

JACK KEMP  
ORAL HISTORY PROJECT

Interview with  
JEFFREY L. BELL  
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Interviewer  
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JACK KEMP FOUNDATION  
WASHINGTON, DC

Morton Kondracke: This is a [Jack] Kemp Oral History Project interview with Jeff Bell, longtime friend and aide to Jack Kemp, and we're at the American Principles Project on K Street, N.W., in Washington, D.C. This is July 15, 2011.

Jeff, when you think about Jack Kemp, what comes to mind immediately?

Jeff Bell: Dynamism. He was just so active and so engaged all the time, and he always had a new project.

Kondracke: When did you first hear about him?

Bell: I heard about him from Jude [T.] Wanniski. Of course I had met him when he was running for Congress. I was working for the American Conservative Union. But I didn't really know him until the late seventies, maybe 1976, 1977. At one point he asked me to be his chief of staff, but I was getting ready to run for the U.S. Senate in New Jersey and I had to turn him down, but I didn't know him that well when he asked me. Maybe if he'd known me better, he wouldn't have asked me to be his chief of staff. [laughs] But we, of course, became close collaborators, partly through Jude, but through having our own relationship too. He came in and was one of the few elected officials

to campaign for me when I was challenging Clifford [P.] Case in the Republican primary in '78.

Kondracke: Do you remember exactly how Jude Wanniski introduced you to Jack Kemp, what the circumstances were?

Bell: It was probably in Jack's office on the [Capitol] Hill. He was always in Rayburn [House Office Building] every time I ever went in there, and I probably first went in there in '76 or '77. I can't remember the exact incident. I'm not too good on things like that. But I know that Jude was conspiring with him, and I wound up meeting with him also.

[Robert L.] Bob Bartley actually alerted Jude to Jack Kemp as a comer. That story's been told a couple of times, but I think Bartley said, "There's a real piece of political horse flesh down there that you need to meet," and it was Jack Kemp. He already had a tax-cut bill, but it was kind of like all these deductions and credits and things like that. Things were never quite the same after Jude and Jack got together.

Kondracke: There's a famous story about Jude Wanniski coming down to Washington, starting out in the morning and going deep into the night with Jack Kemp in about 1976, is that right?

Bell: That's probably right, yes. I think that's right, because they were together. I remember I was working for [Ronald W.] Reagan in '76, and I was out at the Kansas City convention where [Gerald R.] Ford [Jr.] defeated Reagan, and I remember seeing Jack and Jude together and they were trying to sell Reagan on the first version of the Kemp tax-cut bill. It wasn't yet Kemp-Roth. It was just a 30 percent tax cut.

Kondracke: So you had met Jack by that time.

Bell: Yes, I had met him earlier, but in terms of meeting him as a supply-side leader, that was probably around '76.

Kondracke: Let me understand your history as a supply-sider. You worked on the [Richard M.] Nixon campaign in 1968. So follow along your economic journey from there to being a supply-sider.

Bell: In the sixties, nobody who was active in Republican politics was interested in economics, because the sixties, a lot of things were going haywire in the sixties, but the economy was not actually one of them. The economy was in a boom all during the 1960s. We later concluded that the [John F.] Kennedy tax cut had had a lot to do with that. You had this tremendous growth period.

The '60 recession ended in '61, and then the next recession didn't begin until late '69, so almost the entire 1960s were a period of economic growth, but there was enormous tension taking place in the monetary system at the same time. But people like me were simply not aware of that. The issue in those days was foreign policy and campus unrest, crime, things like that. So if you're interested in politics in general, you kind of gravitate toward the things that are hot, that are really contested issues, and in Republican politics, the economy was not really that kind of an issue throughout the sixties when I was first getting interested.

I graduated from Columbia [University] in '65 and went to Vietnam after that, went to the Army for two years. I was drafted. Then I came back and worked in the Nixon campaign in '68, and I wasn't really focused on the economy during all that time, even though it was beginning to become a problem.

Kondracke: So when did you start focusing?

Bell: I would say that when double-digit inflation, the OPEC [Organization of Exporting Petroleum Countries] oil embargo and price increase, oil went up, multiplied several times in price, and it all seemed to have to do with the Middle East at first, but later, as the stagflation became a big issue in the seventies, it became evident that it wasn't just about a bunch of oil sheiks changing their minds about the Middle East; it was really a larger macroeconomic crisis. So conservatives started to have to deal with that, the people of the conservative movement, like myself.

I remember that I was working at ACU, American Conservative Union, in '70 and '71, when the conservative movement soured on Nixon. We had a group that I was involved in called the Manhattan 12, that broke with Nixon, and suspended our support. We didn't want to encourage somebody to run against him yet, but we wanted to take an intermediate position. [William F.] Bill Buckley [Jr.] was in this group; James Burnham of *National Review*, the people at *Human Events*, the people at Young Americans for Freedom, and ACU. [M. Stanton] Stan Evans was the chairman of ACU at the time.

We attacked Nixon on the economic side. It was wage and price controls, but I don't think we actually attacked him for suspending the

convertibility of the dollar to gold. It was more like, this is a bad idea to try to control wages and prices as your answer to an increase in inflation. But I wasn't really one of the people that engaged with that issue; it was usually older people. Like Bill Buckley had come into the conservative movement through economics in the early fifties, so he was more engaged on that issue than I was.

Kondracke: You have written that Jude Wanniski's *Public Interest* article, "The Mundell-Laffer Hypothesis [A New View of the World Economy]" in 1975 was kind of an epiphany for you. Is that true?

Bell: It was an eye-opener, because I had become Director of Research for Citizens for Reagan, and I was sitting in Washington in a very small windowless office, trying to pull together issues, and doing a briefing book that John [P.] Sears, who had worked in the Nixon campaign, as had I, was getting me to do a Q&A for Reagan.

Obviously the economy was in horrible shape. Nixon had had double-digit inflation plus a horrible recession in 1974. Ford was president, and he was kind of a status quo Republican. Alan Greenspan became chairman of the Council of Economic Advisors and came up with the WIN [Whip Inflation Now] program. Guys like you and I are old enough to remember fiascos like that.

Kondracke: Whip Inflation Now.

Bell: Exactly. [laughs] And it was meant to be like a mau-mauing of business and labor, and not raise the prices or wages that much. It was really pathetic. So the Reagan campaign knew it wasn't for that, but at the time what seemed like increasing the big deficits, Ford did, to his credit--I mean inflation came more under control in Ford's couple of years than it had been under Nixon.

Arthur [F.] Burns was still chairman of the Fed [Federal Reserve]. When Nixon went off of gold in '71 and did wage and price controls at the same time, by the next year things that had not been controlled or controllable, like internationally traded petroleum, were shooting up, and grain was shooting up. So Arthur Burns, who had opposed going off the gold standard, was still Chairman of the Fed till '78, when his term ran out under [James E. "Jimmy"] Carter.

Reagan was critical of Ford for not doing that much to either stimulate the economy or reduce spending, so I wound up getting a program together for Reagan that was widely blamed for his defeat in the primaries, the \$90 billion program. [laughs] But in doing research for that, for coming out for decentralizing certain programs, it was kind of modeled on what Reagan had done on welfare in California. He

really had a very successful welfare-reform campaign and program in California, so he decided to extend it to other areas, but the rules of the game at the time meant that in order to have any tax cut, you had to cut more in spending because there was a deficit at the time.

So I wound up throwing a lot of different things into the mix, and Reagan did go with the program, but the Ford people used it in New Hampshire, and Ford defeated Reagan in New Hampshire by one percentage point. So I think it's fair to say that if Reagan hadn't gotten into some difficulty on that issue, he might have won the New Hampshire primary and maybe he would have gone on to win the nomination, because it was very close.

So all of a sudden, I was thrown into the middle. Somebody who, as I mentioned earlier, hadn't really focused on economics, I was suddenly the most controversial person in the Republican Party, and there were people in the Reagan campaign who were trying to sideline me, marginalize me as this program had to be—Reagan defended it, but people were brought in to modify it and to make it more user-friendly.

Kondracke: Just briefly, the \$90 billion program was what?

Bell: It was taking a whole series of areas, welfare, education, housing, Medicaid, food stamps, things that the federal government had taken on, in most cases relatively recently, and saying, "Let's give them to the states, plus have a tax cut so that they can make their own decisions about how to reform these programs."

New Hampshire had no income tax; they had no state income tax at the time, and still don't. So the Ford people decided that they would counterattack on that and say, "Well, you people in New Hampshire, you pride yourself on not having an income tax. If Reagan's program of decentralization ever came through, then you'd have to have an income tax." It was kind of a crude attack, but effective. It put the Reagan campaign off balance and on the defensive, and Reagan downplayed the decentralization plan later in the campaign.

Kondracke: But on the supply-side issue, the 1975 article had nothing to do with that, did it?

Bell: Well, it did and it didn't. It was called the "Mundell-Laffer Hypothesis." Somebody brought in back issues of *The Public Interest*, the wife of one of the other people who were organizing Reagan's campaign, [James] Jim Lake, she came in and brought a whole pile of

*Public Interest*. That's the type of thing that I knew about the *Public Interest*, but I wasn't a regular reader of it, so all of a sudden I was reading these articles and I came across this "Mundell-Laffer Hypothesis" article by Jude.

The Laffer Curve came up in a footnote of the article. It wasn't in the main text; it was a footnote. It leapt out at me because I was putting together this plan where I had to make all these spending cuts in order to have less taxation. It just said there's some indication that at times you can cut tax rates and more money can come in.

Of course, [Arthur B.] Art [Laffer] had already done the napkin thing with [Donald H.] Rumsfeld, and I didn't know about any of that. I had never met Art and I had never met Jude.

Jude worked for the editorial page of [*The Wall Street*] *Journal*, and he was making the rounds of different campaigns. He wasn't committed to Reagan or anybody else, but he was working for Bob Bartley, who was the editor of the *Journal*, but really that was the title of somebody who was the editor of the editorial page. Jude visited everybody, and he asked to see who's working on issues here, and they were directed to me because I was the Director of Research. I'd never met Jude before, and I said, "I just read your article in *The Public Interest*." And we started talking, and we talked for hours. He was just a fascinating guy to talk to. He was full of ideas and he was

dogmatic, and he made statements that were outlandish but were really hard to argue with, because he was so sure of himself and he knew a lot of people and he knew a lot of things, and he was onto this issue of economics.

[Robert] Mundell had written an article for the *Journal* in 1974, in which he called for the direct opposite of what everybody else was calling for. At the time, the conventional wisdom, even in the Ford administration, was that we need to be nudging up taxes, but having looser monetary policy to stimulate the economy. Mundell said do the opposite; you need tight money and lower taxes. That article appeared in '74. I remember reading that even before I met Jude, but, you know, it takes time for things to come together in your mind.

At the same time, I was trying to figure out what should Reagan's big domestic proposal be. I was trying to figure out what should he say about the *coup d'état* in Portugal and things like that. I was just covering the waterfront and pretending to be authoritative on all these different subjects. So it was hard to drill down on any one subject.

But I was really fascinated with what Jude had said in this article, and then, just by coincidence, he came in and we started talking to each other right at that time in '75. I don't think at that

time he had actually connected with Kemp, so I was talking to Jude even before he made his connection with Jack.

Kondracke: Were you a member of the Michael 1 group in New York?

Bell: I was really flattered when Brian Domitrovic put me in that group, but I don't actually think I was. I don't think I actually went, to be honest, because I just wasn't going up to New York much at that point. I was kind of tied down in Washington. I might have been if I'd been in New York more, but I wasn't going up. I don't think I'd met Mundell at that time. I met Laffer probably in '75 or '76 with Jude. Jude introduced me to Laffer.

Kondracke: How does your relationship with Jack Kemp develop in those early days?

Bell: At that time, remember Jude didn't even connect with Jack until the following year, but there was a complicated Kemp tax bill. You probably have the name of it.

Kondracke: Job Creation Act.

Bell: The Job Creation Act. [Norman B.] Norm Ture had been involved in it, and there were all sorts of business incentives. The conventional wisdom was you don't cut rates. You don't cut rates. You do it in terms of incentives to corporations and investors. At some point, probably sometime in '76, Jude announced to me that, "The old Kemp bill has been thrown out. We're just going to replicate the Kennedy tax bill." And it happened. That's exactly what happened.

Jack threw out all the complicated deductions and credits. Some of them were retained, but the corporate side of it became a relatively minor part of the Kemp bill, and it was mainly an attempt to have the same Kennedy tax cut, which I think was a brilliant idea, because it gave the liberals all sorts of problems because many of them had been involved. It was funny, in the sixties, if you go back and look at how people voted, all of the liberals voted for the Kennedy-[Lyndon B.] Johnson tax cut, including liberal Republicans like Clifford Case. Barry [M.] Goldwater and the leading conservatives voted against it because it was considered fiscally irresponsible.

Kondracke: The Kennedy tax cut brought the top rate down from 90 to 70?

Bell: Ninety-one to 70. He originally proposed 65, then in Congress it got changed to 70. It wasn't actually signed by Kennedy because he was assassinated, but Johnson signed it in '64, and as I recall, two-thirds of the tax cut was effective immediately, and the remaining third of the tax cut on January 1, 1965. So it wasn't like a crazy idea that Jack originally had to just say, "Let's cut the rates 30 percent and have it be effective immediately," because that's exactly what had happened with the Kennedy tax cut, or almost what had happened, because they did have a slight lag until the last third of it was in. When they needed a Senate sponsor, [William V.] Bill Roth wanted it spread out over three years, so they agreed to do that.

Kondracke: Do you know who first put it into Jack Kemp's head that he should copy the John F. Kennedy tax-cut idea?

Bell: I really don't know for sure. I mean, Jude certainly claimed credit for it. I don't know for a fact that he did, but, to me, it had all the earmarks of a Jude project, that you kind of do an end run. You do like a flanking motion on the whole debate and make it much harder for the liberals to say, "Well, this is crazy," even though in a way it was a much more radical tax bill as a 30 percent income-tax cut than it was as a whole series of business incentives.

Kondracke: So in 1976 you're advising the Reagan campaign. Did you have anything to do with trying to get this into the Reagan agenda?

Bell: No, I didn't think it was going to happen. I mean, Jack claimed that he could probably deliver five delegates from western New York, but the real struggle at the convention was over the Mississippi delegation, which was the whole delegation that was supposed to go under the unit rule. The five delegates were kind of irrelevant, and I think John Sears and the Reagan strategists decided it would be very complicating to come out for this all of a sudden for a 30 percent tax cut. I wasn't involved in any of those talks. I probably would have been sympathetic to the idea, but I also would have been well aware that it wasn't going to be the key to turning the nomination.

The big fight at the Kansas City convention was over the morality of foreign policy plank, which [James A.] Jim Baker, who was the campaign manager for Gerald Ford, had the sense to just accept, so that it was approved unanimously and didn't become the issue that turned the convention toward Reagan. Ford won by seventy or eighty votes, something like that, on the first ballot.

Kondracke: As I understand it, Wanniski was talking to [Martin] Marty Anderson about this idea of adopting the 30 percent across-the-board tax cut. What was Marty Anderson's role in the Reagan campaign that year?

Bell: I had worked with him, as well as Sears, in '68. He was in the '68 Nixon campaign. But he was the guy who was brought in to try to domesticate my \$90 billion decentralization plan, so I had some tensions with Marty. I considered him a friend and largely got along with him, but he was somebody who had been specifically assigned to marginalize my ideas, so there was some tension. So it isn't surprising to me that I wasn't called in to give my views on adopting a 30 percent tax cut out of Kansas City.

Kondracke: Do you remember a Kemp speech at the convention about tax cutting?

Bell: No, I don't remember. Did somebody say there was? He gave a very memorable speech in the '80 convention, which I was involved in, but I don't remember. I wouldn't say that he did or didn't.

Kondracke: Had Kemp been for Reagan all the way along, battling against an incumbent president?

Bell: No. No, he had never taken sides. I think he was neutral between Ford and Reagan. Only a handful of congressmen and maybe one senator, Paul [D.] Laxalt, really endorsed Reagan for the nomination, so Jack wasn't unusual in being a congressman from New York. Nelson [F.] Rockefeller was Vice President of the United States, and he was the big cheese in the New York Republican Party. Jack, as a third-term congressman, was not in a position to lead a rebellion against the people who were based in downstate New York or running the New York Republican Party. So the fact that he was neutral is not odd, it's not unusual. [James L.] Jim Buckley was the U.S. senator at the time and he was neutral between Ford and Reagan.

Kondracke: So between '76 and '78, what were you doing?

Bell: As soon as Reagan lost the convention, I started preparing to run for the U.S. Senate in New Jersey. I thought I would get off to an earlier start when it looked like Reagan might be eliminated in the early primaries, but then he came back and he won in North Carolina.

I went down to Texas and got involved in the campaign to get a crossover vote of Democrats who were for George [C.] Wallace voting for Reagan, because they don't have party registration in Texas. So I was very excited when Reagan won 100 out of 100 delegates in Texas after I had been down there for three and a half weeks, along with many others. I'm not taking credit for it. My assignment was to try to increase the Democratic vote in the Republican primary, and the Republican primary tripled the previous record in terms of turnout of any earlier Republican primary, even though John [G.] Tower and the establishment were on the side of Ford.

So if I had been thinking about running for office before, that really excited me, because I just saw firsthand I'd been kind of marginalized on the issue side, so Sears sent me down to Texas to work on basic grassroots politics, getting "pro-lifers" to vote in the Republican, not the Democratic primary, things like that. So it made me think I could maybe cross over from being an issue nerd to being a candidate. Arthur [J.] Finkelstein was down there working on the race, and a lot of exciting things were happening.

So I came back and went through the rest of the Reagan campaign. I had a couple of other assignments that were not as successful, like trying to get Reagan a third of the vote in Rhode Island, which he fell two percentage points short of doing. That was

the threshold for getting any delegates out of Rhode Island. Things like that, little odd jobs.

Kondracke: Was there a rules issue whether delegates should be apportioned according to the population of a state or on the basis of a Republican vote? Do you remember Tower and Kemp being allies?

Bell: I think that was '72.

Kondracke: What was that about?

Bell: I think the guy you should ask about that is either Morton [C.] Blackwell, maybe [Donald] Don Devine. They got involved in that fight because there was some establishment effort to make the Republicanism of a state less of a factor in apportioning delegates. The way it was done and, I think, is largely still done, is that you got more delegates if you had a governor who had been elected or U.S. senators who had been elected. You got more statewide at-large delegates. Some people wanted to modify that. But that was '72. Kemp may have been involved in that as a freshman congressman. I don't remember. I wasn't involved directly in that, but I remember the controversy.

The controversy that related to the '76 convention was John Sears, the Reagan campaign manager, proposed Rule 16C, which would have required the presidential candidates to disclose who their vice presidential candidate was going to be. Now, Ford had already dropped Rockefeller from the ticket, but he hadn't said who he was going to pick. So he had Sears convince Reagan to nominate Richard [S.] Schweiker, senator from Pennsylvania, who was a moderate Republican, as his running mate. So he wanted to put Ford in a box in terms of who he was going to pick, because a lot of conservative delegates were in the balance, were still committed to Ford. Depending on who Ford picked, people at different ends of his coalition could have been affected. But Rule 16C was defeated on the convention floor, and it never came to anything.

Like I said, the other threat to the Ford nomination was the morality of foreign policy plank that had been put up by Jesse [A.] Helms [Jr.], and Jim Baker finessed that, much to the consternation of Henry [A.] Kissinger, who was screaming in private, but Baker said, "We're folding on this. We're going to let them have this and worry about it later."

Kondracke: So since you ran on Kemp-Roth in 1978, what was your connection to Jack Kemp in the two years between '76 and '78?

Bell: We were just all part of the same conspiracy. We were trying to get people to adopt this. I wanted to run on it because I believed in it. Jude lived in Morristown, New Jersey. I was running in New Jersey. I was living in Trenton, and we were constantly spending hours together on weekends. He was prepping me and he was working on his book. I was reading the chapters as they came out. I was just very excited about the whole thing.

I was using all the standard conservative issues, like [Clifford P.] Case had voted for the Panama Canal Treaty, which was very unpopular among conservatives. But I just decided that in terms of any mailings or television or radio that I was going to do, I was going to emphasize the Kemp-Roth issue, because I didn't have that much money and people would accuse me of being a single-issue candidate, because these were the things I had a high profile on. My answer to that was, "I think that's one more than most candidates ever have." [laughs] There was some truth to that.

But I made Case respond to it. Now, remember Case had voted for the Kennedy tax cut in the sixties, but he was against the Kemp-Roth tax cut because the orthodoxies, the movement of liberalism, the movement of conservatism, they completely switched roles since the mid 1960s. So Case, being a down-the-line liberal, he had to be

against the Kemp-Roth tax cut, even though he had voted for an almost identical tax cut fourteen years earlier. So it was just an ideally suited thing.

I defeated Case, and then [William W. "Bill"] Bradley was my opponent. He had not supported a tax cut in his primary when he won his primary against [Richard C.] Dick Leone, but then he came for a smaller tax cut. If Case had done that, I probably wouldn't have been able to win the primary, but he was inflexible. He would not support any tax cut.

Kondracke: How much contact with Jack Kemp did you have during your candidacy?

Bell: A lot. A lot, because with Jude's instigation, he came in and he headlined my biggest fundraising event of the primary in May of '78, I think it was.

Kondracke: How did the regulars treat Jack because he was campaigning against an incumbent senator?

Bell: They weren't happy. They weren't happy about it at all.

Kondracke: Who said what?

Bell: I honestly don't recall. I mean, certainly most of the New Jersey GOP was for Case, but Jack was beginning to become well known. People will remember him as a quarterback, of course, and as a smart young congressman, but he was just beginning to become well known. [William E.] Bill Brock, who was Chairman of the RNC [Republican National Committee], was showing a lot of interest in Kemp-Roth as a Republican campaign theme, and I think that after I won the primary and Proposition 13 [in California] happened the same day, June 6, 1978, Brock by then was absolutely sold. "Tax cutting is the big issue for 1978. We're going to have candidates run on this," and he did. He sold it, and people really liked it as a theme.

Kondracke: Were you the beneficiary of this traveling party that Brock put together?

Bell: Well, I was scheduled to be on it, but something happened and the schedule got thrown off, so I was waiting at the airport. It was kind of a fiasco. They didn't stop in New Jersey; they stopped in other states. That was really kind of a comic fiasco. But I was certainly a beneficiary of the overall tax-cutting sentiment. The TV ad guy who I

had, Elliot Curson, he did a commercial that said "California had Proposition 13. New Jersey has Jeff Bell." That was the tagline of all my commercials.

Kondracke: Proposition 13 put a constitutional cap on property taxes.

Bell: Right. It cut property taxes down to a maximum of 1 percent of assessed value, and because of the seventies' inflation, home values were shooting up all over the country. In California, the taxes were shooting up at the same time, so Howard [A.] Jarvis, a populist activist out in California, had this idea to put a cap of 1 percent on what you could tax in a home, and very few people were for it. Reagan, I think, endorsed it, but very late in the campaign. Evelle [J.] Younger was running against [Edmund G.] Jerry Brown [Jr.], challenging him for reelection. He endorsed it, but then he took a vacation right after the primary, and by the time he got back, Jerry Brown was running around California implementing Proposition 13, and Brown wound up winning.

But it was an earthquake. That was really—I mean, I'm being honest, it was much more of an earthquake, what happened in California, than my beating a liberal Republican senator in the primary in the same day, but I think the two did reinforce each other, because if people wanted to say, well, that's just something queer about

California and the way their property taxes worked, it was less easy to say that because I had taken it to the national level, using Kemp-Roth as my campaign issue. A Republican senator who had never lost an election ever before, lost.

Kondracke: So how many events did Kemp do for you, roughly?

Bell: He did that one in the primary, but he came back a couple of times in the general election.

Kondracke: Did you have any other outside support?

Bell: Yes. In the general, sure, a lot of Republicans rallied to me after that, but there was a lot of tension between Reagan and my campaign, because Paul Laxalt had been approached by Clifford Case on the Senate floor, and Case asked him to remain neutral, to get Reagan to remain neutral in the primary, and Laxalt went to Reagan and got Reagan to agree. So Reagan remained neutral. I was furious about it at the time.

Reagan wanted to come in and campaign for me in the general election, but I invited Gerald Ford to have my big fundraiser in the general election instead. It was a childish thing to do, in retrospect,

but I did it. I had a subliminal reason for not wanting Reagan to campaign for me, and that is that I was thinking that maybe Kemp should be the person to run for president, not Reagan, in 1980. You know, I'm sure, already a lot about where all that led.

I think it worked out very well, actually, for both Reagan and Kemp, but at the time, Jude, myself, and other people who were in the movement, were skeptical as to whether—Reagan had already endorsed the Kemp-Roth bill. He wrote a column, I think in *Human Events*, endorsing it in '77. It wasn't a matter of whether he was for it or not; it was is he going to understand that this has to be made the centerpiece of the 1980 campaign? Is he an old dog? Is he willing to learn new tricks? Or don't we need a dynamic young guy to carry this message?

Now, John Sears was deathly afraid of that. He did not want Kemp to run against Reagan in the primaries. That was his biggest fear about Reagan's path to the nomination.

Kondracke: What did Sears say? Did Sears talk to you about it?

Bell: Yes. I mean, I was going around meeting with people like [Joseph M.] Joe Margiotta. I don't know if you remember him, the Nassau County Republican Chairman, saying, "You ought to consider

supporting a guy from your own state, Jack Kemp, who would be a great vote-getter." Of course, Sears and [Charles R.] Charlie Black [Jr.], they all knew I was meeting with people like that, and they were very amused because a couple of years before, I had just been an issue nerd, and here I was meeting with Margiotta. I was kind of full of myself about that as well, I must admit.

It underlined Sears' worry about the fact that Kemp could run. He could run and he could raise money in direct mail, and he had people who were excited about him, high-dollar people like [Norman] Norm Braman, who was the owner of the Philadelphia Eagles, people like that. Kemp could be a threat to Reagan in the primaries.

Kondracke: So was anybody besides you out working the hustings for Kemp for '80?

Bell: Jude. Jude would meet with anybody. He got [William E.] Bill Simon to endorse me in the primary over Case. This was a famous incident. I may have even already told you about it. This was before the era of email. Jude went to Bob Bartley and said, "You have to give me Bill Simon's private phone number."

And Bartley said, "Why would I want to give you Bill Simon's— what do you want it for?"

He said, "I need to call him and tell him he has to endorse Jeff Bell in the primary over Case."

Now, Simon was actually interested in running for New Jersey office himself at that time. He had been mentioned as a candidate for governor, and he lived in Morristown, New Jersey, where Jude also lived, but Jude didn't know him that well. I mean, he'd met him, but he didn't know him.

Kondracke: He was the former Treasury secretary at this point.

Bell: He was Ford's last Treasury Secretary, I think maybe appointed originally under Nixon, but then he became Treasury secretary. Art Laffer had worked in his office, had worked for Simon in the last year or two of the Ford administration.

Bartley said, "All right, I will give you the phone number on one condition, that you agree to see a psychiatrist." [laughs]

Jude said, "Okay." Now, I consider Jude my best friend, but that was where he really proved it, because he was willing to go see a shrink just to get Bill Simon's phone number.

Sure enough, when he got Simon's phone number, he got Simon to do it, to say yes. He was listed as the honorary finance chairman,

and we made a big-deal endorsement out of that, and it helped me win the primary.

So, moving ahead, Jude, of course, wound up losing his job at *The Wall Street Journal* because he was giving out Bell brochures in the Hoboken train station right before the primary. I think he thought it was providential because his book was about to come out and he was thinking of starting going into economic consulting with Art Laffer, so he realized he wasn't behaving like a journalist anymore; he was behaving more like a political activist and advocate. I think he was not heartbroken that the *Journal* said, "You have to agree never to do anything like this again."

Jude said, "I can't agree to not doing anything like that."

I'd just won the primary. He was handing out the brochures, and most people didn't think I was going to win the primary, but it was a big upset, so Jude felt probably God was telling him something about whether he should be a journalist or a political activist.

Kondracke: Was Jude religious?

Bell: Now and then. I mean, he was a Catholic and he would go to Mass with his wife, but, you know, he was not a devout person particularly.

Kondracke: So after you lost in '78 and before the 1980 campaign, I take it you are a member in good standing of the supply-side gang.

Bell: Yes, definitely.

Kondracke: Meeting at Jack Kemp's house and so on?

Bell: Yes, and getting my tutorials from Jude in his recreation room in Morristown, staying up all night with him at times, trying to learn everything I needed to know about tax cutting. Of course, it was also about monetary policy from the beginning. The "Mundell-Laffer Hypothesis" article was about monetary policy predominantly, and the tax part was just this footnote. So if you were learning supply-side, you were learning about what a horrible mistake floating exchange rates were, how they were the cause of the double-digit inflation that Nixon and Carter experienced.

Kondracke: So these discussions that everybody had were what percentage tax policy and what percentage monetary policy?

Bell: Mostly tax, especially when you went into a larger group, but a surprising amount of it, Mort, was about gold and about getting back to a gold-backed dollar, a lot of it, more than you might think.

Kondracke: So Jude and you are boosting Kemp for president in 1980. Anybody else?

Bell: [Newton L.] Newt Gingrich might have been involved to some extent. I think he had been elected in—was it '76 or '78? He ran about three times before he was elected to the House. I think he might have been elected in '78. I think he was a freshman when I was running. He became a freshman the same year I ran for the Senate. He became part of the Kemp orbit right away. I can't say that he was running around the country saying, "My candidate is Jack Kemp." He was trying to hold down his House seat and things like that.

But there were people who were interested in Jack, who wanted to see him run. Since Jack was indecisive about it, people weren't running around endorsing him because they didn't know if he was going to challenge Reagan or not.

Kondracke: So when you all started talking to Jack about running, what did he say?

Bell: He said, "That's interesting." [laughs] We later found out that Art Laffer was not one of this group. Art Laffer was close to Justin [W.] Dart [Jr.], who was very close to Reagan, who was one of Reagan's old Kitchen Cabinet. Art wanted to get Reagan more on board, but he wanted to bring Kemp into the Reagan orbit. I think he had arranged a dinner at which Jack virtually said, "I'm with you, Governor." We didn't know about that at the time; Jude and I didn't know about that.

Kondracke: Laffer says that it was a Laffer-Wanniski idea designed to get Jack the vice presidential nomination.

Bell: I don't believe that. Jude and Art were not in sync on this. Jude thought that Jack should run in the primaries, as did I, and Art was closer to Reagan and Reagan's people out in California. Art was in California. He had moved to California. He was a professor at USC [University of Southern California], and one of his big patrons was Justin Dart, who had given money probably to set up the chair that he had at USC. So Art had been in California a couple of years at least, and he was more oriented toward getting Reagan to run. It was an honest disagreement, and you'd have to say that Art turned out to be

right rather than us, but there was no vice presidential plot. We wanted Jack to run in the primaries.

Kondracke: I'd like to get some idea of what the personalities are like and what the byplay is between the various parties. So, Jude Wanniski. What is his relation to Jack Kemp? What was Jude Wanniski like?

Bell: I don't think he could have been closer than he was to Jack. I mean, he was like an alter ego, and they were constantly talking about things. It's not that Jack was a puppet. I mean, Jack would push back at him, and Jude had ideas about—like his political theory was the electorate is always right, and that included when Stalin became dictator of the Soviet Union. The political model is that whoever is in power is in power for some reason. I certainly didn't agree with him on that, but it's in the book. It's in *The Way the World Works*. It's all in there, and I tried to get Jude to take that stuff out because I thought it was ridiculous. Jack didn't agree with it either, I don't think.

So it's not like he was parroting everything that Jude ever said, but Jude could be hypnotic. At one point in the '78 primaries, I found myself in Atlantic City, New Jersey, talking about the importance of the release of Aldo Moro, because Jude became fixated on this. Aldo Moro

was a former prime minister of Italy who was taken prisoner, captive, taken hostage by a bunch of terrorists in Italy. He was eventually murdered by them. But Jude decided that he would always talk about, on the margin, this is the most important thing, is that Aldo Moro be released from captivity by these Italian terrorists. So I was running around in New Jersey trying to convince some audience in Atlantic City, New Jersey, that this was a very important matter.

That's just an extreme example, but Jude could convince you, if he had your ear, if he could be in the room with you for an hour, he could convince you of almost anything.

Kondracke: Mesmerizing, I think.

Bell: That's right.

Kondracke: So what about [Lewis E.] Lew Lehrman?

Bell: Jude introduced me to Lew.

Kondracke: Lew was who at that time?

Bell: Lew was the president of Rite-Aid, but he retired at like the age of forty-two from Rite-Aid, and he was getting active in Republican politics. He decided he was going to see if he could run for governor of New York, but as an interim thing, he had been appointed chairman of the Republican State Platform Committee, so he was going around the state holding hearings. He was a political comer, somebody that Reagan wanted. He had been a roommate of one of Bush's brothers when he went to Yale [University], and he was considered a coming figure in politics, even though he hadn't run for anything at the time.

Kondracke: What was his connection to Jack?

Bell: He was interested in the gold standard, but he also got into supply-side economics. Jude looked him up early and introduced him to Kemp, introduced him to me, and we did a lot of stuff together eventually.

Kondracke: Paul Craig Roberts.

Bell: When Jude was terminated from *The Wall Street Journal* editorial page, Jude said that he recommended Paul Craig Roberts to take his

place as one of the editors, the associate editor of the editorial page, but they later had a falling-out.

Kondracke: Over what?

Bell: I honestly don't have any idea. Craig Roberts was a Ph.D. economist, unlike a lot of the people who were involved, and I don't think he agreed with us on the gold standard. I think he was a monetarist. So that might have been part of it. Craig was capable of breaking relations with many different people at the drop of a hat. He was a very fiery character.

Kondracke: He had been Kemp's chief foreign policy and then economic advisor.

Bell: Right. That's right. He was associated with Jack before Jude was, so there might have been some tension about that too.

Kondracke: Irving Kristol.

Bell: Irving Kristol, Jude called him "the godfather," and eventually I think *Esquire* wrote an article that referred to him as the godfather,

Irving Kristol, not so much about supply-side, but he was really the godfather about supply-side economics. Remember he was the editor of *The Public Interest*. He led Jude in there.

After Jude left the *Journal*, Irving got him a fellowship at AEI [American Enterprise Institute], so Jude was going down to AEI and Irving was there at the time. They talked about it all the time. Irving was very interested in it, and probably he helped him get his advance for the book, because he had been very involved with Basic Books, and Basic Books wound up being the publisher of *The Way the World Works*. So Jude would drive down to Washington three or four days a week to be at AEI. Antonin [G.] Scalia was there as the director of regulation studies. Robert [H.] Bork was there. I mean, it was an amazing group of people who were there under [William J.] Baroody [Sr.] at the time, in the seventies.

Irving was a tremendous person. I don't know if you ever got to know him. He was just a wonderful person and a brilliant person. When I lost my Senate race, immediately I had a lunch with Irving Kristol and [Leslie] Les Lenkowsky, and they got me the job of what became the president of the Manhattan Institute. I was their first full-time president, although it wasn't called that at the time. He was constantly looking out for people who he thought were promising, and helping them make their way in the world.

He helped put supply-side on the map. He didn't see anything wrong with it. He said, "Why shouldn't we cut taxes? Who said it's not going to work? Why wouldn't it work?" He had a lot of weight, because he was—I won't say universally, but he was very widely respected among the world of New York-type intellectuals.

At one time Jude told me that on one of his trips down to AEI, which Irving had gotten him this fellowship, he pulled his car off the road because he was weeping out of gratitude to Irving Kristol, and Jude didn't talk about things like that normally. He was just very moved by how Irving took him in and supported him, stuck with him when he was under attack, and kept the thing going.

Kondracke: Robert Mundell.

Bell: Mundell became a professor at Columbia in 1974, but he'd earlier worked at the IMF [International Monetary Fund] and the Fed, and he knew all about monetary policy. I think he had been active in economic policymaking even back in the Kennedy years. I think he would claim that he had a little something to do with the Kennedy tax cut as well as the Reagan tax cut. I would never question him about that, because he's a brilliant guy and he was always very well connected, but he had an unusual demeanor. He had long hair down

to his shoulders and he talked very ponderously. He's a Canadian. It was really surprising when you met him for the first time, because he was like a hippie.

But then I was told by someone—I won't say who, but when he won the Nobel Prize in 1999, all of a sudden he got a haircut, he was wearing expensive suits, and he just became a totally made-over person when he won the Nobel Prize.

He's, I think rightly, called the father of the Euro. Mundell never bought the idea that letting exchange rates float against each other made any sense whatsoever. He said, "Why do we have fifty different Federal Reserves in the United States? Each state could have its own monetary policy. Wouldn't that be great? If it's great to have every country floating against every other country, why stop at a hundred countries? Why not have fifty states? Of course, that's absurd."

The European Union basically bought his logic and said it makes sense to have a single currency if we're serious about economic integration. Not every country in the EU went for it. Britain didn't. But it was the force of Mundell's intellect and his ideas that led to that.

He and Milton Friedman were at the University of Chicago at the same time, and there were big fights there, I'm told, and Art was involved in that, and he sided with Mundell. I think Art was the youngest person ever to get tenure in the Economics Department at

Chicago, but he quickly was on the outs with the other heavyweights there because he sided with Mundell on fixed exchange rates versus floating exchange rates, and he supported gold.

In fact, in the famous thing where Jack led a group of supply-siders out to brief Reagan in January 1980 or December '79--I keep forgetting which one it was—Art gave the presentation on monetary reform for the gold standard, not on the Laffer Curve, on tax cuts, but Art gave the presentation to Reagan on why we needed to go to the gold standard.

Around the same time, I was making eleven commercials with Reagan, because they fired the Madison Avenue people who did his first batch of commercials, and I got Reagan to do a thirty-second ad endorsing the gold standard. I can show it to you. I have it right here. I just retrieved it for the first time and saw it for the first time in thirty years. Reagan called me later that day, after he'd gone back from the studio where we had just made the spots, and said, "That one on gold, don't erase it, but put it off to one side, because we've got some people here in California who would be very upset if they saw that I was going to advocate it." But Reagan believed in the gold standard. It was the fault of the supply-siders that we weren't able to get him to adopt it once he was president. We had plenty of

opportunities, and we just didn't have our act together enough to get him to do it.

So that was part of what was going on with both Kemp and the Reagan people. Of course, Milton Friedman was close to Reagan. He was out at Hoover [Institution] by then, and he was totally against it. Marty Anderson was against it.

Kondracke: Why were they against it?

Bell: It was considered retro. Milton Friedman thought that it was too rigid, that the Federal Reserve, just by deciding how much money should be printed at any given year, would be better able to have flexibility in the economy. Well, we see where that's led, Mr. Ben [S.] Bernanke. But at the time, a lot of conservative economists were in favor of just controlling the money supply on a day-to-day basis by the Fed, using open-market operations, and they thought that would be the way to fight inflation. So there was a lot of disagreement. There still is. But I would say that Reagan leaned more toward the gold side of that argument than he did toward the monetarist side.

Kondracke: So who else was in this group and who was important?

Bell: Kemp was really intellectually vital, because he would have people in to his office, and it wasn't just on taxes; it was [William J.] Bill Schneider [Jr.] on defense and Richard [N.] Perle would come in, and people would argue about what the defense policy should be and was the grain embargo against the Soviet Union, after the invasion of Afghanistan, was that a good idea or not, and Kemp decided it wasn't. Reagan eventually decided it wasn't. Everything was up for grabs. People would come in and just fight right in front of Jack, and he would watch them going at each other. He was not afraid to have anything questioned. It was a great thing. It was really a fantastic thing. I just wish there were more people like that now in Congress or anywhere else, really.

Kondracke: Do you consider Jack an intellectual?

Bell: He was a self-trained intellectual. Some reporter said that he never got over being a physical education major at Occidental College. Maybe there's a little bit of truth to that, but the truth is, he was a self-taught intellectual. He had read more books than most people who had Ph.D.s, and he was constantly asking questions. He had an inquiring mind.

I think it's fair to say that when a profession is crashing, when something has gone badly wrong with an elite profession like economics, people come from outside the profession and are able to break through. Like I remember one of the big fights between Craig Roberts and Jude Wanniski was when Craig got furious at him at one point and said, "Jude, you cannot go against an entire profession."

And Jude said, "Yes, I can." And he was right, because the profession didn't have an answer to what Jude was saying.

Kondracke: In your obituary about Jack, you said that, "This gang was often at each other's throats."

Bell: Absolutely right, yes.

Kondracke: Besides Craig Roberts and Wanniski in that example, who else was at each other's throats?

Bell: Bruce [R.] Bartlett was there. Some of the younger congressmen who came in, like [James A.] Jim Courter was part of the group. Newt was around. [C.] Trent Lott, he was very senior. Actually, he wasn't. He was actually only elected in '72. Jack was in

Congress before Trent, but Trent was a guy moving up in the leadership. He was always involved.

Kondracke: Were they disputatious?

Bell: I think they were fascinating, to see all these people coming in and out and arguing with each other. [Cornelius H. M.] Connie Mack [III], congressman, he was one of them. He was around. Not the Connie Mack now, but his father.

Kondracke: The debating society was at Jack's office, his home, anywhere else?

Bell: I don't remember. There may have been like conventions they were all at, where it was a hotel room or a hotel suite. I don't remember that, but it easily could have been. Certainly I remember in his office and sometimes in his home.

Kondracke: Was [Robert D. S.] Bob Novak ever allowed to sit in on these things?

Bell: Not often, because with Bob, you never knew what he thought was news. I know people think, in retrospect, that he—and it was true, he did become an advocate of supply-side, there's no question about that, but at the time, you were never sure what he thought was going to be off limits and what was not off limits. He was constantly looking for a story, as you well know. You knew him well. So you couldn't be totally sure what Bob—he would say to somebody, "I'm hearing that," such and such. So he wouldn't give away the source, but he would put out an idea and he would ask you—I was one of his sources, obviously. He would come out with something and you'd, "Well, where did he get that?"

So I think that he was a force because he was constantly talking to Jude, he could get through on a line to Jack anytime he wanted, he was constantly promoting Jack, Jack was one of his projects, and he was a force, but not because he was sitting around being an amateur politician. That made him uncomfortable.

Kondracke: Why was Jack one of his projects?

Bell: Because Bob was always open to moving in a new direction intellectually. He had one of the most inquiring minds I've ever seen, and he read hundreds of books. He told me that he didn't need much

sleep. He would sleep like three or four hours, but he'd be up reading a book, like in the middle of the night. I'm a slow reader, so I have no ability to keep up with somebody like that. He was constantly aware of different ideas that were coming out in terms of books, magazine articles. He had read everything that was in the press. Everything. And he had a kind of retention of facts and information that was unbelievable, so he was just a constant force.

I first met him in 1974, when I was working for Reagan in Sacramento, and he came out and he was doing reporting. He wasn't that friendly to Reagan at the time. He was much closer to Ford and [Melvin R.] Mel Laird and those people who were in the Ford orbit. But by '76, he was voting for Reagan in the primary over Ford, in the Maryland primary. I don't know a single other journalist who did, who was in the mainstream media. There may have been one or two, but I don't know who they are. So he did a complete circuit of his views of what the Republican Party should be.

He wrote a book with [Rowland E.] Rollie Evans [Jr.], his partner, about the agony of the GOP. That was all from the moderate Republican point of view. But by '76, he was voting for Reagan over Ford, even though he was writing columns that were critical of Reagan and Reagan's campaign, they missed this bet or that bet. I mean, you just never knew where you were at with him. He was an advocate of

the ideas, but he was not a pushover. He was not somebody who would just put anything in the paper if he knew it wasn't true. So he was a challenge to deal with, although an important force.

Kondracke: Were there any other media people who were paying attention to what you were doing closely?

Bell: That's a good question. There was [Frederic W.] Fred Barnes. He was with the *Baltimore Sun*, and he was still interested when he went to *The New Republic*. You were there, too, right? They hired Fred knowing he was a conservative by then. I don't think he was a conservative in the mid seventies, but he had kind of gone with Bob in that same direction. By the time *The New Republic* had hired him away from the *Baltimore Sun*, they were hiring him to—was he covering Reagan? Was he the White House correspondent when Reagan was president? That's partly why they hired him, right? So Fred. Irving Kristol obviously wasn't just a journalist, but he was writing a lot of articles. There weren't too many.

Kondracke: 1980 convention. Do you think that Kemp ever had a chance of being Reagan's vice president?

Bell: I think he had an outside chance, but I think he was probably ruled out by the time of the convention.

Kondracke: Why?

Bell: Because of these rumors about him being involved in a homosexual ring in Lake Tahoe. Now, Jude did a direct assault on that. He was being interviewed by some reporter. He said, "What about the homosexual rumor?"

And then Jude said, "It isn't true, but it's like a background noise in Jack's career." He blew it up.

It wasn't true. Eventually investigative reporting took place on it. I think Jude was right; it was better to try to bring this out into the open because it was lethal as a problem for Jack being considered for vice president, because if you thought there was any chance that he had been involved in a homosexual ring, and these people had all been fired, Reagan's top people had been fired in 1967 over this thing, and Jack was close to them. He was in the Reagan orbit in the early Reagan years as governor.

Kondracke: What was that rumor based on?

Bell: It involved an incident or incidents at Lake Tahoe, Nevada, and a man named [Philip] Phil Battaglia, who was Reagan's first chief of staff as governor, was part of it, and he was fired and was never heard about after that, that I know of. I assume he may still be alive, for all I know, but I don't know what happened to him. He was Reagan's chief of staff for a few months in 1967, and he was involved in this thing. It was a big threat to Reagan's career at the time. [Franklyn C.] Lyn Nofziger was one of the people who came in and picked up the pieces after this had happened. He was in the Reagan campaign, and I don't know what he said. I don't know if he was not sure what had happened, but I got the feeling that Lyn had said, "There's just too much uncertainty over that," and that the Reagan high command ruled Kemp out.

Now, the other thing that was true, Mort, is that Sears was the patron of Jack Kemp and the supply-siders within the Reagan camp, and he was fired the day of the New Hampshire primary. Jack and I were both in the briefing for Reagan's Nashua debate with George [H.W.] Bush, which was held three days before the primary. That was the famous scene where Reagan said, "I paid for this microphone, Mr. Green," and he took Bush to the cleaners. I had done the commercials that were being used. Reagan had taken a slight lead, maybe 10 points, going into that debate, and then he won the race by 27.

Sears, [James] Jim Lake, and [Charles R.] Charlie Black [Jr.] were called in and fired on the spot.

Kondracke: Why?

Bell: Because there was just so much tension between Reagan and Sears and his team. I had no idea. I knew there were fights. I knew that Reagan had fired [Michael K.] Mike Deaver at Sears' behest, and Lyn Nofziger, Marty Anderson had been pushed out of the campaign. Even though Sears, I think, originally brought them aboard, he became more of a California figure because of his association at Hoover. All these people were being purged one by one, and Sears also wanted [Edwin] Ed Meese [III] out of the campaign.

I wrote an article about this for the *Weekly Standard* in 2001, called "The Candidate and the Briefing Book." I'd been involved in '76 because Sears put me in charge of writing a briefing book for Reagan that Reagan didn't read all that much. So Sears was afraid. He knew Reagan was a tremendous talent, and I think they did a lot of good things together, but Sears was always afraid Reagan wouldn't be prepared for the next debate. That's why he held him out of the *Des Moines Register* debate and Reagan lost the Iowa Caucus to Bush.

Kondracke: Jack Kemp was in the—

Bell: He was in the briefing. The Reagan campaign was going up against the spending limits, so they had their headquarters in Massachusetts, North Andover, Massachusetts, in a hotel, a motel in North Andover, Massachusetts. So they had this big briefing room, and there were twenty people who were briefing Ronald Reagan, people from the staff, like Marty Anderson. No, actually he'd been pushed out by then, so he wasn't there. But [William J.] Bill Casey was up there. He was a Reagan person by then. He eventually succeeded Sears within days as the campaign manager, but nobody knew that was about to happen.

Sears and Black and Lake were involved, luring Bush into this controversy over who was going to be in the debate that led to the "I paid for this microphone" incident and made Bush look kind of flatfooted. So they were doing everything they could to win that primary. Reagan had lost Iowa. If he went on and lost New Hampshire, his career might be over.

Kondracke: So what was Jack's role in this?

Bell: He was a briefer. He was an insider. As part of the understanding that he was going to support Reagan rather than run himself, he had been named as chief press spokesman and—Sears came up with some double title, chief spokesman and chief issue advisor or something like that. I forget what it was. I once knew this stuff by heart. It was probably in the Evans and Novak book, *The Reagan Revolution*. So Jack was semi official. He was in every issues meeting and some political meetings.

After that, Sears was no longer in the campaign, so Jack and I and people who had been close to Sears were under suspicion. We were kept at arm's length from then on, so a lot of people said, "Jack, you're no longer an insider in the Reagan campaign. It looks like he's going to win the nomination. You ought to run for the Senate. You ought to challenge Jacob [K.] Javits for the Senate seat." And Jack thought about that, I think, because he was suddenly not being invited to the Reagan meetings, and we all knew why. There wasn't any mystery.

Kondracke: He was too associated with Sears?

Bell: Yes, and Sears was the big project manager of saying, "You've got to run on supply-side, Jack. All your people have to become

Reagan people." Sears was somewhat non-ideological himself, but he always knew that the campaign can't just be against the other guys. It couldn't be against Ford, so that's why he called me in and said, "Figure out some big idea for Reagan to run on." I never would have done that if Sears hadn't called me in and given me the franchise to write a big speech and say what is a big idea. We can't just say, "Jerry Ford is a loser." We have to say, "Here's my vision of the future." And that was the origin of that.

By '78 and '79, supply-side had become that. Everything had evolved into supply-side as the big new idea. Sears, although, like I said, people did not understand him, they thought of him as a moderate Republican. I think a lot of reporters did, and they liked that about him. But Sears was a conservative and not a particularly ideological one, but he wanted a theme. He wanted Reagan to run on something, as something, and also at the same time he could see that Kemp was capable of using this as a vehicle and defeating Reagan or causing a lot of problems for Reagan in the primaries. So it all kind of fused together in Sears' mind, "We've got to get Kemp out of the race and have him make sure that Reagan is--."

So that's why Jack Kemp was leading Jude Wanniski and [David M.] Dave Smick and Art Laffer and a bunch of other people out to California to be the chief briefers of Reagan on the economics side,

whereas people like Richard Perle were coming in and doing the foreign policy, or Bill Schneider. So that was Sears.

[Pause.]

Konracke: In this meeting in Los Angeles either late '79 or early '80, is that where Kemp convinced Reagan to be for Kemp-Roth, or was he already for Kemp-Roth but he had to be educated, or what happened?

Bell: More the latter. When Kemp had been named as a top official in the Reagan campaign, my memory is that was a couple of months, maybe three months earlier. That was when Reagan was locked into the idea that he was going to make this a central issue in the campaign.

The meeting in California, which was arranged by Sears but also by other people in the Reagan team, Sears insisted that the economic briefing be given by the supply-siders, not by somebody who was a follower of Milton Friedman, which would have been a very different briefing.

The tension between Sears and Reagan was about whether Reagan was going to be prepared enough to handle questions. He wasn't as prepared as he could have been when the \$90 billion plan came up, and Sears thought that supply-side—and he was correct

about this—was a simpler and easier to explain thing, but he wanted Reagan to use the session to ask a lot of questions about “How would this work?” and “What if they asked me this?” So I think Reagan always liked the idea of supply-side and he was in favor of it, but Sears and other people in the campaign wanted to make sure he had all the arguments down and knew that there was a respectable defense of it.

Kondracke: In this obituary, you said that “Getting Reagan to make Kemp-Roth the centerpiece of his campaign was a complex process that culminated with success in 1979 but left his campaign team with multiple wounds that never would be fully healed.” What were the wounds?

Bell: People in the campaign resisting the idea of wanting this to be the central issue was part of it. I would say the California-based people who had been with Reagan when he was governor were uncertain. They were in awe of Milton Friedman, who was at the Hoover Institution. Marty Anderson became part of that operation. It could be one thing that we mentioned, but that thing of “He’s a one-issue candidate” had come up in my Senate race, Marty Anderson

would have been somebody who thought it should be one of a number of different things that Reagan discussed.

That's a very intuitive or respectable case to make, but Sears was fixated on having this be the main thing, and I think it worked, because Reagan, instead of being this guy who might be a little bit too old, suddenly became "He's the guy who has this kind of nutty idea to cut taxes." Well, that wasn't so bad. That wasn't such a bad thing to be, as opposed to being a guy who, if he were elected, would be the oldest man ever to win the presidency. So it was a kind of indirection of Reagan having a dynamic economic policy was a substitute for "Reagan, is he really going to be vigorous enough at his age to be the next president?"

Kondracke: Reagan gets elected and Kemp-Roth, cutting taxes is the centerpiece of his economic policy. Now, Art Laffer says that in early '81, Reagan got together with Mike Deaver, with [Richard B.] Dick Wirthlin, and Reagan and Laffer, and Reagan says, "What did we promise? What did we really promise? Did we promise tax reduction or rate reduction?" And they concluded that they promised tax reduction, not rate reduction, so the bill that they came up with was not Kemp-Roth, did not cut the top rate from 70 to 50, that the only way that that got passed into law was because [William] Bill Brodhead,

a Democratic congressman, had an amendment to that effect. What's your recollection of all that?

Kondracke: That's true. They wanted it to be a much larger bill. From the moment Reagan won the nomination, the people, led by [Charles] Charlie Walker, who were for 10-5-3--remember that?

Kondracke: Which was a lot of business tax deduction.

Bell: A huge depreciation cut for corporations. At one point Walker tried to get 10-5-3 to be the centerpiece. This was after Reagan was the nominee. At one point he made an effort to say, "The tax rate reduction, we'll just have that be the first year. Just the first year will be for that."

And, of course, Kemp, who was more of an outsider by then, because Sears had been fired, he went nuts. He went absolutely nuts. Wanniski went nuts. Bob Bartley probably went nuts. They said, "You can't do this. Reagan ran on a three-year tax cut that would cut the top rate from 70 to 50."

So the Reagan tax cut, when it was introduced, which is what Art is referring to, had 70 going down to 50 in the third year. Brodhead, who was a liberal Democrat on the Ways and Means Committee—and

remember the Democrats had the House and Republicans had the Senate after Reagan's election, but the Democrats had the House, so Ways and Means was going to be the first committee to take a shot at the tax bill—said, "Well, look. This thing of a 70 percent rate for unearned income was put in in 1969 and makes no sense. You've already got a double taxation of dividends. Let's just cut the 70 to 50 right now in the first year." And it was adopted in the Ways and Means Committee. So that was the first thing that was a deviation.

They didn't have indexing in the original Reagan tax-cut proposal, but my memory is—other people have different memories, but I think [Robert J.] Bob Dole was the one who got indexing put into the tax bill in the Senate.

Kondracke: Indexing means?

Bell: In other words, it indexed it for inflation. If inflation went up a certain amount, then the threshold of the tax rate would go up by that same amount, so you couldn't have bracket creep, the phenomenon of bracket creep, which we had talked a lot about in the 1970s when you had double-digit inflation pushing people up into tax brackets that had never been designed for them. The indexing was supposed to prevent that. It was meant to prevent that from happening in the future.

Remembering, you're legislating in an atmosphere of 9, 10 percent inflation in '81, so that was still a huge problem, and it was a good thing to do.

Kondracke: So what was Kemp's attitude toward ERTA [Economic Recovery Tax Act of 1981], the original Reagan tax bill?

Bell: He was going to be a team player. He was going to support it, but it had to go through the committee. It wasn't preordained how it was going to emerge from a Democratic House. The Republican Senate was seen as less of a problem, and it was less of a problem because the Republicans, even people who were nervous about it. I do think one Republican senator voted against it, and that was [Charles M.] Mac Mathias [Jr.] of Maryland, but it passed the Senate. I think it was 87 to 13 or something like that, or 89 to 11. I think it might have been 89 to 11, with ten Democrats, including Bill Bradley, voting against it, and Mac Mathias being the only Republican.

But in the House, [Daniel D. "Dan"] Rostenkowski was the chairman of Ways and Means, wasn't he? He was by then, right? He certainly was in '85, but I think he also was in '81. So it had to go through a Democratic-controlled committee. But it turns out a lot of the Democrats wanted to increase the size of the tax cut. They

weren't going to, "Oh, we've got to cut it down." It doesn't resemble the kind of debate you see now. The Democrats had gotten on board. Reagan had won on this tax-cut proposal, and Democrats in the House were saying, "Let's get in on the act. We're going to get some of our stuff in that we'd like to see." So the tax cut grew. It didn't shrink.

There was a picture that we have to put in ERTA and we'll have a moderate tax cut so that the Democrats will feel they have to go along with it, because Reagan ran on the tax cut. I'm sure Art is right about that conversation, but the truth is that Reagan was more identified with the tax-rate cut in the primaries as opposed to, say, Howard [H.] Baker [Jr.] or Bush, whatever they were saying.

Kondracke: Reagan didn't really understand what he was for?

Bell: I think he did. A lot of people wanted to de-emphasize Kemp-Roth during the primaries, when it became a big object of attack.

Kondracke: By Bush.

Bell: By Bush, by others. [John B.] Connolly wasn't crazy about it either, and he was one of the opponents. And Reagan said, "No, we can't drop that. We're for this. Why negotiate with ourselves?" So

plenty of people in the campaign wanted to cut it back, and at one point--you'll find this in Bob Novak's autobiography—he was asked about somebody from the Reagan camp came up to him and said, "Is it too late for Reagan to change his advocacy of the tax cut?"

And Bob thought about it for a minute. He knew his political advice was not being asked for; they wanted to know if he was going to raise hell if they tried to deep-six the tax cut, and Bob said, "It's too late."

The emissary took it back, and Novak, in effect, said, "No, we can't do that," which means he is going to kick the crap out of us if we try, so they didn't.

Kondracke: Who wanted to do that?

Bell: Almost everybody in what was left of the Reagan campaign, because the original advocates, like John Sears and Charlie Black, were no longer in the campaign. A lot of politicians, when you get attacked on something that the other side doesn't like, they misunderstand this. The other side wants you to get rid of it. They don't like it. They don't like being told that if you cut tax rates there'll be more money coming in, because it kind of screws up their whole calculation. So they ridiculed the Laffer Curve and they attacked the

tax-rate cuts. The Reagan people were taking this literally. They were saying, "Oh, my god, I guess we're vulnerable on being for a tax cut." I think it's a misunderstanding of the way these things work.

The Laffer Curve is a truism. The Laffer Curve is not some weird theory. It's obvious that if you tax a dollar of income at 100 percent, you're going to get no revenue, and also you're going to get no revenue if you tax it at zero percent, and there's some rate in between those two things that's going to maximize the revenue. What this is might depend on where you are at that point in history or whatever, but it's obvious that there was a rate in between 100 percent and zero percent that will maximize the revenue on that dollar of income. It's not a theory; it's just a truism.

Kondracke: And 70 is obviously too high.

Bell: And 70 is too high. So Brodhead comes in, in the Ways and Means Committee, and says, "Seventy is too high. You want to wind up at 50 in two or three years. Let's just cut that out now." There's already a 50 percent tax on personal income. The Tax Reform Act of '69 had divided personal income from so-called unearned income or dividend income, and they cut the 70 percent personal rate to 50, but at the same time they left the tax on investment income at 70, which

it was since the Kennedy tax cut. So Brodhead said, "Let's just cut the 70 percent down to 50 right away." And the Ways and Means Committee passed it.

Kondracke: Why did the gold standard not become Reagan policy?

Bell: The Gold Commission had been created in the previous Congress, so there was sentiment for looking into this, and Reagan inherited a Gold Commission that he was supposed to appoint people to, but his chairman of the Council, Murray [L.] Weidenbaum, and his other economic advisors were not for the gold standard, but some of his supporters were. So he appointed Lew Lehrman and [Ronald E.] Ron Paul as members of the Gold Commission, and the Gold Commission had hearings, but Anna [J.] Schwartz was the executive director of the Gold Commission, and she was Milton Friedman's co-author of *A Monetary History of the United States*. She wasn't as hostile to the gold standard, according to some people, as you might think. She wanted both sides to have their say, and supporters of the gold standard came in and testified, as well as opponents of it.

The Gold Commission made its report. The minority report was co-signed by Lew Lehrman and Ron Paul. But that was just on the surface. The back story was that people were coming in and making

the case for gold to Reagan, including Lew. Lew was considered as a Treasury appointee. He didn't get an appointment, but he wasn't heartbroken about that because he was going to run for governor of New York anyway. But he had a good relationship with Reagan.

Kemp was an advocate of considering the gold standard, or at least some support for a dollar that was backed by gold, and Laffer was sympathetic to that. I don't know if Mundell was a direct advisor to Reagan in '81. He was kind of in the background. He was a Columbia professor.

There was a faction among the Reagan economic advisors who were willing to have gold play a role, and Reagan listened to them. My feeling is that our side didn't have its act together. I remember what I think of as a decisive moment which Lew Lehrman reported to me about a conversation between him and Reagan, and Reagan turned to Lew and said, "But, Lew, what is the price?" And Lew didn't have an answer to that directly. If he had just said, "Four hundred dollars an ounce would work fine, Mr. President," who knows, Reagan might have gone for that. Reagan wanted to do this, but he also wanted people who were confident, who were certain of how to get back to the gold standard. I think the supply-siders fell a little bit short of being able to do that.

Kondracke: I heard a story which supposedly comes from you, actually, that after the tax-cut bill got passed, Reagan said to Lehrman, "What do we do now?" and Lehrman said, "I'll get back to you," and then never got back to him.

Bell: It came from me? I don't remember saying that. I mean, I don't remember that as being—I think Lehrman did advocate it. I mean, he had meetings with Reagan in which he said, "You could do this, you could do that." I mean, he had a definite feeling. And John [D.] Mueller, who was Kemp's chief economist from '79 to '88, when Kemp was in Congress, was definitely part of the group that wanted to see the gold standard.

Kondracke: Did Kemp have a lot of contact with Reagan in those days?

Bell: Yes. Remember Jack was elected to the leadership at the end of 1980. Jack had decided not to run for the Senate; he had just run for reelection. He was elevated to the chairmanship of the conference, the number-three position in the House. [Robert H.] Bob Michel was the Leader. Who was the Whip? I think maybe Guy Vander Jagt, but I'm just guessing. I can't remember who the Whip was. But Jack was

the number-three leader in the House. Trent Lott at some point became the Whip, but I can't remember when it was. He might have been elected in '80 at the same time Jack was.

Kondracke: What were you doing in those days?

Bell: I was going to run for the Senate again. I was asked if I was interested in being considered for a position in the administration, and I said, "Actually, I'm not. I don't want to come to Washington. I want to stay in New Jersey and run for the Senate again." That didn't work out. I mean, I did run, but I lost. I wasn't shopping around for a job.

I'd become president of what became the Manhattan Institute, and Bill Casey was the chairman of the Manhattan Institute at the same time. We both resigned at the same time. Casey became the Reagan campaign manager, but I had to leave because my name had appeared in the "Periscope" section of *Newsweek* as putting together the television commercials for Reagan's primaries, and the people on the board of what became the Manhattan Institute--at the time it was ICEPS, the International Center for Economic Policy Studies--said, "You're getting too political. Bill is leaving because he's become the Reagan campaign manager, and our tax exemption could be in some

trouble if we're seen as a totally political operation." I realized I had to leave. Irving Kristol had gotten me that position.

I got a visiting professorship at the Eagleton Institute [of Politics] at Rutgers [University], which allowed me to work on the book I was working on and also be more free to work on politics.

Kondracke: I'm interested in the relationship of [David A.] Dave Stockman and Jack Kemp. Stockman supposedly was a supply-sider, and Jack Kemp recommended him as budget director, is that correct?

Bell: Everybody did. Jude, everybody was in favor of Dave Stockman. He was the one guy. He had not supported Reagan for the nomination, he had supported Bush, but he was considered a really bright figure in the House. He had been elected to the House probably in '76. He had written an article in *The Public Interest* on the need to cut the budget, and had gotten a lot of attention. David was encyclopedic on spending programs and on the budget, and he had the aura of being both a supply-sider, but also knowing a lot about how to cut the budget. So OMB [Office of Management and Budget] was a natural thing to recommend him for.

At the same time, people were pushing for Lehrman to be Treasury secretary or deputy Treasury secretary, and that didn't fly.

Other things that we were pushing didn't happen, but here was the one guy, even though he had supported Bush for the nomination, he was considered really qualified to be the OMB director. So we had the picture that normally the OMB director might be somebody who would be in tension with the tax-cutting agenda, but it would be perfect to have Stockman there because he believed in supply-side.

Also, during the preparation for Reagan's debate, I think he played the part of Jimmy Carter.

Kondracke: John [B.] Anderson

Bell: Or John Anderson. I think he had worked for John Anderson at one point, right? Boy, this is really Byzantine, Stockman's different roles at different times.

Reagan debated Anderson first and then he debated Carter, and I think he had done such a good job in portraying his own former boss, that he wound up portraying Carter as well. So he had become a Reagan insider on the successor team, the non-Sears' team, so he was trusted, and the supply-siders trusted him too.

Kondracke: So what did Jack say when he denounced supply-side economics as trickle-down economics?

Bell: It came out gradually, and after the *Rolling Stone* article by [William] Bill Greider—I just happened to be reading something yesterday that Alan Reynolds, when he was recruited to be on the Reagan transition team, Stockman came to recruit him for OMB, and Greider came to the meeting with Stockman. This was like in late 1979 or 1980. That was amazing to me that Greider, who was a radical who wrote for *Rolling Stone*, had earlier written for *The Washington Post*, that Stockman would be going around and meeting with Alan Reynolds. I think Alan Reynolds was a little bit bemused by it. He was one of the supply-siders who had worked for the First Bank of Chicago and worked for *National Review*. So I just saw this on that supply-side blog, where my article was reprinted, my *Human Events* article.

Kondracke: So what did Jack think about Stockman after he did what he did?

Bell: Jack was not into, like, demonizing anybody. He wasn't into, like, saying, "This guy is a traitor. He's the enemy." He never said things like that. He wanted to give Dave the benefit of the doubt. I think he tried to stay in touch with him until it became evident that

Stockman was just on the other side. He had defected. He had gone over to the other side. *Star Wars* had come out in '77, so Jude would say, "He's on the dark side." He'd gone over to the dark side.

[laughs] I think Jude might have said that more than once.

When the Greider thing came out, he was just saying that supply-side was completely phony, it was just an excuse to get the top rate down, we all knew that wasn't true. So, you know, it seemed like he had gone over to the other side, and he had. He had gone over to the other side. So that was a big setback.

I should add, at the same time we were getting surprises in the other direction, like [Donald T.] Don Regan, who had no background in any of this, said, "This is what Reagan campaigned on. We ought to be for this." And Craig Roberts and Norm Ture were under him, and they were fighting for the supply-side over in the Treasury Department. So there were surprises in both directions.

Kondracke: So what's your impression of what Reagan thought about Kemp?

Bell: Reagan liked Kemp. Reagan thought he was terrific. If there hadn't been this shadow hanging over Jack about the homosexual rumors, he might have picked him for vice president. I think it was a

real possibility, but like I said in the earlier discussion, I think that Kemp had been ruled out by the week of the Detroit convention.

Kondracke: But there were occasions, as Reagan advocated tax increases, where Kemp and I guess the rest of you supply-siders were fighting with the administration.

Bell: Definitely. Jack was not going to support TEFRA [Tax Equity and Fiscal Responsibility Act of 1982]. But the pressure of Kemp and the supply-siders hating that, being against it, Trent Lott was an increasingly influential House leader. I can't remember when he became Minority Whip. He certainly was on the rise, and he didn't like it. Newt Gingrich didn't like it. But it kept the Reagan tax increase from being about rates. In other words, there wasn't any serious attempt to go back on the tax rates, which, of course, were being phased in. They hadn't even been fully phased in yet.

So the tension on TEFRA made them do what probably was—they had gone overboard. Fred Barnes did an article in the *Reader's Digest* about saying how things got away from everything. The kitchen sink was thrown in the '81 bill, so they pulled back some of those things that had gone too far, according to many people. At the

time we thought it was a disaster. In retrospect, I'd have to say that it wasn't particularly harmful.

Kondracke: Laffer said that in the second term, Kemp was removed from the Economic Policy Advisory Board. Do you have any idea why that was?

Bell: No, I don't remember. That, to me, is a bureaucratic detail.

Jack was extremely influential in putting together the Tax Reform Act of '86, and Kemp-Kasten was introduced in '84, Bradley-Gephardt in '82, Kemp-Kasten in '84, and the final product of the Tax Reform Act was much more like Kemp-Kasten than it was like Bradley-Gephardt.

Kondracke: And Kemp had Reagan's ear for tax reform?

Bell: Yes, and Don Regan was for tax reform, and Jim Baker became in favor of tax reform. I think people came together and realized that this was the next logical step in tax policy, was to cut the rates further in a bargain, in exchange for plugging a lot of loopholes.

Kondracke: You were at the famous meeting in August of '83 around Jack Kemp's pool.

Bell: Right.

Kondracke: After Bill Bradley and [Richard A.] Gephardt had introduced their tax reform. So describe that whole scene. Tell me what happened there.

Bell: This was the big Irving Kristol moment. Everybody was saying, "You know, Bradley-Gephardt, it could have been better. They had three different rates, 14, 26, and 30. We know we should do better than that."

Irving at one point just said, "Why don't we endorse Bradley-Gephardt?" He just cut through all of the whining that was going on. Nobody could disagree with him.

Kondracke: Who was all there?

Bell: Jude, and I was there, and whoever Kemp's congressional staff at the time was. It might have been Dave Smick at that point. I don't remember everybody who was there. I remember like twelve, fourteen people being around in Jack's backyard. It was dusk. When was it, August? So it was in the summer, so there was still light. We

were just saying, "What should we do next?" They did TEFRA in '82, and we were now in '83. The Republicans had lost twenty-six House seats in '82.

I had run for the Senate and lost in the primary at a time when—not that I'm making excuses, because you have to deal with whatever is happening, but at a time when interest rates were like 18 percent or something like that, and I was seen as an architect of Reaganomics in a New Jersey context, and so I lost the primary to Millicent [H.] Fenwick. So I was at a dead end in terms of my political career.

Reagan was preparing for reelection. We were just coming out of the recession, '83. Nobody knew how big the recovery was going to be at that time. [Paul A.] Volcker [Jr.] had released his hold on the economy about a year earlier, and the tax rates were kicking in, so we were hopeful, but we didn't know whether it was going to be a huge success or not. People might tell you, in retrospect, "Oh, yeah, we knew. Eighty-three turned out to be a great year," but you don't know that at the time. You don't really know what the GDP numbers are going to be, and unemployment was still pretty high.

Kondracke: So how did that meeting lead to Kemp-Kasten?

Bell: Everybody said, "We've got to get involved. Here the liberal Democrats have come out with a tax plan." Jack didn't really endorse Bradley-Gephardt, but just Irving saying that focused everyone on the fact that we had to stop complaining about TEFRA and just get on board and have our own approach to having tax reform.

I remember calling up Bradley and saying—

Kondracke: At Kemp's instigation?

Bell: I can't remember whether Jack said, "Call him up," but I wanted to call him up because I was delighted. Bill had said, "I was wrong about Kemp-Roth," and then he went on to be one of eleven votes against the Reagan tax cut in '81 in the Senate. So I was delighted to see him trying to figure out what is the right way to go about this, so I called him. I knew he would take my call because he would wonder whether I was going to run against him again. [laughs] Because I had run for the Senate the last two cycles, in '78 and '82, so he was preparing for his reelection and I knew he would take my call. So I thought I would surprise him by saying, "I'd like to help you on this tax thing that you're doing."

"Great! Let's get together." And one thing led to another and I met Gina Despres and his people, and we started working together on

it. I can't remember when I actually made that call. It was probably sometime in '83. But I can't remember if I told Jack I was going to do it or what I said or who I was talking to at the same time. I decided to really help Bradley. I had always liked him, so I wasn't hostile to him.

Kondracke: So was there a lot of contract between Kemp and Bradley in the process of passing—

Bell: Yes, and I was an intermediary. One was in the Senate, one was in the House, and so I was meeting with Bradley's people, and of course I was close to Jack and to all of his people, like Dave Smick and John Mueller. But Mueller was working on the Kemp version of tax reform, and he wanted to figure out a way to get it down to one rate. It was a complicated thing, but Kemp-Kasten came out with—I think it was a 24 percent top rate when it was introduced, and the actual Senate bill that passed wound up being 27, then the final bill was 28, whereas Bradley-Gephardt was 14-26-30. Some of the details are escaping me. One thing led to another, obviously.

Kondracke: Right. And it passed. Let's go to the '88 campaign. You were what in Kemp's '88 presidential campaign?

Bell: My title was national campaign coordinator. I did not want to be the campaign manager, and other people didn't want me to be the campaign manager, but they needed somebody who was a placeholder until Charlie Black, who had been Reagan's deputy campaign manager in '80, that he could come in. Charlie wanted to be the campaign manager, but he had some commitments to his clients at Black, Manafort & Stone, that he couldn't break away quite yet. So I became the head of the exploratory committee on December 1, 1986, and my title when they were setting up the campaign would be national campaign coordinator, but I was really a deputy campaign manager, and Charlie Black was going to make the decisions. He couldn't have the title yet, so that's why I got that title.

Kondracke: What was the strategy? You had Bush is going to run, Bob Dole is going to run. What was the Kemp strategy for winning this nomination?

Bell: It never really came together. Of course he wanted to be the heir of Reagan, but on January 1, 1987, when we were starting up the exploratory committee, the top rate had been cut to 28 percent, and so Jack's involvement as a tax cutter was going to be somewhat backward-looking. It wasn't going to be the future-oriented thing that

you need to run for president. A lot of us were conflicted about that. We had to come up with a follow-on. It could have been monetary reform; it could have been foreign policy; it could have been a lot of social issues were starting to come to the fore. Iowa was going to be important, and [Marion G. "Pat"] Robertson wound up running there and finishing second in the Iowa Caucuses.

Jack was a "pro-lifer." He had no problems with running on social issues, and he had pastors that were for him, and he was going to try to get a share of the social conservative vote in Iowa, which we were all very conscious of back in 1987. I think in foreign policy he was going to be the democratic revolution in the world. I mean, that was a part of the Reagan administration, and Jack was a big advocate of that too.

Kondracke: But did you have a political strategy for beating Bush?

Bell: Bush trumped it. I mean, Bush hung onto Reagan, and he was going to extend the Reagan revolution. We really got cut out of the debate because Bob Dole was going to be Reagan-minus, and Bush was going to be Reagan all the way. So in New Hampshire, Dole refused to take a pledge to not raise taxes, and Bush attacked him on it. Dole had won the Iowa Caucuses. Bush had finished third. New

Hampshire was going to be eight days later. So Bush had to come back at Dole. [Harvey L.] Lee Atwater was his campaign manager, and he said, "I am a true Reaganite. I will not raise taxes." He wound up saying it at the convention, "Read my lips, no new taxes," and so Bush was running as the faithful heir of Reagan. That left no place for Kemp. We never solved that problem.

Kondracke: Was Kemp all in on this campaign? Was he fully committed, body and soul, heart and mind?

Bell: I think he became convinced that '88 was his year, that you had had the big tax revolution in the eighties, and he was well known as an advocate of that. He didn't have the name recognition that Vice President Bush had and Senator Dole, but we felt that could be overcome in the early states.

Kondracke: Did he do the work that he needed to do?

Bell: I think he did. I think our strategy was unfocused. I was more of an advocate of getting into social issues, because I figured if we didn't do well in Iowa—he was up in the twenties in New Hampshire in some polls, but when he finished fourth in Iowa with 11 percent of the

vote, all that disappeared. It wasn't like 1980 when Reagan had five weeks to recover from his defeat in Iowa and then come in and destroy Bush in New Hampshire. You had eight days, and I felt very strongly that Jack had to break into social-issue votes in Iowa.

Kondracke: How did you want him to do that?

Bell: By running as a "pro-lifer," going to churches, and he did. It isn't that he didn't try. We got Scott [W.] Reed to go out there as the Iowa coordinator for Kemp, a very talented guy who later became a national campaign manager, was part of Jack's team, part of his entourage. There were big fights over who was going to handle Iowa, and my side prevailed and we got Scott Reed, who was a very talented organizer, but it didn't quite come together. We didn't figure out how to break into that.

Nobody knew in advance that Robertson was going to go through the roof and finish second to Bob Dole. There was going to be a moderate vote. Bush had won in 1980 over Reagan by having the more moderate votes. Then the Religious Right phenomenon came up, and it wasn't that Kemp was unaware of it, he was well aware of the fact that the social issues were on the rise in the Reagan years. He had a campaign to try to take advantage of that in Iowa, but when

you had Dole finishing first, Robertson finishing second with, as I recall, maybe 28 or 29 percent of the vote, Bush, the vice president, the presumed heir to Reagan, finishing third with under 20 percent, and then Kemp finishing fourth with 11 percent, there's no way Jack is going to break into that, and his 20 percent and more in New Hampshire, it fell in half. It collapsed. Jack kind of climbed back and finished third in New Hampshire with 13 percent of the vote, but that's too late. You're out of it by then. You're a footnote in the campaign if you finish third with 13 percent of the vote. And the whole drama was Bush versus Dole.

Kondracke: Tell me about the other people in the Kemp campaign.

Charlie Black, [Edward J.] Ed Rollins, [John V.] Vin Weber, what were their roles?

Bell: Ed Rollins had been the Reagan campaign manager in '84, so he was considered a big coup to get as the nominal campaign manager, but Ed was ailing. He was not really available to do that much. He was the campaign chairman, and Charlie Black was the campaign manager.

Vin was a congressman. He had been elected in 1980, I guess. I don't remember what he did in the campaign, but his brother, Jim Weber, was a coordinator in the campaign.

Kondracke: What about Roger [J.] Stone? Was he around?

Bell: Yes, he was in the campaign. He was involved in New Hampshire. He was working in New Hampshire for Kemp. He was close to Charlie.

Kondracke: And Jude, was he—

Bell: Jude was involved. Jude was an advisor. He didn't have a formal role, but he never did. He just was constantly talking to Jack. [J. David] Dave Hoppe was the chief of staff of the congressional office.

Kondracke: I read someplace that you had urged that Kemp attack other candidates for not being Reaganite, and that he did actually use the term "Herbert Hoover Republican" in some context or something like that.

Bell: [laughs] I don't doubt it.

Kondracke: To what extent did he go on the offensive?

Bell: It wasn't Jack. That wasn't his style. He was a positive guy, he was affirmative, and he was uncomfortable saying—the guy who handed in the debate, the crucial debate in New Hampshire, [Pierre S.] Pete du Pont [IV], who was running, he handed Dole the sheet of paper and said, "Why don't you sign this. This is the pledge that you won't raise taxes." So you had Bush running as anti-tax; Pete du Pont, who was the former governor of Delaware, running as a supply-sider also, but he was the one who wanted to put Dole on the spot, which was the biggest favor he ever could have done for George Bush, not Jack. I don't remember if he ever was offered the option, but Pete du Pont wanted to do it for himself. He wanted to get into the mix himself.

Kondracke: So Jack had no negative ads, no negative speeches, no negative comments?

Bell: Well, I mean, you said that he called somebody a Herbert Hoover Republican, so I mean, I can't remember, but he didn't have his heart in that type of thing, that's for sure.

Kondracke: There was a lot of discussion about word discipline, speech discipline, word counts and all that kind of stuff. Tell me about that effort.

Bell: Jack was an inspirational speaker, but he had a hard time making it into a concise sound bite, say, for the purpose of a debate. So John [W.] Buckley, who was the press secretary, would talk about the tape loop. Like Jack, he'd be at a speech and then twenty minutes later he'd be repeating some of the same points, the tape loop. Of course, that used to drive his advisors crazy. Jack rarely would speak from a text, so it was a big challenge to get him to keep to his five minutes.

In the '80 convention, his big chance, he had like five or seven or eight minutes or something like that. He did it, but it took a lot of coaching for him to be that concise. It was a big deal. I mean, you had [Francis J.] Frank Shakespeare and people running around, television experts, telling Jack how to be concise when he had his big chance at the '80 convention.

Kondracke: He did at the '80 convention, but what about '88?

Bell: It was a problem. It was a problem. But also the atmosphere was different, because in '87 and '88, people weren't as worried about the economy. I mean, in '79 and '80, that was Jack's moment, because the economy was terrible. Everybody was scared to death about stagflation and double-digit unemployment which you had at times. You had it even in the first two years of Reagan; it went up to 10.7 percent unemployment. So Jack saying, "Let's unleash the economy, get these tax rates down and get people back to work," everybody wanted to hear about that in '78, '79, and '80.

So, '83, the growth rate goes up to 4.5; '84, it's 7 or 8 percent, and then it slowed down a bit in '85, '86, '87. Then the Tax Reform Act passed, and '87 and '88 were good years. Inflation was no longer a problem. Reaganomics had succeeded. It was succeeding. So Jack would say, "We have to have growth," and he wanted to keep talking about the economy because that's what he did best.

Kondracke: What about gold? That was the great unfinished piece.

Did he try gold?

Bell: He would say that he favored a dollar as good as gold, but that wasn't going to do it in terms of getting that into—we didn't have a John Sears in the campaign who was able to go to Jack the way he had gone to Reagan and say, "Jack, what's the one thing? What is your one thing, that if you could only do one thing, what is it that you want to do?" That conversation didn't happen.

I take some of the blame for that. I certainly would have wanted it to happen, but I wasn't able to focus Jack, and other people were not, on deciding. This is more in retrospect what I'm saying now. I probably didn't fully understand this at the time and others didn't, but we just had to get Jack to decide, "Look. You have a limited window. Bush is running as the Reagan heir. He has a lot of money, Dole has a lot of money. What is the one thing you want people to remember about why you want to be president now, not what you would have said if you were running in '80, but what do you want people to think about now as what you're for?"

I don't think gold was as promising an issue in '88 because you'd have Volcker and Reagan, and they were willing to go through a horrendous recession in 1982, both of them were, in order to get inflation under control. The big problem in '85, '86, '87 was the dollar was too strong. Jim Baker had the Plaza Accords to try to manage the dollar, not have the dollar be so strong that we had a horrible trade

deficit. That was the issue. It wasn't like, "We have to get the dollar under control." It wasn't the right time to run on the gold standard, in my opinion, even though I would have liked to see it happen, but it wouldn't have been the ideal time to even introduce that as an issue.

Kondracke: I read that Jack would leave the campaign trail and go home to watch Jimmy [Kemp] play football on weekends.

Bell: [laughs] Yes.

Kondracke: That doesn't strike me as a disciplined, dedicated campaigner. It's nice family, but—

Bell: Yes, it was a sorrow among his advisors, but in retrospect, I don't think it was a big deal. He went home and watched his son play football. That wasn't the fundamental problem with the campaign.

Kondracke: There was, I read, a moment in September of '87 where everybody in the campaign sort of jumped on Jack and beat him up for two hours or something like that. Do you remember what that was all about?

Bell: No, not offhand. Give me a couple more details.

Kondracke: Rollins, at the end of the meeting, said, "Anybody who doesn't want to be for Jack Kemp, get out of here." I mean, it was so contentious, apparently, that Rollins intervened to break it up.

Bell: I don't remember that. Maybe I wasn't in the meeting. I don't remember that.

Kondracke: Did Jack try to elevate the issue of enterprise zones and the broad-based Republican Party, and was that a handicap?

Bell: Sure. He liked to talk about that, but my opinion was, this is not for Iowa. Nobody in Iowa is going to respond to enterprise zones. There were very few blacks living in Iowa. I mean, urban poverty is not going to be the issue that's going to break you through in Iowa. You've got to find something else to talk about there.

Iowa was not all that pro-Reagan a state, because they had had an agriculture deflation because of the strong dollar and all that. In other words, it was a state where Reaganomics and Jack's involvement in Reaganomics would be less of an asset than almost anywhere else. So that was a tension.

Kondracke: Was he spending more money than his campaign had?

Bell: No. The campaign, my memory is it didn't even end up with that big of a debt. The campaign had good direct mail and decent high-dollar fundraising. We had enough to meet our budget in Iowa and New Hampshire. We just didn't have a message that resonated enough to get into the race.

Kondracke: Who were your big donors?

Bell: I mentioned Norm Braman earlier, owner of the Philadelphia Eagles. He's one I remember as being very influential. [Theodore] Ted Forstmann raised a lot of money for Jack. He was for Jack.

Kondracke: So Jack becomes secretary of HUD [Department of Housing and Urban Development]. What was your connection with him in those days?

Bell: I was in touch, but I wasn't that involved with what he did at HUD. Let me think. I would say Frank Cannon, who works with me here, who was in the Kemp campaign in '88, he made the point, when

Bush decided to raise taxes in 1990, that Jack should resign. "He should resign as secretary of HUD, and he might have a future as somebody who's saying, 'We have to get back to Reagan. We'd have to get back to basics. This is a terrible mistake, Mr. President. I have to leave your administration.'" If he had been willing to do that, who knows what would have happened afterward. Who knows where that would have gone. But he wasn't willing to do that. He didn't want to be a defector from the Bush administration.

Kondracke: Did the whole supply-side gang urge him to do that?

Bell: I don't really think so.

Kondracke: Did you?

Bell: No, I don't really think we did. My own feeling is that I agreed with Frank's point in the abstract, but I didn't think Jack would do that. I didn't have any indication that he wanted to do something like that. It wasn't his way.

Maybe I should have. Maybe I should have said that. I wasn't ready to just throw Bush over the side and say that he shouldn't be supported for reelection myself, but Jack, being so identified with the

tax issue, you could understand if he thought that he was being betrayed. It could have really put a damper on the whole thing right at the beginning.

Remember, Bush was extremely popular at that time because he reacted to the invasion of Kuwait. He was like in the eighties. So it wasn't an intuitive thing for Jack Kemp to do, walk out of an administration that was in the middle of a Middle East crisis. And Jack was very involved in the Middle East issue. He was always pro-Israel and hated the bad actors in the Middle East. So from that point of view, Jack wouldn't have felt it was appropriate.

Kondracke: He couldn't get his program enacted during the Bush administration. He had this whole empowerment agenda from HUD, and the administration didn't even support him, isn't that correct?

Bell: I don't remember. I'm sure you have that from other sources, and I'm sure that people like Scott Reed or Al DelliBovi or Mary Cannon. They would probably be able to tell you some of the ins and outs of that.

Kondracke: What about '96? Were you involved in the vice presidential campaign?

Bell: No. They brought back John Sears to ride with Jack on the plane, which I thought was a good idea. But Jude was not a good influence in that situation, because he had the idea, "Jack, you just have to be yourself in the debate with [Albert A.] Al Gore [Jr.]. You shouldn't be an attack dog against him." But, actually, that was his role. He needed to take Al Gore down a peg. When Gore said, "Jack, you're not like most Republicans," and Jack said, "Thank you," that was a horrible moment within the—

Kondracke: Where did you watch that debate?

Bell: I think I was in a motel, but I can't remember why. I remember being appalled. "This is terrible. I mean, this is a terrible debate for Jack." I think he threw out the briefing book that had been prepared for him by the Dole campaign.

Remember, Scott Reed, he was the guy I had sent out to Iowa to help Jack in the '88 campaign. He was now the Dole campaign manager, but he was a supply-sider. He was a Kemp guy. So this was his project, was to get Dole and Kemp together, these two wings of the party that had been at odds in so many different ways.

It was a brilliant idea at the time. Jack went out to the convention in San Diego and he was hailed as a great thing. "We'll send him into the ghettos," you know. It was a great idea in theory, but that debate was just a catastrophe for Kemp.

Kondracke: Were you talking to Wanniski about what he was telling Kemp?

Bell: No. I can't remember what was the state of my relations with Jude at that time, but my guess is he had supported [Malcolm S.] Forbes [Jr.]. Forbes ran in the primaries in '96, and he won two primaries. He won Arizona and he won Delaware. So Forbes was a formidable candidate running on the flat tax, which was one of the supply-side ideas.

Kondracke: Was there ever any consideration among the supply-side people that Kemp should run in '96?

Bell: Let's see. What happened after—

Kondracke: He was at Empower America.

Bell: Yes, and he was involved with the tax reform, that commission that tried to get to a flat tax. I think some people met with him and wanted him to run, but he didn't want to run.

Kondracke: Not you? Who did you support in '96?

Bell: Nobody. I was offered a position in the Dole campaign, but I couldn't quite—and I didn't support Forbes because I didn't think he was conservative enough on social issues. He wasn't at the time, and it brought him to grief in Iowa. He had a chance, but he was marginalized in Iowa, and then he couldn't climb back in New Hampshire. He later won in other primaries, but it was too late for him by then. I didn't support anyone. I didn't get involved. At one time I thought maybe [William J.] Bill Bennett should think about running, but he didn't want to run.

I wasn't part of any delegation that went to Kemp and said, "You have to do it now."

Kondracke: Speculate a little bit about where you think Kemp would be in the economic climate today.

Bell: My perception is that Jack, after the '96 campaign, he basically retired. He was no longer going to be a player. He didn't want to be involved at that level. That was my perception.

Kondracke: Why?

Bell: I'm not sure. I'm not sure. Maybe the '96 experience was disappointing to him because he came in as a savior, he was going to really revitalize the ticket, and it didn't work out that way. I'm not sure, though, why he—he was an inspiration, still, to a lot of young guys. Paul [D.] Ryan worked for him at Empower America. So it wasn't like he was inactive. Let's see. He was born in 1935. Just had his birthday, right? A sad moment for those of us who remember. But he was sixty-one years old at the end of the 1996 campaign. He didn't have to retire. I think people tried to get him to run even in 2000, didn't they?

Kondracke: I don't remember that.

Bell: I'll bet some people talked to him about it. I'm pretty sure they did, but he wasn't interested. He wasn't going to do it.

Kondracke: Where do you think he would be in the current economic debate? Would he be a Tea Party person?

Bell: He might not have been the first on his block to say, "I'm in the Tea Party," but I think he would have seen that it was healthy, that it was a healthy movement that just wanted economic reform and wanted to get the federal government under control and was certainly open to a supply-side tax-cutting agenda. I think he might not have been like in the first wave of people to say, "This is great," like Rick Santelli or whatever.

Kondracke: He didn't really care about spending. Buffalo is a city built on government largesse, is it not? And Jack was in favor of public works all the time. He was not a small-government conservative.

Bell: I think he was constitutional. When limited government became more of a live issue, when you had the deficits going up, I think he would have been more on the limited government side. I don't think he would have been like Jude was, who would just say, "No, we need to do all these spending programs and we need to cut tax rates to have a dynamic economy that can support the spending programs." I

don't think he would have been in that category, but it's true, he didn't get into the spending-cut issue. But I think the Tea Party is for tax cuts, spending cuts, any kind of way of limiting government. I think it's an across-the-board and it's more about the constitutional issues than anything else, getting back to the basic division of powers.

Kondracke: Last question. So how do you think history should remember Jack Kemp?

Bell: Jack Kemp was the most important legislator of the twentieth century, and he had done that before he was fifty years old. He had achieved that. He changed the debate. He changed the nature of the debate more than any other single individual who served in Congress in the entire twentieth century. I've gone back and thought about that. I can think of [Reed] Smoot and [Willis C.] Hawley who influenced it in a negative direction, but to me there's just absolutely no question he turned around a national debate from a legislative position that no one else came close to matching. I honestly believe that, and I think history is going to, especially after your book, have to come to terms with that. If they don't agree with that point that I just said, they're going to have to say who had a greater influence. Who would that have been?

Kondracke: You wrote in your obituary, in fact, that between Jack Kemp and Ronald Reagan, they sort of changed the world.

Bell: They sure did. I really think they did.

Kondracke: Explain that.

Bell: Reagan was interested and always understood the tax issue because he was in the 91 percent tax bracket himself and he stopped making movies at a certain time of year, so he understood this whole thing about tax rates intuitively. But Jack Kemp is the one who got him and the conservative movement and ultimately the Republican Party to say, "Here is the most urgent thing that has to happen." It was partly that Jack was a threat to run himself, which people who were intimate to Reagan and his entourage recognized and acted on, but it was also that the idea was compelling.

I think that the defeat of the progressive income tax worldwide, the idea that at the end of the Reagan years there was nobody who had a 75 percent top tax rate anywhere in the world, including in the communist world by then, that's just an incalculable change. I mean, I think that more than the government ownership of the means of

production, which was kind of the issue in the earlier part of the twentieth century, having a high confiscatory tax rate was the biggest single item in the socialist agenda, and I think that Reaganomics, which Jack Kemp created more than any other single individual, changed that. That was the economic side of winning the cold war.

I think you can also argue that if Reagan had not had an economic boom in the eighties, that it would have been much harder for him to peacefully bring the cold war to an end with [Mikhail S.] Gorbachev, because in the seventies, people weren't saying, "Capitalism has won." Capitalism was a mess as recently as the 1970s, right? I mean, you remember that. It was stagflation, which the Keynesians had said could not happen. You had slow growth and inflation, double-digit inflation at the same time, you had the Club of Rome limits to growth, you had all these things that were putting limits on growth, on capitalism itself, and by the end of the 1980s, it was a completely different world.

The Soviet Union, it wasn't just an economic phenomenon; it was the build up of the Reagan doctrine, SDI [Strategic Defense Initiative], and Gorbachev coming to power as kind of a reaction to the capitalist resurgence, all of these things played in together, but Reagan wanted to win the cold war and he thought it was possible. Not many of his advisors did, but Reagan did believe that. I think that

having Kemp and Reaganomics succeed, plus Reagan's forward strategy in the cold war, saying, "We have to put an end to the nuclear threat, even if we have to deploy a lot of missiles. We have to get rid of the [Leonid I.] Brezhnev doctrine, where they think if they win a country, then it never can change. There can never be an insurgency once a Marxist-Leninist government has taken power." That started to change with Grenada and it started to change with aid to the Sandinistas and to Afghanistan, the Stingers going to the insurgents in Afghanistan. All of that changed the cold war and successfully brought it to an end.

So I think between the two of them, the two wound up, even though there were plenty of fights and tensions between them, the two of them worked predominantly together to achieve that end. I really believe that. Just as a legislator, Reagan was never a legislator. Jack Kemp was a legislator who changed the world in a way that I don't think any other legislator did in the twentieth century.

Kondracke: Thank you, Jeff.

[End of interview]

[Note: room tone available at approximately 1:02:30.]