

JACK KEMP  
ORAL HISTORY PROJECT

Interview with  
BRUCE R. BARTLETT

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Interviewer  
Morton Kondracke

Jack Kemp Foundation  
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Morton Kondracke: This is Kemp Foundation and Library of Congress oral history interview with Bruce Bartlett, former economic advisor to Jack Kemp. I'm Morton Kondracke. It's June 3, 2011.

Bruce, you wrote in your *Forbes* obituary about Jack Kemp, that "He may have been the most influential American politician in history who never became president." I've seen that construction quoted a lot of places. Do you think that you are the person who originally made that statement or did you—

Bruce Bartlett: Well, it's like the term "Reaganomics," which some people also attribute to me. At the time I thought it, I hadn't heard anybody else say it, but that's not to say that I was necessarily the first. Given the way the blogosphere operates, it's quite possible that my Kemp comment was the original one and it just has morphed ever since then. I don't know.

Kondracke: So explain why you said that.

Bartlett: Well, if you think of, for example, on tax policy, he certainly had an enormous influence in changing the Republican Party's view on this subject from what it had been historically over the previous several decades. The direction that he established is still, to this day, essentially Republican Party dogma, so he clearly had an enormous effect in that area.

I think one can argue that he had as much to do with the passage of the Tax Reform Act of 1986 as anyone, he and, of course, Bill Bradley, who was at the conference. The two of them coming from opposite points of views, so to speak, the fact that there was so much

overlap between what Jack was talking about and what Bradley was talking about, I think made people realize that there was a possibility of bipartisan agreement.

I think there are other areas. I'm not personally that familiar with his work in the housing area, but I know he talked a great deal about the importance of privatizing public housing and giving the tenants more control over public housing. And there's probably other things that I'm just not thinking of off the top of my head.

Kondracke: It's quite a statement. So you put him in the league with Alexander Hamilton and Danny Webster and Henry Clay?

Bartlett: Well, perhaps let's limit ourselves to the twentieth century. I'm not sure. It's just that most of the major figures we think of in American history were cabinet secretaries or senators. There's very seldom any mention of a lone congressman who never rose—well, of course, Jack was a cabinet secretary, but he was not known for that. He was known essentially for the work he did in Congress. I think it's just really bad luck of history that he didn't achieve greater advancement in his formal political career. I think he had opportunities to run for governor and run for senator from the state of New York. I think if he had stayed in Congress, rather than running for president in 1988, he almost certainly would have been Speaker of the House when the Republicans took over. And of course he had the opportunity to become vice president in 1996, but, unfortunately, that was just not a year for the Republicans. So he was just so close, but never quite made it as far as he perhaps should have.

I should also mention I think it's a tragedy of history that he wasn't named vice president by [Ronald] Reagan in 1980. He was the obvious person, and I think it's just too bad.

Kondracke: So you were four years out of college when you got hired by Jack Kemp.

Bartlett: Yes.

Kondracke: How did that come about?

Bartlett: Well, I had first started working on Capitol Hill for Ron Paul, who is still in Congress. He had been elected in a special election in 1976, and I went to work for him in May or June, so it was almost exactly thirty-five years ago. He had to run for reelection the same year against the same guy that he beat in the special election, but he lost the second time. So I was out of work and I was looking around.

One day, one of the women on the staff said she had heard that Jack Kemp was looking for a staff economist, and so I called over to Kemp's office and was put through to Randy Teague, who was the chief of staff, and I said, "Heard you're looking for an economist."

And he said, "Yeah, but this position's been open for a couple of months. Quite frankly, it's one of the premier positions on the Hill for this sort of work." I think he told me they had actually interviewed over a hundred people or some ridiculous number. He said, "We've pretty much narrowed it down to two people, and we expect to make a final decision next week."

Kondracke: Do you know who the competition was?

Bartlett: Yes, it was a woman named Jan Olson, who you may know, and a guy named [Stuart] Stu Sweet. I can put you in touch with him if you want to. Stu's background was that he had been one of [Dr. Arthur] Laffer's students at the University of Chicago, and Jan's background is that she had been working for [James] Jim Buckley in the Senate, and he had just been defeated, I think, in '76, I guess. Yes. So she knew New York politics, plus she handled economic policy for Buckley. So, quite frankly, both of those people were better qualified than I was.

But in any event, I said to Randy, "Well, it won't cost you anything to look at my résumé."

He said, "Go ahead; stick it in the inside mail," which I did.

Then the following Tuesday I got a call from Kemp's secretary, [Janet] Jan Dorn, and she said Jack wanted to meet me that day. So I went over to his office around four or five o'clock.

Kondracke: December '76?

Bartlett: Yes, approximately. I don't remember the exact date, but I could check the date because when I got to Jack's office, he was putting on a tuxedo to go to a White House dinner, and he said it was the last State Dinner of the [Gerald R.] Ford administration, so I could check that date if I could find that information.

But anyway, as he was getting dressed, we chatted. I remember distinctly him asking me if I was a supply-side fiscalist. That was the term that was being used in those days. I swear to god I'd never heard that term before in my life. [laughs] But I didn't have anything to lose, so I said, "Well, sure. Who isn't?" or something like

that. [laughs] And I think that's all he needed to hear, because he ran off, and then Randy and I went and had a couple of beers, and the next thing I know, I was hired. Over the years I've asked Randy why they hired me, and he won't tell me. [laughs] Maybe you can find out. I'd actually be curious to know.

Kondracke: So how long was your conversation with Kemp?

Bartlett: Minutes.

Kondracke: Minutes?

Bartlett: Yes. Not more than ten, I would think. Like I say, he was running late for a White House dinner. But I think it was essentially Randy's decision, and he just needed to feel like he was part of the process. [laughs]

Incidentally, I should mention that the person I was replacing on Kemp's staff was Paul Craig Roberts, who had been there for a couple of years before that. I can talk more about that if you want me to. But Craig had left to go to work as the Republican economist on the House Budget Committee in, I think, August of 1976. So the position was empty for a couple of months before I replaced him.

Kondracke: This was a big job, because this was Jack's primary interest, right?

Bartlett: Well, he was clearly a rising star in the Republican Party, partly because of his background as a semi-famous football player. I remember clearly watching him in the 1965 AFL championship game.

Of course, he was a very dynamic speaker. You just knew he was a rising star.

He had already been doing, for a year or two previously, some economic legislation. The main legislation that existed at the time I got there was something called the Jobs Creation Act. Part of the Jobs Creation Act was a 10 percent across-the-board reduction in individual income tax rates. Gradually it became more and more focused on the individual side, and it morphed during the time I was working there. You want me to go into this now?

Kondracke: Yes.

Bartlett: So I went to work for Jack basically the first of January or thereabouts in 1977. Of course, this was the beginning of a new Congress, so we had to resign-up all of the existing co-sponsors that had previously been on the Jobs Creation Act, which we called JCA. Of course, there were freshmen Republicans who had been elected. Among them was Dave Stockman, and David was very close to Kemp, philosophically anyway, and Stu Sweet ended up going to work for Stockman. So I had to do that.

We also made some changes to the Jobs Creation Act, various things. I don't know. Randy had essentially drafted it. It was a laundry list of tax cuts for corporations and things of that sort, but almost all we ever talked about was the individual side. Jack was coming around more and more to the idea that corporations don't really pay taxes; people pay taxes, so it doesn't really make much difference whether you're going to cut the tax on the corporate side or the individual side. What matters is the total burden on investment and saving and things of that sort.

Also inflation was pushing people into higher tax brackets, and it wasn't quite full blown, but you had inklings of a tax revolt at the state and local level. So more and more we were interested in talking about the individual tax-cut side of the Jobs Creation Act.

Before I had gotten there, someone, possibly Jude Wanniski, had introduced Kemp to the idea of a parallel between what he was doing and what John F. Kennedy had done to reduce the top tax rate from 91 percent to 70. I'm not sure; there was a famous editorial in *The Wall Street Journal* that Jude wrote. May have been before that; I can't remember. I have all this stuff in my files. Anyway, so we were talking a lot about the Kennedy tax cut, and I did a lot of research on that subject that I think really fleshed out the understanding that Republicans had of that.

Kondracke: But there was a moment you describe somewhere I've seen, where Kemp pokes his head in your—

Bartlett: I don't remember the exact date. I wish I had kept track of this sort of thing at the time. But my memory is that I was sitting at my desk and Jack poked his head in the door and said something to the effect, "We keep talking all the time about the Kennedy tax cut. Why don't we just replicate it and do the same identical thing."

And I said, "Okay. Fine."

Kondracke: You were there a year, right?

Bartlett: No, this was after I'd only been there a couple of months. This was in maybe March, April, thereabouts, of 1977.



But just saying, "Let's duplicate the Kennedy tax cut," it wasn't obvious what that meant, because obviously the Tax Code was different. It had already incorporated the Kennedy tax cut. We'd had a lot of inflation, a lot of other things. So one of the things that I did was to talk to people, to ask them, "Well, if you were going to redo the Kennedy tax cut, how would you do it? What would that mean today?"

One of the main people I talked with was Norman [B.] Ture, who was extremely important. Frankly, I didn't even realize how important he was at the time. He had a private consulting business and he had done an analysis of the Jobs Creation Act, which I gave you a copy of. Anyway, he was one of the people who was sort of in the Kemp orbit, and I remember talking to him. He had been very much involved, much more so than I realized at the time, in developing the Kennedy tax cut. In fact, the Miller Center has the transcripts posted on their website of conversations that John F. Kennedy had with Wilbur Mills, where it's clear that Kennedy got the idea for the tax cut from Mills, and Norman Ture was his staff economist. Norman was on the Joint Economic Committee staff for a number of years, and Mills was the member of the Joint Economic Committee and also chairman of the Ways and Means Committee, a very powerful Democratic, especially in terms of tax policy. It's quite clear that Norman gave Mills the idea that he then gave to Kennedy.

Kondracke: I thought Ture was a capital formation guy.

Bartlett: He was, but he knew about taxes. I mean, he was one of the premier tax economists of his generation. He had been with the National Bureau of Economic Research. In early 1961, when Kennedy was elected, he appointed a Tax Task Force or something like that. I

think [Theodore] Ted Sorensen might have been head of this Tax Task Force. I have some material about that. Julian [E.] Zelizer has material about that in his biography of Wilbur [D.] Mills. Anyway, Norman was on this task force, so he was a very established, well-known expert on taxation even in 1960. So I was talking to him in 1977 about these things. I don't remember precisely how it came about, but somehow or other we just all kind of collectively came to the conclusion that if we reduced the top rate from 70 to 50 and the bottom rate from 20 to 14—Kennedy reduced it from 20 to 14.

Kondracke: Don't worry about it.

Bartlett: I'm confused. But anyway, whatever it was we came up with, it was about 30 percent or so across the board, approximately replicated the Kennedy tax cut. Back in those days there were a whole bunch of rates, so we called up the Joint Committee on Taxation and asked them to draft the bill for us. They said, "Well, what do you want us to do with the rates in between?"

We said, "Well, just kind of reduce them by about the same amount." [laughs]

The guy who did this, I can put you in touch with. His name is [Peter] Pete Davis. He actually blogs with me at [capitalgainsandgames\[.com\]](http://capitalgainsandgames.com). Anyway, Pete did these calculations, and I remember he gave us this printout from very primitive computers we had in those days. This was on that green and white paper, you know. Anyway, I don't know what he did, but he's the one who sort of formally came up with the rate structure, and Randy just cut and pasted it. [laughs] And we submitted it that way.

But anyway, at some point in—I don't know. I can't remember when [William] Roth got involved in this.

Kondracke: Let me stop you before that. So when you get your first interview, you're asked if you're a supply-side fiscalist and you say yes, but you don't know what it means. How did you go about finding out what a supply-side fiscalist is?

Bartlett: That's a good question. Well, first of all, one of the things Jack did that was really quite exceptional in those days was he would have massive numbers of reprints of articles from *The Wall Street Journal* or lots of other places, and Jack actually had his own printing press. He had an offset printing press in his office. So if there was an interesting editorial in *The Wall Street Journal*, we'd run off a hundred or couple hundred copies, because Xerox machines were rather primitive in those days. They'd break down very rapidly. So we had this little printing press, and we'd print up these things. We'd mail them around to people.

Kondracke: How does a printing press work if you've got an article from *The Wall Street Journal*?

Bartlett: There was a printing shop in the House of Representatives, and if you took them a copy of anything, a piece of paper like this, they could burn a stencil. They had the technology to do that. Then once we had the stencil, we could simply run off of it.

Kondracke: It was like a mimeograph machine?

Bartlett: Sort of, except that it was an actual offset printing machine.

Kondracke: Where was it in his office?

Bartlett: We had a basement. I don't know what you'd call it.

Kondracke: Annex?

Bartlett: I wouldn't quite call it annex. It was more like a storage room, and it was down there. Some poor fellows on the staff had the job of doing this printing, and they were always covered in ink.

[laughs] It was really kind of funny.

Anyway, he had a ton of these things before I even got there, and so I read through those. I guess around the time I went to work for Jack, Jude Wanniski, who had been—I can go into him more if you want to, but anyway, he would have been editorial writer for *The Wall Street Journal*, and he had gotten a contract with Basic Books to write a book about supply-side economics. Irving Kristol had gotten him a fellowship at the American Enterprise Institute, so he was in Washington writing his book at the same time I had started to work for Jack. Jude was around the office quite a lot and would send us draft chapters of his book as he was writing it. Of course, Art Laffer was around. [Robert A.] Mundell was not. I never met Mundell until many years later, but he was a presence. We knew of him. There were others. Norman Ture, of course.

One of the things that I did was to go through the Library of Congress and get copies of books and articles that these people had written, and I did a lot of original research myself that went into my Reaganomics book [*Reaganomics: Supply-side Economics in Action*].

Basically everything in the Reaganomics book is what I learned on the job working for Kemp. What I tried to do in that book was just summarize what we had come to learn and knew about the effects of tax policy on the economy. So I was just very busy trying to—

Kondracke: You worked for Ron Paul. That's a very libertarian "get the government out of everything" point of view. Did you agree with Ron Paul and did you have to make some sort of transition with Jack Kemp?

Bartlett: That's an interesting question. It's true Ron Paul was very libertarian. As far as I can tell, his views have not changed one iota in thirty-five years. Frankly, I was a little bit skeptical about working for Kemp, because at that time Kemp tried very hard to convey a moderate image. Of course, that would be anathema to Republicans today, but remember, he was elected from a working-class district up in Buffalo, New York, which was not historically hospitable to Republicans. Part of Jack's attraction was that he really liked the labor unions. He's maybe the last Republican who did. But he had been a member—

Kondracke: President.

Bartlett: President of the AFL Players Association, and there was a large union presence in his district. There was a big Bethlehem Steel plant, I recall, and things of that sort. So anyway, he was very much—I wouldn't quite go so far as to say he was among the more liberal Republicans in the House, but he was certainly not among the

more conservative ones. So I was a little bit concerned at first, but I quickly adapted.

A bigger transition, frankly, was that I didn't know anything about tax policy. I really had to learn everything from scratch, which actually worked out okay because I only learned what I had to learn, rather than being weighed down with a lot of completely unnecessary information that tax accountants and lawyers have to know, but I only needed to know about the rate structure. We were very interested in historical development of tax policy, and I was trained as a historian, so it actually worked out pretty well. It ended up that I was quite suited to the work that I actually did, even though it wasn't evident necessarily on paper.

Kondracke: So what is it like working for Jack Kemp? What's the atmosphere in the office? Was it a sort of running seminar? Free-associate about what it was like.

Bartlett: We were clearly all learning about this stuff on the run, and things were developing very, very rapidly, but, of course, Jack had a lot of unrelated work to do simply by virtue of being a congressman. The staff was fairly small. There were, as I recall, about eighteen people on the total staff, including the people in Buffalo. One of his former teammates, a guy named Ed Rutkowski, was head of the Buffalo office, and there were three or four people up there. We had people in the Washington office who handled constituent affairs. We had two women, Chris [Kielich] and Lorraine [Kirker Hiatt], who did sort of the day-to-day legislative work of stuff that was coming up on the floor and things of that sort. We had one guy [Tom Coleman] who

did very primitive computerized stuff in terms of answering constituent mail.

Jack was interesting in that he needed a full-time scheduling secretary, because he was giving speeches all the time around the country, a very popular speaker. It was really lucky for me—I didn't realize it at the time—I never had to write a speech for him because he always spoke extemporaneously. I didn't even have to give him talking points. He liked being given articles and things. I remember he was an avid reader of *Commentary* and *The Public Interest*, and he would often find things himself and send them out to me, "What do you think of this?" I still have some of that stuff with his notations on it and things of that sort.

Kondracke: He had a good memory, then. Did he absorb all this stuff and remember it?

Bartlett: Well, like all of us, he would sort of forget things and then remember them. One of the things he would do, since he was on the plane so often, is he would keep stacks of file folders full of stuff that he read on the plane. I think that's where he did his most intensive reading because it was the one place he was alone, so to speak. When he was in the office, he was just so busy, and committee schedules and things of that sort. His principal committee was the Appropriations Committee, and he was the ranking Republican on the Defense Appropriations Subcommittee at a very critical moment in American foreign policy in terms of the end of the Vietnam War and all the problems with the Soviet Union and things of that sort.

Craig actually had been hired to do defense work because he had done some research on the Soviet Union, but it just happened that

he had a Ph.D. in economics. Interestingly, the person who actually replaced Craig as the defense guy on the staff was a guy named [William] Bill Schneider, who had a rather remarkable career as well, and he also had a Ph.D. in economics. Interestingly, it was from NYU, and among the people he studied with was Ludwig von Mises, if you can believe that. He said Mises was a funny guy because he gave everybody who signed up for his class an A. [laughs] So everybody signed up for his class, and they would sit and do their homework while he lectured about obscure aspects of monetary policy that nobody cared about in those days. So anyway, Schneider was an interesting guy too.

Kondracke: Was there a running seminar? Did all these people come in as a group, Wanniski and Ture and—

Bartlett: No, I don't think they were ever there at the same time. What tended to happen is if Laffer was in town—and I guess he may have still been at Chicago when I first started working there, but he very quickly moved to USC at some point, so he wasn't around that often, but when he did come into town, we would get together. Art used to like to stay, and I think Jude also, at a hotel at 1 Washington Circle, and we would go over there oftentimes and have a little dinner or something.

Kondracke: "We" being Jack too?

Bartlett: Oh, yes, Jack and others that were kind of in the orbit. I can't really remember specifically who all was there. It was just like the group, you know. Stockman may have been there. I don't recall.



Another congressman who was very close was John Rousselot. I'm trying to think who else we worked with particularly.

Rousselot was important because he was on the Budget Committee, and the development of the congressional budget process was very important, which is why Craig went to work on the Senate House Budget Committee, because it created a vehicle through which we could talk about tax policy the way we wanted to talk about it, because up until then, it was only very rarely that there was a major tax bill, whereas under the budget process, you had to talk about revenues every year in terms of the budget process. So it gave us a forum and a vehicle through which we could talk about the things we wanted to talk about.

Kondracke: I've read and I've heard that there were sometimes furious policy and even personal discord that was sort of swirling around Jack. Can you think of any specifics in this regard?

Bartlett: Well, I remember one event in particular. There was a proposal that I think Rousselot had come up with. He wanted to reduce every tax bracket by 5 percentage points. It fit into the budget resolution. We needed to oftentimes shoehorn things into whatever was being discussed, to be able to do what we wanted to do. So the top rate would have gone from 70 to 65 and the bottom rate from whatever it was, 14 to 9, whatever it was.

But anyway, I remember we had this conference call and there were several of us in Jack's office, and Art Laffer was on the phone and he said, "That's a terrible idea," because it would increase progressivity of the Tax Code, which he defined as the ratio of the bottom rate to the top rate. So clearly if you reduced each rate by the

same number of percentage points, then in percentage terms you're reducing the bottom rate more than you're reducing the top, and Art thought that was a terrible idea. This created a little bit of a crisis for us, I remember. I don't remember exactly how it was finally resolved, whether we dropped the idea or what, but that was one thing I remember in particular. I remember thinking Art's logic was stupid, but he was the guru. What did I know?

Kondracke: What was Art Laffer's status with Kemp?

Bartlett: Jack respected him enormously, and of course Jude did, too, so he was the guy. I mean, he was the principal guru that we depended upon to really explain all this stuff to us when something came up. His interest was more theoretical, and Jude was more into historical and political stuff. So they kind of double-teamed.

Kondracke: So how often would Jack talk to Laffer and Wanniski?

Bartlett: How often he talked to them, I don't know. I'm sure he talked to them on many occasions.

Kondracke: How about you?

Bartlett: I talked to them often as well. Alan Reynolds was somebody else I would talk to. Jeez, I can't remember. If I looked through my files, it would refresh my memory, because I kept every piece of paper that crossed my desk during that time period, because, like I said, I was trained as a historian and I knew what we were doing was

historically important. I just wish I had done a better job. You think you'll remember things forever, and then you don't. [laughs]

Kondracke: Would you paint me a word picture of Jude Wanniski?

Bartlett: Oh, Jude.

Kondracke: And his personality and character.

Bartlett: Well, he was a bit of a wild man, a bit of a character. The picture of him on the cover of his *Way the World Works* book, he looks like a Mafiosi, wearing a black shirt and a white tie and this garish Las Vegas-style jacket. I think his first major job in journalism was with a Las Vegas newspaper, in fact. His first wife was a Las Vegas showgirl.

But anyway, he had this amazing enthusiasm. One of his sort of jobs was to kind of buck us up when we were a little bit depressed because things weren't going as well as we'd hoped. He could always find some historical example where things were even worse and they got better. So a lot of what he did was just kind of add enthusiasm to what we were doing. I referred to Jack as a naturally enthusiastic person as well, and so the two kind of had very similar personalities in that regard, which is probably among the reasons why they got along so well.

Kondracke: What about Laffer?

Bartlett: Well, Laffer talks a mile a minute and he's very gregarious, and he has a tendency to—I mean, he's obviously a very smart person, but he acts as if he's even smarter, so he kind of partly

intimidates you and partly assumes that everybody knows a lot more than they actually do, so a lot of what he says will kind of go over your head.

There's a funny anecdote about Laffer. I heard this from one of his students, a guy named—mental blank. I'll think of it. The first day of class, he would intimidate, try to intimidate the class by writing some big long equation on the blackboard that he knew was utterly incomprehensible, and he just did this to prove that he was the boss, you see. One of his students [Victor Canto], a fellow who actually didn't speak very good English, from the Dominican Republic, raised his hand and said, "Professor Laffer, you've made a mistake." And he had. [laughs] And according to him—why can I not think of his name? It'll come to me. Anyway, he said Laffer was so upset that he canceled the class for the day. [laughs] So I mean, that was his style, you know. A little bit of bluster, try to bluff you.

And of course there's that famous story about him and the magic money machine. Do you know this story?

Kondracke: No.

Bartlett: Well, Laffer had been chief economist for the Office of Management and Budget back during the [Richard M.] Nixon administration, and in 1971, when George Shultz was OMB director, there was a lot of debate going on about the economy, as there always is, and the budget. For some reason, the exact predicted level of GDP that year was extremely important for some political reason; I don't remember why. Anyway, of course, being chief economist for OMB, he had a great deal of influence in terms of the administration's economic forecast. Herb Stein was chairman of the CEA [Council of Economic

Advisors], and he and Laffer didn't much like each other and they had different views and things. This was all written up in *The New York Times* at the time. Anyway, as I recall the story, Shultz wanted a forecast for GDP and Laffer was forced to give him one like right on the spot. So as he often did, he used shortcuts, and he said, "Well, if you assume the multiplier of the money supplied to GDP is—," whatever it was, "and we know the money supply is this, then that gives us a GDP of 1066," I think was the number, 1 trillion, 66 billion.

Shultz ran off to some meeting and apparently presented this 1066 number, which was essentially a back-of-the-envelope calculation, as OMB's forecast, and Stein, for some reason, thought this number was ridiculously high, absurdly high, and there was a big stink about this. But the funny thing is that if you go check the data now, Laffer was much too conservative. The actual GDP ended up being quite a bit higher. So there was this kind of background about Laffer.

There was also an allegation that he had referred to himself as having a Ph.D. before he had literally finished every dot and "t" of his dissertation, which I think was untrue, but it was one of these things that kind of dogged him as being a little bit of a bullshitter. I think that that was very much the view that a lot of mainstream economists had of him at the time.

Kondracke: But he was a respected—

Bartlett: He was a full professor at the University of Southern California, a tenured professor, and Jack certainly had tremendous respect for him, no question about that.

Kondracke: How much contact did Jack have with [Robert L.] Bob Bartley directly?

Bartlett: Very little, if any, I think. Jude was the intermediary. Jude was extremely important. Among the important things he did was he basically talked Bartley into being a supply-sider, and Bartley's written about this in his book. Bartley was kind of a distant on-the-mountaintop kind of figure. Jude always told me that Bartley was sort of like the prettiest girl in school who would sit at home on Saturday nights because nobody asked her for a date because everybody just assumed that she already had one. So according to Jude, Bartley would just sort of sit alone in his office, hardly ever talk to anybody, because everybody thought he was too important to talk to. [laughs] But he was actually a very nice guy the occasions I met him.

Kondracke: I liked him too. What about Novak? Where does Bob Novak fit into all this?

Bartlett: He wasn't really around at the time, that I recall. I don't think I even met him until some years later. He and Jude were clearly friends, and I think at some point—and I wish I knew more about this; maybe it's in Novak's memoirs—he just decided Kemp was a rising star, and I think he was looking to—I mean, his bread and butter was—you know, historically he and [Rowland] Evans were domestic politics and a lot of foreign policy stuff, but I think Novak had more interest in domestic economics. He was smart enough to see the inklings of a tax revolt and saw that Kemp was a rising star, and I think at some point he just kind of latched onto Kemp as just

somebody to keep an eye on. I think they eventually became pretty good source for Novak as well.

Kondracke: What about Irving Kristol?

Bartlett: Irving was another one of these sort of mountaintop figures. I don't know to what extent Jack—I don't remember him physically being around or ever talking to him. Jack might have. I don't know. But we were certainly aware of his work. He, in those days, wrote pretty often for *The Wall Street Journal*, and of course he edited *The Public Interest*. So we would avidly read his work. To what extent there was a personal contact, I don't recall.

Kondracke: There's a whole philosophical element to this, that this is the death of Keynesianism. You were there right at the time when people were declaring Keynesianism dead.

Bartlett: Right.

Kondracke: Kristol was one of the people saying that something new was being born here, right?

Bartlett: Of course, as you know, *The Public Interest* published Jude's first article. Let me go back a little bit. My understanding is that Jude's first introduction to what we'll call supply-side economics was in 1974. The American Enterprise Institute held a conference in Washington that was organized jointly by Laffer and another economist named David Meiselman, who was more of a Chicago school monetarist type, and it was on international inflation or something like

that. Mundell spoke at this event. He was then, I think, at Columbia. A couple of years earlier, he had written a paper that was published by Princeton's international finance section, in which, as far as I can tell, was the first time he kind of laid out the fundamental supply-side model that we understood at the time, which was tight money and tax cuts. This was really Keynesianism turned on its head, because the Keynesian model was basically you need tight fiscal to reduce inflation and easy money to stimulate growth. And Mundell said that's exactly the opposite, because he was sort of a monetarist on inflation; that is, we needed tight money and we needed tax cuts to stimulate growth so that the tight money doesn't make the economy collapse.

So anyway, Mundell gave a talk at this 1974 conference and reiterated this point that he had made a couple of years earlier, and this was the first Jude had heard of anything like this and his curiosity was piqued. I guess it was from that that he got to know Laffer and Mundell, and he quickly wrote up a long article that I believe appeared in *The Public Interest* in early 1975. I think it was called the "Laffer-Mundell Hypothesis" or something like that. And almost all of it was about their monetary views, because that was, frankly, their area of specialty. But there was this long footnote, several hundred words long, in which he digresses and talks about tax cuts, and he puts in there this stuff about the Laffer Curve. As far as I'm aware, that's the first place that ever appeared in print, and it was just in a footnote.

So that was in early '75, and, of course, that had been published by Kristol. As I said earlier, Kristol had arranged for Jude to—because among his other jobs, he was an editor at Basic Books, and I assume he was responsible for having Jude's book accepted. I don't know the precise timing of when he wrote up the proposal and when it was accepted and all that kind of stuff. But it must have predated—at



some point after the article appeared and sometime before he showed up at AEI in early '77, that must have happened. I don't know the exact dates.

Kondracke: So did Kemp actually read all these articles?

Bartlett: Oh, yes. I mean, you could tell, because his notations were in the margins and things like that, and he would oftentimes circle a paragraph and say, "Look into this," or, "What do you think of this?" or, "Find out more," you know, some sort of notation like that. Very common. Like I said, he would do a lot of his reading on the plane, so when he would come back, piles of paper would come out of his office and kind of got distributed around among the staff, with notes that he had made while he was flying.

Kondracke: His own office, I've heard, was a mess, piles of paper.

Bartlett: His desk certainly was. One of the things that happened right as I went to work for him is he moved his office from the Cannon Building over to the Rayburn Building. I remember his secretary telling me—she had a Polaroid camera. She photographed his desk very carefully to make sure that every pile of paper got put back in the same exact spot on his desk. They were pretty big piles.

One of his things was, he had these file folders all over the place. None of them were ever labeled or anything. He would just stick papers in them. Then when he had to go on a trip, he would just grab one of them sort of at random, and that was when he would get caught up, you see. So he would sometimes, I remember, pull a folder off the bottom of the pile, and I would find him responding to a

memo that I'd sent him months earlier that he hadn't gotten around to reading, and now all of a sudden he read it, said, "Great! We need to do this." It was really kind of funny.

Kondracke: Sometimes people think that people with messy desks have messy minds.

Bartlett: Oh, no. Well, you know, you know enough people.

Kondracke: I have a messy desk, by the way. [laughs]

Bartlett: A friend of mine, John Fund, who used to work for Bob Novak, told me one time the piles of paper on his desk got to be so unmanageable that they literally went out and bought planks of plywood and nailed them to the side of his desk to prevent the piles from falling over. [laughs]

He also told me one time that there was some crisis in the office, that Novak had lost some document that he desperately needed, and so they had to start going through the papers on his desk. John told me it was like going through the geological layers in the Grand Canyon. Everything was more or less in chronological order. He said when they finally got to the very bottom of the pile, there was a memo about the 1960 budget. [laughs]

Kondracke: Who is Steve Entin and what did he have to do with—

Bartlett: I forgot about Steve. Jack actually wanted to hire Steve for my job, but Steve preferred to go to work for the Joint Economic Committee. Steve had been on the staff of Senator Robert Taft, Jr.,

and Taft, I believe, was defeated in 1976. I'd have to check. I don't know how he got into the orbit. He had been at the University of Chicago, but I don't know whether he studied with Laffer or not. I'd have to ask him.

Kondracke: Where is he now?

Bartlett: He runs an organization that was established by Norman Ture, called the Institute for Research on the Economics of Taxation, IRET. He still does that.

Kondracke: What was his relation to Kemp? Did they talk? Was he part of the orbit?

Bartlett: He was one of the people in the orbit. I doubt that they talked personally other than on occasions when Steve was around the office. But he was another one of the adjunct staff people.

Kondracke: What about the [Three] Amigos? Were you there during the Amigo period when they would go to a Mexican restaurant? This is [Newt] Gingrich and [Trent] Lott?

Bartlett: That must have been later, because Gingrich—I forget when he was elected, but he was certainly not a part of the group at the time I was there. Keep in mind I was there through all of 1977 and about half of 1978, so my time there was actually very brief.

Kondracke: Who were his best congressional collaborators? Stockman, [William A.] Steiger?

Bartlett: Steiger, we knew what he was doing and the whole capital gains fight was very important, but I don't remember him being kind of personally part of the group. It was sort of like we were operating on parallel tracks. This is something that's very important, that people misunderstand, is that Jack didn't feel like he had to be the guy in charge of everything. He viewed himself literally as a quarterback and these other people were players and they had their functions, just as the linemen have their job and the runners have their job and so on. Steiger was the capital gains guy, and Stockman, his main interest in those days was energy and regulation of the economy. Jack viewed that as very much a part of the supply-side agenda, but he didn't talk about it because that was Dave's job. He didn't want to trample on his toes. He was also concerned about budget and spending, and that was Rousset's job, you see. So he was kind of the central guy in terms of coordination, but he would often not talk at all about issues, not because he wasn't concerned about them or didn't think that they fit in, but because they were other people's jobs. That was their responsibility.

Kondracke: So did he have a gang, though?

Bartlett: Well, I didn't think of it as that.

Kondracke: Or group.

Bartlett: He had allies, let's put it that way.

Kondracke: Did they get together?

Bartlett: They may have. There were groups, but there's all kinds of ad hoc groups that operate in Congress. A lot of them are members-only operations, so I was never there and neither was anybody else on the staff. I remember there was a group called the Chowder and Marching Society or something like that.

Kondracke: Which reminds me. You said that your job, once Kemp-Roth was written—

Bartlett: First we should talk a little bit about Roth. We kind of passed him over. I don't recall the date, I wish I did, but my memory is that sometime in the spring of 1977, Kemp got—well, first of all, Senator Jim McClure had been the principal Senate sponsor of the Jobs Creation Act, and it was sometimes called the Kemp-McClure Act. Although McClure was a very smart guy and we liked him, we felt that he wasn't putting a lot of effort into this particular piece of legislation. He had other interests.

So we were kind of receptive to the idea of finding another Senate sponsor, and this was kind of in the back of our minds at the same time that we were talking about doing the [unclear] Kennedy tax cut, so right in the middle of that, I recall that Kemp got a handwritten note from Bill Roth, who was a senator from Delaware, just congratulating him on something or other that he had done, a speech that he'd given or something like that. I don't remember. But anyway, it kind of brought Roth to our attention, and we liked Roth for two reasons. One is he was a member of the Senate Finance Committee, which was very, very useful, and the second was that, like Kemp, he cultivated a very moderate image, and we liked that about

him, too, whereas McClure was much more of an old-style conservative. So I don't remember exactly how it came about, but Kemp said something like, "Let's get in touch with these guys. Let's have a meeting, see whether they're interested in this Kennedy tax-cut idea."

I'm sure well in advance of that I made contact with my counterpart on Roth's staff, a guy named Bruce Thompson, who ran the Washington office of Merrill Lynch for many years. He's retired a while back, but I'm sure he could be located. Anyway, we probably got in touch right away and felt each other out in terms of seeing if there were mutual interest, and there was.

I recall at one point we went over to the Senate side, Kemp and some of the staff, Randy, certainly, and I believe Ture was there as well. We had a lunch in the Senate Dining Room, and Kemp and Roth kind of agreed to go along with this. As I recall, the two things that Roth added to the legislation was he wanted very much to phase it in over a three-year period. Kemp didn't want to do that, but Roth was concerned about the revenue loss, so we gave that to them. My memory is that Kemp wanted to reduce the bottom rate to 8, and Roth only wanted to reduce it to 10. Again, he was concerned about the revenue loss, and we went along with that as well. So he made substantive contributions to the legislation that we had been talking about.

Kondracke: Was Roth a supply-sider? Was he in the movement?

Bartlett: No, he was just a regular Republican, but he could see the way things were going. I honestly don't know precisely what his motivation was. Perhaps Bruce could tell you. [James] Jim Brady was

his press secretary. I remember that. Dennis Thomas, who was one of Reagan's mice in the White House, was his chief of staff, so you should talk to Thomas. Thomas must still be around.

Kondracke: So you said that your job after Kemp-Roth was written was to sell it, to get everybody on as a co-sponsor, which you did, you said at the Miller Center.

Bartlett: Yes. It was very, very hard work, too.

Kondracke: Tell me about the hard work, because we said at Miller that there were people who objected on fiscal grounds. There must have been people who were of the Bush mentality that it was voodoo economics. There were other people who just resented that Kemp was involved in this Chowder and Marching business. So tell me about the difficulties you had.

Bartlett: Well, first of all, my memory is—and I can double-check this—is that the actual Kemp-Roth bill was introduced in June of '77. I remember we had a press conference, and the only actual reporter who was there was from the Delaware newspaper, as I recall. In other words, it didn't exactly make a splash.

Kondracke: Was it a press conference that Kemp and Roth had?

Bartlett: Yes.

Kondracke: Who attended?

Bartlett: It was a very small group of people. Like I said, the only real reporter I recall being there was from the Delaware paper. There may have been a few others. I don't remember. You've been to these kinds of press conferences. It was mostly staff people and a lot of empty chairs. [laughs] So it was not auspicious by any means.

Anyway, I started working on getting the co-sponsors, and as with a lot of these things—I forgot how many Republicans were in the House at that time. My recollection is about 160. So you probably got the first hundred like that [snaps fingers]. Then it was just kind of slogging. Sometimes there was resistance on the staff level. Sometimes it was just a hard time getting through to people, playing phone tag and the usual kind of stuff. But there were at least a few members who were just adamantly opposed.

Kondracke: Who?

Bartlett: The two whose names I remember, one was Chalmers Wylie, who was a very old-line Republican. I think he was the ranking Republican on the House Banking Committee. He represented Columbus, Ohio. It was basically the deficit. How can we cut taxes when we have a big deficit? And the last person I remember to co-sponsor was John T. Myers, who was another old-style Republican, from Indiana. I can't remember, I might have even talked to Myers personally. I can't remember. Whoever it is I talked to, whether it was him or his staff, there was a certain, "Okay, you win. You've worn me down. I'm the last guy." [laughs] So he signed on.

But I should mention that the leadership was very supportive from the very beginning. John Rhodes was the Minority Leader. He had been elected in the [Dwight D.] Eisenhower year, '52, so he'd



been around forever, and he signed on very quickly. [William] Bill Brock, as we discussed at the Miller Center, was extremely important. I think his motivation was more political. He just saw this as a good winning issue for a party that was down pretty badly because they had lost the White House and had very small numbers in the House and Senate. They were looking for a way to get up off the mat, so Brock's support was very important.

Ronald Reagan was important in a very indirect sort of way, because he had a lot of money left over in his campaign after the '76 race when he ran for the nomination, and he used this money to establish an organization called Citizens for the Republic. I remember being in contact with them. I remember being in contact with people at the RNC and the Republican Congressional Committee and places like that. We tried to place articles in their publications and things of that sort. I have some of that stuff in my files.

Kondracke: What was *Tax Cut News*?

Bartlett: That was something that we did, Roth and Kemp. Remember I said we had all these reprints and things. Well, we decided to create a sort of newsletter out of them. I don't know, maybe once a month we would just run off copies. I may still have a couple copies of it around somewhere. It was just reprinted articles and things of that sort, and we sent it around, and Kemp's and Roth's picture was on there. This was another way Roth was very helpful, because they had a much better printing operation in the Senate and it didn't cost anything. We had to pay for our own printing in the House. So we sort of let Roth take care of the production of that particular document. As I recall, we distributed it like a "Dear Colleague" letter.

It wasn't something we distributed to the general public, as I recall; it was more internal. It was just to let people know that this was a topic of discussion and here's what people are saying. It was more to show support than really inform people, I think.

Kondracke: What was Jack's role in getting these people signed on?

Bartlett: There may have been some cases where he needed to talk to a member personally, but I don't recall it. I mean, that sort of thing is almost always done at the staff level. I would just call over to some office and say, "Can I talk to the L.A. in charge of tax and economic policy?" Actually, in those days most congressmen only had one legislative assistant, so you would just call and ask to talk to the L.A. and say, "We'd like you to co-sponsor this." They might have some objections and you might have to send material over in the inside mail, whatever needed to be done.

Kondracke: Were there any of these people who were resentful of Kemp's intrusion into tax policy?

Bartlett: Well, maybe.

Kondracke: You don't have to tell me anything you don't know.

Bartlett: We clearly had a bit of a rocky relationship with Barber Conable for two reasons. One is Conable had a neighboring district in New York and was much senior to Jack and sort of resented him being a bit of an upstart.

Kondracke: How did he express that?

Bartlett: This may have been relayed to me indirectly through Jack. I'm not sure. Maybe Randy [Teague]. I don't know. Of course, he was the ranking Republican on the House Ways and Means Committee, so he felt, both because he was the senior congressman and Republican in the New York delegation and because he was the ranking Republican on Ways and Means, that Jack should defer to him in terms of tax policy. I recall we didn't exactly get along with the House Ways and Means Committee Republican staff very well.

Kondracke: But you got them.

Bartlett: Well, they didn't have any choice. They were like these other guys. Again, the leadership's endorsement was very, very important. It showed that we were not cowboys off by ourselves. So a lot of the discussion that was perhaps superficially about substance, like what do we do about the deficit, was indirectly about some of these other political and interpersonal and those kinds of things. But that was Jack's job, was to take care of those problems when it dealt with the members.

Kondracke: Was it Jack who convinced Rhodes to do it?

Bartlett: I don't know exactly how that happened, but I assume so. Brock may have had a lot to do with that. I'm not sure.

Kondracke: How did Democrats respond to the proposal and especially to the Kennedy analogy?

Bartlett: They mostly ignored us. I don't recall any really substantive involvement or discussion by the Democrats during the time I was there. It was only much later, in '78, after the passage of Proposition 13 and things of that sort, that it became a hot issue, that they really started to focus on it.

Kondracke: How much time and energy was devoted by you and Kemp to monetary policy?

Bartlett: None while I was there. My recollection—and there are other people, obviously, John in particular, I'm sure, disagrees about this, but during the time I was there, it seemed to me that Jack and the other supply-siders were essentially monetarists on monetary policy. Jack worshipped the ground that Milton Friedman walked on. Like I say, Mundell, it seemed to my understanding, was essentially a monetarist. He said we needed to reduce the growth of the money supply to stop inflation, and he was just saying, to my ears, the exact same thing Friedman was saying.

Kondracke: Which is to say that the Fed should tighten interest rates.

Bartlett: They needed to tighten growth of the money supply. That was the key thing that really distinguished the monetarists' view in those days, was they didn't really talk about interest rates.

Keynesians talked about interest rates. The monetarists talked about the money supply, which Keynesians basically ignored. They didn't think that was of any importance whatsoever.

Kondracke: How do you control the money supply?

Bartlett: The Fed increases the money supply when it buys Treasury bonds, and it reduces it when it sells bonds. So we felt all they needed to do was just sell bonds, soak up excess money in the economy, and stop buying bonds, just control the money supply, which we felt that they could do, but the Fed didn't want to do that because they were afraid that it would create a recession and reduce growth and that sort of thing. There's always a tradeoff between unemployment and inflation. It was formalized, even, in something called the Phillips Curve.

So really it was sort of a political question. What's the worst problem? Is it employment or is it inflation? And it would change. I think throughout the seventies it was clear that as time went by, inflation began to become more and more of a serious not just substantive problem, but a political problem, that allowed policymakers eventually, and in particular in 1979 when [Paul] Volcker took over the Fed, to adopt more aggressive anti-inflation policies than they would have been able to do a few years earlier because everybody would have been afraid that it would raise unemployment. But eventually you didn't have any choice.

Kondracke: The year that you were with Kemp, you had very high inflation and high unemployment. [James E. "Jimmy"] Carter had just been elected, right? So it wasn't quite as bad as it became by 1980, but it was pretty bad.

Bartlett: No question about that, but, see, the way we liked to talk about the problem was in terms of the interaction between inflation

and the Tax Code. We'd talk a lot about how workers got pushed into higher tax brackets when they got a pay raise, and things of that sort. So that was almost the only way we ever talked about that problem.

I don't know who was sort of the inflation guy or the money supply-er or the Fed guy, our go-to guy in Congress on that issue at that time, but I'm sure there was probably somebody that in Kemp's mind was the leading guy on that issue. I'll just defer to him.

Kondracke: So Jack never talked about going on the gold standard?

Bartlett: Not while I was there. Never. That came much later. I've often wondered about that. Clearly that came from Jude, but I don't remember Jude ever talking about that stuff either, and I don't remember it being in his Mundell-Laffer article either. I'd have to double-check.

My belief is—and I think I might have mentioned this to you—at some point there was an old economist named Roy Jastram, who wrote a book called *The Golden Constant*, and I had it in my library downstairs. I can double-check the date. I think it came out in 1977 or thereabouts. Jude wrote a long laudatory review, as I recall, in *The Wall Street Journal*, and I think that's where Jude got the gold-standard bug.

Kondracke: This would have been what year?

Bartlett: I'd have to double-check.

Kondracke: You think it was after you left?

Bartlett: Yes, I'm almost certain about that. I think Jude, as he often did, talked Jack into it. But I don't remember any discussion about it when I was there. Jack was just a very standard monetarist in the Milton Friedman mold. I can't prove that, but that's what I think.

Kondracke: Why did you leave Kemp after so short a period?

Bartlett: Jude was really responsible for that. See, Jude had this scheme that he wanted the election in 1978 to be very much about supply-side economics, and he had some contacts with a guy named Perry Duryea, who was the Minority Leader in the New York State Assembly. You have to remember, all the time I was there, there was a lot of talk about Jack running for governor or maybe senator. I think at some point he decided he didn't want to do that, and he was going to run for Senate, but he wanted to wait until [Jacob] Javits retired. So anyway, at some point Jack decided he wasn't going to run for governor in 1978, and Duryea was like the next guy in line, so he was going to be the Republican nominee.

Jude had a contact with him, and he talked me and them into hiring me to go work on Duryea's campaign in order to spread the gospel, so to speak. The idea was that New York State would also have some equivalent version of the Kemp-Roth Bill, and we'd cut taxes, Proposition 13, and all this kind of stuff. So anyway, Jude talked me into this, and they ended up hiring me.

Kondracke: Did he have to talk Kemp into letting you go?

Bartlett: No. Honestly, I don't think Kemp was too sad to see me go.

Kondracke: Why?

Bartlett: Well, he certainly didn't try to talk me into staying, let's put it that way, or maybe he thought it was just a good idea. I don't really remember the nature of the discussion. I mean, Jude was so much involved in all this, I can't remember. Talking to him was like talking to Kemp, you know.

So anyway, it seemed like a good idea because part of my thinking was is that Kemp would run for senator from New York.

Kondracke: That would have been in '80, right?

Bartlett: Right. Well, we didn't know what Javits was going to do. We thought he was going to retire and then he changed his mind.

But anyway, I thought that having somebody in the Kemp orbit, I didn't know what I would do after the election. I didn't really think that far ahead. But I thought having some experience in Albany, knowing the ins and outs of the state government, and making contacts among the political types there would stand me in good stead in terms of maybe going back to work for Jack or doing something else. I didn't know.

Anyway, when I got up to Albany, though, it turned out that Duryea didn't have the slightest fucking—excuse me—interest in this stuff. I'm not really sure what the hell he was thinking. I have some interesting anecdotes about that. Anyway, I didn't really do much of anything on Duryea's campaign. He ran a really crappy campaign. He was defeated, even though he was like twenty points ahead in the polls when I went to work for him. The day after the election, I didn't even bother giving notice; I just left.



Kondracke: Did Wanniski have a master plan for Jack?

Bartlett: He may have. He never disclosed it to me. Perhaps Randy knows. Jack and Jude were so close. Like I said, talking to one was like talking to the other. I don't actually know, but I assume they talked very, very often.

Kondracke: Because there was obviously this Laffer-Wanniski plan to have Jack run against Reagan in '80 so he could be the vice presidential nominee.

Bartlett: Keep in mind that there was still this whole question about the Senate that was open until the very last minute when Javits kind of double-crossed Jack and decided to run again, and he was just too deferential.

Kondracke: Was there an agreement between Javits and Kemp that Javits would step aside?

Bartlett: Maybe. I think it was probably more of an expectation. Maybe there was an understanding. I don't know. I don't recall, during the time I was there, ever having any direct contact with Javits' office, but obviously he and Jack must undoubtedly have met on numerous occasions. I don't know.

Kondracke: How much contact did you have with Jack while you were on the JEC staff or with [Roger] Jepsen?

Bartlett: Not much. I tried to talk Jack into getting on the Joint Economic Committee, but he chose to get on the Budget Committee instead. Whenever I was on the House side, I would go visit them. We were in contact, but not as close. I was sort of like Entin, you know, just one of the group, one of the orbit, but I had my own interests and my own agenda, doing different things. Also, maybe it's not true today, but in those days, the House and the Senate were much further apart than the geography would suggest. You tended to operate in your own sphere. Of course, once the Kemp-Roth Bill passed in '81, that kind of put an end to my part of the—I mean, that was the end of that, you know.

Kondracke: So did you stay in any way kitchen cabinet?

Bartlett: Yes, I think so, but I think it was more that I was interested in what they were doing more so than they were interested in what I was doing.

Kondracke: Did you support Jack in '88? Did you get involved in the campaign?

Bartlett: No. In 1985, I guess, I went to work at the Heritage Foundation and was there until 1987. My recollection is that when Jack first announced that he was running, he wanted me to be listed as among his supporters, and Heritage wouldn't allow me because of tax-exempt status. I was forced to write a letter, as I recall, to Kemp, asking him politely not to use my name. Then very shortly thereafter, I went to work in the White House, so I was prohibited from being

involved in political activity. So I really could only be an observer. I was not involved. I did think that it was a mistake for Jack to run.

Kondracke: Why?

Bartlett: I didn't think he had a chance of winning.

Kondracke: Because of Bush?

Bartlett: Yes.

Kondracke: Did Jack oppose every Reagan increase in taxes?

Bartlett: He certainly opposed the '82 increase. He was very vehement about that. You'd have to check his voting record on the others.

Kondracke: Because as you write, the tax increases of Reagan were about half of the tax cuts.

Bartlett: Yes, that's right. There were, by my count, eleven major tax increases during the Reagan administration. Jack would have certainly voted on them. I just don't know how he voted.

Kondracke: Kemp is in the cabinet with Bush, and you said you didn't have much contact.

Bartlett: Not too much. He was working on issues that I didn't know anything about. Housing is not my issue. But we were in contact from

time to time, and Jack was always interested in trying to get the White House's support for his ideas, which at that time were almost entirely in the housing area, but he always had an interest that I think he conveyed to me, of being interested in minorities and problems of minorities, blacks in particular. That was very much subtext to everything that he did in the housing area. He was kind of the outreach guy, too, in the minority community. As I recall, that was quite important after the Los Angeles riots. I forget what year that was, '91 or '92.

But anyway, there were times when Jack and I would cross paths at interagency meetings and things like that. It's funny, Jack and I, our paths would cross from time to time, several times a year, at speeches or events, whatever, and for as long as I ever knew him, he always treated me exactly the same way. It was like I was still a member of his staff. It's like once a member of Kemp's staff, you're always a member of Kemp's staff. [laughs]

Kondracke: So what is that treatment like?

Bartlett: Well, it was certainly not a peer relationship. [laughs] I mean, he clearly was the boss and I was the staffer, you know, and that's the way it always was. He was that way with everybody.

Kondracke: What does that mean?

Bartlett: It didn't bother him to ask me to do things. Jack never traveled with an entourage, you have to understand. He didn't have people following him around, being in charge of doing things for him. He would just sort of latch onto whoever happened to be within

earshot or right nearby. He was always proselytizing. If you weren't part of the group, he was going to make you a member of the group.

I remember every time I ever heard him speak, I would hear echoes of things that I wrote for him way back when, just phrases, for example. And also Jack was really, really good about sharing credit. Like if he would be giving a speech years after I'd left his staff and he would see me in the audience, he would say something. "There's my old staff guy Bruce," or whatever. It was like family, is really what I'm getting at, and he was the father figure, of course. So we were all his children in one way or another. Maybe his peers were more like brothers; I don't know. But we were all subordinates in one way, shape, or form.

Kondracke: When Bush 41 decided to leave the "no new taxes" pledge, did Jack have a reaction to that?

Bartlett: Oh, he was very opposed to it. I remember him telling me once on one occasion that he went to see Bush. I guess it was just before he needed to sign the legislation or maybe it was before the final vote or something like that. He made an appointment to see Bush in the Oval Office, one on one, and he tried to talk him out of it. He tried to beg him not to do it. Jack told me this, and I thought it was quite revealing. He said that Bush responded by saying, "Jack, don't you understand that the economy didn't start to grow until after the TEFRA [Tax Equity and Fiscal Responsibility Act] bill in 1982?" In other words, in Bush's mind, it wasn't the tax cut in '81 that caused the growth in the eighties; it was the tax increase in '82. Jack was incredulous. He didn't know how to respond to it. So after that, what's the point of arguing with him? He's convinced. I mean, the

way Jack told it to me is that Bush was convinced that this was going to increase growth, and Jack thought, of course, that was nonsense, crazy, in fact.

Kondracke: Did Jack Kemp ever say nasty words about anybody?

Bartlett: No. I never heard him swear, ever, and I never heard him say any negative word about anybody, even people he clearly must not have liked. That just wasn't his style. Maybe he had stuff bottled up inside of him, but I never saw it. From everything I ever saw of Jack, what you saw is what you got. He was the same person in public as he was in private. He was the same person talking to some black kid from the neighborhood about why supply-side economics is good for the blacks, or whatever. He was very, very transparent, no complexity, no guile, no bitterness. He was the opposite of Lyndon Johnson or Nixon, brooding. Jack was never like that. He was always called "the happy warrior," and he really was.

One of the great things that Jack did to the whole supply-side movement was to give it energy, because he was relentless optimistic. He was always certain. And that's why I think he and Reagan got along so well, because Reagan was exactly the same way. What's that old anecdote about Reagan, that if he'd see a pile of you-know-what.

Kondracke: Manure, yes.

Bartlett: Right. Jack was exactly the same way. He always thought success was right around the corner, and we just needed to convert one more person or something. I don't know. He was amazingly energetic. Of course, me being more of a normal human being, I'd get

depressed and think this is hopeless and we're never going to get anywhere, but Jack would always buck people up. That was part of his job.

Kondracke: Do you remember any specific incident of that?

Bartlett: No, but I know that one thing Jack could do that is a very under-appreciated ability in politics, is he could say the same identical thing a thousand times with equal enthusiasm every single time, and most of us can't do that. We think it sounds ridiculous or we get bored or we look for different ways to try to say the same thing to introduce some variety or something. He was not like that I guess it comes from—I hadn't thought of it until right now, but I guess it comes from being a football player, where you do the same play over and over and over again, and you have to do it exactly the same way for it to work, and you practice it that way. Maybe that's where that came from. I don't know. But it was certainly a skill that I didn't appreciate as much as I should have at the time.

Kondracke: Was there any sort of religious patina to Kemp at all?

Bartlett: No, not in those days. I think he became much more religious much later in life. I don't remember it. Also, the evangelical stuff wasn't really part of the Republican Party in that era. That came later, I think.

Kondracke: Now I want to go to your intellectual journey. I must say that I find what you've written about where things are to be most compelling. It seems to make a lot of sense to me. So you basically

said that supply-side economics was right for the period that it went into effect and it's not for all time.

Bartlett: Right.

Kondracke: So do you still regard yourself as a supply-sider?

Bartlett: No, not really. I think it's become a pejorative term. I wrote a piece in *The New York Times* in 2007, I think it was, in which I said we should essentially retire the term. You remember it was Senator George Aiken who said, "Declare victory and go home." I felt the same way about supply-side economics. I felt that by 2007 we had basically accomplished everything we set out to do, both in terms of policy and in terms of changing the way people thought about taxation, and there was really nothing left to do. Maintaining this term "supply-side economics" I think simply created a barrier between people who essentially agreed with each other but they just didn't like the idea for whatever reason or another.

Martin Feldstein, for example, has done enormously important work that I think is very consistent with the supply-side view, but he would never in a million years call himself a supply-sider.

Kondracke: Because?

Bartlett: Because he thinks supply-siders are nuts. The whole Laffer Curve thing, I think, was in a way very unfortunate because it created this idea that supply-siders were not serious, that they would just say crazy things like, "All tax cuts pay for themselves." The funny thing is, that's probably what most Republicans believe today.



Kondracke: Does Laffer believe that?

Bartlett: I don't think so, but he never actually says anything that would contradict the general Republican view. Laffer has, I think, become very, very political, much less substantive as the years have gone by. Of course, he left his teaching position many years ago to become a very wealthy consultant. You may not remember this; he ran for the Senate from California. So I think he views himself, as a lot of Republicans do, as, "My job is to try to support them as much as I can, and if that means prostituting myself, then that's just part of what you've got to do."

Kondracke: That's one of the things I need advice about, by the way. We're going to do an oral interview with Laffer in a couple of weeks, so that's one question. Do tax cuts pay for themselves?

Bartlett: For one thing, Art never said that. Do you have my *New Economy* book? I went through the history in there pretty carefully, so I talk about what Laffer said and when he said it.

Kondracke: I'll check it.

Bartlett: Part of the reason I wrote that book is one day I just realized that I was forgetting stuff and I needed to write it down so I wouldn't forget. One of the things that I did is I went back through all the congressional testimony and things of that sort to see what people said and when they said it, and Laffer was one of the people I did that for, to see what he said and in what context. It was quite clear that at

least in his public statements he was very careful not to say something that would make him look ridiculous among academics. In fact, there was one hearing where he testified with [Joseph] Joe Pechman, and Pechman said, "I agree completely." Of course, he was the famous Brookings economist. It was, in a way, our *bête noire*. He was sort of a leader of the Keynesians in tax policy, so he thought everything we were doing was nuts. So for him to say, "I pretty much agree with everything Laffer said" both shows that Laffer was more careful when it was important to be careful and that we were probably having a little bit of an impact on Pechman as well.

Kondracke: The Keynesians sort of did accept at a certain point the Laffer Curve.

Bartlett: Nobody ever denied it, that it would work in theory, but the question was, what will the actual results of this particular policy be. To my knowledge, Laffer never did an actual formal revenue estimate, but Norm Ture did, and another guy who you may know, Michael [K.] Evans, he sort of joined the supply-side club at somewhat of a later date for reasons I could go into. But anyway, the two supply-siders who did a formal estimate said the Reagan tax cut was never going to pay for itself, or at least not for a really long time. When I say pay for itself, I mean revenues would get back to where we started. You'd still have all of the revenue loss up until that point, you see.

My own feeling was that the main argument we were trying to convey was simply that you don't lose a dollar of revenue for a dollar of tax cut if it's done in the right sort of way. I don't recall anybody ever specifically saying this publicly, but at least in my own mind I thought maybe we'd get back a third. And this was important,

remember, because of the Budget Act, is that you had to have a provision in the budget resolution permitting a tax cut if you wanted to have one. Otherwise, it was subject to a point of order. The constraint was a dollar constraint. So you could have a tax cut of whatever, \$100 billion, and you'd have to have a tax cut that would be measured by the Joint Committee on Taxation as not losing one dollar more than 100 billion, you see. So if you were doing the supply-side sort of tax cut, where the Joint Committee would say this would lose 100 billion, we were saying, no, it's only going to lose 70 billion. And that was important because we could then have a bigger tax cut if our view of the revenue feedback was taken into account. So that was really what all this was about, was squeezing it into the numbers that we were permitted to have. That's what the debate was really all about, was just about revenue estimating.

I think as time has gone by, people have pretty much come around to accepting that, in principle, tax cuts pay for themselves to some degree. I think Larry Lindsey did the most careful research on the Reagan tax cut in his book, and I think he said it's 30 or 40 percent—I don't remember. It's in my book somewhere. I just don't remember exactly.

Kondracke: The point is those tax cuts increase productivity, increase investment, and therefore build GDP.

Bartlett: Actually, the most important thing that they do is they reduce the incentive to shelter income. If you're paying 70 cents on the dollar, then you're much better off saving a dollar of taxes than earning a dollar of income. So there was this huge proliferation of tax shelters in the seventies. I remember somebody trying to talk me into

buying a railcar and I'd get the investment tax credit and depreciation, this and that. I mean, there was just crazy stuff that people were into. And also it was in the seventies that you really started to see the beginnings of labor contracts and things workers were doing to get more benefits, which were tax-exempt, health, pension, insurance, etc., in lieu of increases in cash wages that was, to a very large extent, driven by taxation. So we felt that the tax base was being shrunk by high tax rates, and that you'd get more revenue just by getting people to realize income in taxable forms rather than in tax-exempt forms.

Kondracke: Did you have any allies among your former supply-siders with your view of what the economy ought to be?

Bartlett: No, not really. We don't talk anymore. One of the things from writing that *New American Economy* book, which didn't sell for crap, but I learned an enormous amount by writing it that was very, very helpful to me, because the first two chapters really go through the Great Depression and Keynesian economics. This is kind of funny. The premise of the book was that there's cycles in economic policy, that a theory overturns the existing order, gets accepted, is proven successful, and then it gets overused and therefore sows the seeds of its own destruction. So my idea was to have this parallel between Keynesian economics and supply-side economics, that they went up and then came up. I felt, like I said earlier, that supply-side economics had pretty much achieved what it set out to do. But the problem was that the book came out right at the point at which Keynesian economics all of a sudden make sense again. [laughs] So the basic premise of the book made no sense.

But anyway, like I said, I did all this research and it convinced me that the problem that we've had over the last several years has been a problem of inadequate demand. I mean, basically I agree with just about everything that Paul Krugman has been saying on this subject over the last three or four years. I think the idea of cutting taxes in a situation in which you have inadequate demand is nuts. It's just crazy.

Remember the whole inflation thing was extremely important to the whole development of supply-side economics, because you could argue that inflation is the result of too much demand and not enough supply, right? So if you increase supply and you hold demand constant, then you're going to reduce inflation. That was what we were talking about all the time, was that we want to create more goods and services, because that will have a salutary effect on inflation.

But the Keynesian view was that tax cuts increase the deficit, the deficit increases inflation, so what we were proposing was massively inflationary in the Keynesian model, you see. If you go back and look, you'll see that every prominent Keynesian critic of what we were doing, mainly they argued that what we were trying to do would be inflationary. But remember our view of inflation is it was purely a Federal Reserve phenomenon. So our feeling was, if the Fed stays tight on the money supply, there can't be inflation, no matter how much the deficit grows. In fact, the first article I ever had in *The New York Times* back in 1979 was on exactly this point. I said a balanced budget amendment won't have any effect on inflation, because inflation doesn't have anything to do with the deficit. But it was a widely accepted view and still is.

I lost my train of thought.

Kondracke: Your train of thought was—

Bartlett: Basically it's simply that times are different, economic circumstances are different, and I think that the tax cut of 1981 was extremely appropriate to the nature of the economic problem at that time.

Kondracke: With Paul Volcker cracking down on the money supply.

Bartlett: Yes. Keep in mind, also, inflation was—what did it peak at? Eighteen percent in 1980? Or maybe it was even '81. I don't remember. But there was really serious concern about hyperinflation and this getting out of control.

Kondracke: Let me ask you this. Do you have any sense of what Jack Kemp's trajectory would have been?

Bartlett: Politically, you mean?

Kondracke: No. In terms of economic theory.

Bartlett: Today, you mean, if he were still alive?

Kondracke: Would he agree that tax cuts are the answer to every problem?

Bartlett: Yes, probably. It's hard to know. When did Jack die? I can't even remember now.

Kondracke: 2007 [2009].

Bartlett: Well, I'd like to believe that he would be a voice of common sense and fight some of the craziness that's going on out there, but I never saw any evidence that he did that during the time that he was alive. I think at some point he just kind of retired, you know, mentally as well as sort of physically, and just turned his attention to other things. Unfortunately, I didn't really see him or talk to him very much in the last few years, so I don't honestly know what he was thinking about, the Republican takeover in Congress or the George W. Bush administration or any of that kind of stuff. What can I say? He seemed like he was in such good health until the very end. I didn't feel any urgency about going to see him.

We all make these mistakes. I wish to hell I'd spent more time talking to Norman Ture, but I didn't. A lot of things I learned about him, I didn't learn about until he was dead, and then I couldn't ask him about them, you know. Like your parents or your grandparents, they're just around, and you don't take advantage of opportunities. That's why I'm so happy you're doing this.

[End of interview.]