rich area — with scandals involving Obamacare, Benghazi, the Internal Revenue Service and Veterans Affairs. All of this is not a vision of the future, though. It is hard to build a consensus — but smart, strong-minded individuals in the past have been able to articulate a vision that attracted not only the public but other politicians. Ronald Reagan accomplished this, and he was fortunate to have a visionary economic evangelist by his side who helped shape much of the Reagan program and became its principal salesman. His name was Jack Kemp — who passed away five years ago.

Kemp later sought the presidency, but it escaped his grasp. As a former professional football quarterback, he was better at formulating a winning strategy and passing the ball than scoring himself. This past Friday, the Jack Kemp Foundation held a forum at the Lincoln Cottage in Washington on "The Future of

the American Idea." The many noted speakers reminded us that Jack (before Newt Gingrich) was the Republican Party's and, in many ways, the nation's, leading idea man.

In the 1970s as a junior member of Congress, he sought to identify the solutions to the Carter "malaise" of no-growth and high inflation. He found the solution in the writings and speeches of two remarkable economists — Bob Mundell (who went on to win a Nobel Prize) and Art Laffer (of the Laffer Curve fame). Their prescription was major marginal tax rate cuts to spur economic growth and sound money — and if not a return to gold, at least a turn-off of the monetary flood — to stop inflation. Kemp, a most energetic and articulate speaker with the enthusiasm of a revival preacher, sold the vision wherever and whenever he was allowed to speak. Reagan agreed with the tax program and largely adopted it as his own. Reagan would quip to us young economists that he did not have to unlearn Keynesian economics, for he "had obtained his degree in economics before Keynes wrote his book."

Jack Kemp was obsessed with economic growth. He correctly saw it as the major solution to the lack of opportunity that many young people, and particularly black Americans, faced. Many on the left claim they want to help the poor, but Kemp understood that to enable the poor to obtain jobs and climb the ladder of success, it is not wise to penalize the job creators with high marginal tax rates on work, saving and investment. "You cannot love the employee and hate the employer." Unlike most Republicans, Jack knew how to communicate with both blue-collar workers and those who had little hope.

Even though there are now a number of Republicans with presidential ambitions and a growth message of lower tax rates, fewer regulations and less government spending, none are as compelling or bold as was Jack Kemp in his prime. Too many Republican tax reformers have allowed themselves to get trapped in "static" revenue scoring, which means that any tax reform is likely to be perceived as having as many losers as winners — a non-starter. In

contrast, Jack Kemp shaped reality rather than give into the conventional wisdom of the time.

Those on the left could never admit that Reagan and Kemp were really smarter than many of those with the Ivy League degrees, so they were both subject to endless ridicule as know-nothings. Remarkably, neither one seemed much bothered by all of the verbal abuse, perhaps, because they knew that they would ultimately be proved right, which they were. Both were confident in their own values and also understood that most Americans had similar values.

Republicans who are running for office this year would find it useful to listen to recordings of many of Kemp's and Reagan's speeches, because they knew how to communicate big ideas to the average person. The content of the speeches needs to be updated, with a much greater focus on reducing government spending (a problem to which Kemp paid too little heed). Even so, Jack Kemp was a true visionary. He knew that if the shackles of oppressive taxes and regulations were removed from the entrepreneur, investor and worker, most anything could be achieved. He articulated the benefits to America of having more hardworking and educated immigrants. He had traditional values and was very much an inclusive optimist.

The nation's current pessimistic mood calls for rational and optimistic candidates like Ronald Reagan and Jack Kemp who can provide a clearly stated, non-technocratic, bold vision of how to achieve greater opportunity for all Americans.

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