

JACK KEMP  
ORAL HISTORY PROJECT

Interview with  
Sen. BILL BRADLEY

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Interviewer  
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Kondracke: This is an oral history interview with Senator Bill Bradley for the Jack Kemp Oral History Project. We're in the offices of the Allen & Company LLC, in New York. This is Friday, March 11, 2011, and I'm Morton Kondracke.

Senator Bradley, thanks so much for being with us.

Bradley: My pleasure, Mort.

Kondracke: When you think about Jack Kemp, what first comes to mind?

Bradley: A combination of deep personal honesty and deep level of compassion and a strong mind dedicated to things he believed in.

Kondracke: Jack Kemp, of course, was the great champion of supply-side economics, author of Kemp-Roth, and that was a proposal that [Jeffrey L.] Jeff Bell, your opponent in 1978, ran on. What was your impression of Jack Kemp in those days?

Bradley: I'd known about Jack Kemp before 1978, because he was in the football players and I was in the basketball players union, and he had supported a merger of the two leagues, AFL and NFL, which was really an amendment to an Appropriations or Finance Committee bill by Russell Long, that allowed the two to merge without violating antitrust laws. In the basketball players, we took a different tact. We challenged the situation in the court and fought against a legislative fix. So I knew about Jack from those years, that

he was an effective spokesman, he had a clear point of view, and he was a fine football player.

When 1978 came around and he had, of course, introduced the Kemp-Roth tax cut, Jeff ran against me with that as the prime thing. Jack came in to campaign for him twice. I always admired Jack Kemp. I admired the conviction that he had with that proposal, and he was indefatigable in terms of promoting it. So in a way, I respect him. He's Republican, Jeff Bell's Republican. They came in and they took the high ground. In that campaign I had, I think, twenty-two debates with Jeff, and every debate we talked about the Kemp-Roth tax cut and we talked about the gold standard and we talked a little bit about the Federal Reserve. So those were the staples. So when you have an opponent who really is arguing on an intellectual level, it's really kind of an exciting thing, and that's the way all of the situations that I've experienced with Jack was. It was never personal, it was always on an intellectual level, and it was always dueling a set of ideas.

Kondracke: Did you ever meet him before you went to the Senate?

Bradley: I think I met him. Yes, I think I met him, as I said, during those years when I was a basketball player, but I think it was only in passing. I didn't really get to know him until I was in the Senate.

Kondracke: So when you got to the Senate, you decided you wanted to be on the Finance Committee and you wanted to make tax policy one of your specialties. Why?

Bradley: Well, actually one of the reasons I ran for the Senate was that I wanted to be on the Finance Committee and I wanted to do tax reform. I remember, as a player, reading stuff by Stanley [S.] Surrey at the Harvard Law School about tax policy, and I remember Milton Friedman's articles about a flat tax, what the rate would be. I had an experience myself with the fact that I was an appreciable asset as a player, and player contracts were depreciable. So one of the reasons I ran, I hoped to do something about the federal income tax system.

Kondracke: Why did you oppose [Ronald] Reagan's '81 tax cuts, which, after all, were based on Kemp-Roth?

Bradley: Well, I think I opposed them in part because I'd run for election opposing them. I'd been elected opposed to the proposals that were put forward by President Reagan at Jack's insistence and suggestion. So it was something that at that stage of my political life, I was still very much in the guise of trying to fine-tune the tax code so that you gave the middle class this amount, you gave the lower middle class that amount, people in poverty that amount, people in the wealthy that amount, and trying to skew it in some ways, as opposed to having a systemic failure. So I opposed it because I thought there was a better way to do it, which was the way I proposed in the twenty-two debates with Jeff, which was to try to give more to the middle income, less to the upper income, and more to the lower income. I think at the time I said something about I thought it was inflationary. I don't know. I've forgot the whole argument.

Kondracke: So what's your opinion about supply-side economics now?

Bradley: Well, you know, I think the idea that cutting rates leads to higher revenues for the government has proven not to be the case, and I know that there's a big debate about how you score, and the Joint Tax Committee has been a battleground, but I think it's pretty clear if you cut tax rates, you're not going to have more revenue than you had otherwise, and that was really the key thought. I think lowering tax rates is a great idea, but you've got to pay for them, and that's what we did in 1986 when we cut tax rates dramatically, but we paid for them by eliminating loopholes. So I looked at the Reagan cuts in '81 as cuts that were going to increase the deficit, and indeed that's what they did do.

Kondracke: The advocates of supply-side economics say that during the [James E.] Carter years, we had a growth rate of 1.8 percent. Reagan cuts taxes, and then for the next seven years we had 4.3 percent average growth rate. So does that not justify supply-side economics?

Bradley: No. I mean, there are a lot of things, of course, that intervene there, like Federal Reserve slaying the inflationary dragon in that period of time. So I don't think you can attribute growth only to tax rates. It has to do with a much broader definition of competitiveness and a much broader definition of the economic climate, including monetary policy and some aspects of the spending side of the budget as well.

Kondracke: Were you surprised when supply-siders, Irving Kristol, Jeff Bell, all those people thought about endorsing Bradley-[Richard A.] Gephardt and, in fact, came up with their own tax reform solution?

Bradley: No, I think that Jeff, at least—and I had conversations with him. As a matter of fact, the day the bill passed the Senate, he and I had champagne in my office. So the reality is, I thought that he felt that partly because of the debates that we had, that I had come to see that lower rates were important and the marginal rate was important, and indeed, maybe it was because, in part, of those debates, but it was also something that I had in mind before I got to the Senate because of Stanley Surrey and because of Milton Friedman.

Also, in those days, Democrats always wanted to eliminate loopholes. Republicans wanted to cut tax rates. I think the real insight of the '86 reform was you could do something that both parties wanted and put it together in a way that would promote growth and would allow people to keep more of each additional dollar they spend, would allow the market to allocate the resources, and would indeed allow people who have more to pay more. You could put all that in one package. I think Jeff saw what we were doing and he became enthusiastic about it. He wasn't a big advocate for loopholes, and I wasn't talking about loopholes when I ran, and I think that's why they saw the value of what we were doing. They saw that this was structural and we had very clear principles and we were adhering to those principles, and the result would be more economic growth. So you might say, when you talk about economic growth in the Reagan years, that '86 might have had a role.

I also remember in '86 Paul [A.] Volker coming to me and saying, "Look, he can do a lot with interest rates, but he's not going to be able to overcome the speculation in real estate simply with interest rates." So when we slayed the dragon in loopholes with the '86 act and eliminated a lot of particularly the loopholes that encouraged people to invest in various real estate projects only to save taxes and not to make money in the project itself, I think that he was very positive about that, and that was another aspect of positive reinforcement for me.

Kondracke: Couldn't one say that Bradley-Gephardt was, in a way, supply-sidish?

Bradley: Sure. Yes, if you define supply side as cutting tax rates, yes, because we cut tax rates dramatically and we cut the marginal rate. I think that what people who are supply-siders look at more than other things is the marginal rate. So we were cutting the marginal rate, so I was pleased to say we had supply-side adherence and we had traditional Democratic adherence, had been trying to get at these loopholes for years by simply making the rich-poor argument. We said, "Look, we're all in one boat here. These are aspects of the tax code that make no real sense, so we can get rid of them. At the same time, we cut tax rates so people can keep more of each additional dollar they earn." That's the marginal tax reduction.

Kondracke: When you started thinking about tax reform, did you consider competing ideas like value-added tax or progressive consumption tax?

Bradley: No, not really. I mean, you know, when I started, I started because, as I say, of Stanley Surrey, Milton Friedman, and that influence in the mid seventies.

Kondracke: Stanley Surrey was who?

Bradley: He was a professor at Harvard Law School, tax professor, specialized in tax law. I remember Russell Long used to talk about Stanley Surrey as being one of the— “He doesn’t know what he’s talking about.” But he played a very important role in establishing the concept of tax expenditures. Then [Joseph] Joe Peckman in Washington began to also essentially follow what he had said and he might have done it contemporaneously.

Kondracke: How much of this effort had to do with the fact that you thought that the tax code was losing its support among the public, the public thought that it was too complicated?

Bradley: Yes. I mean, the way I like to say is that the unfairness of the tax code was that you could have two people making the same amount of money, living next door to each other, and one that used the loopholes would pay less. So the idea of fairness was equal income should pay about equal taxes, and to the extent that we were able to achieve that, we thought it might bolster support for the tax code as much as you could have support for a tax code, and I think that that was an element of it.

Kondracke: So how did Bradley-Gephardt develop? Why did Dick Gephardt become your partner?

Bradley: Well, I grew up in Missouri and he was a congressman from Missouri. I'd known him from Missouri, and I asked him to be a partner in this effort and he said yes. That's how Bradley-Gephardt was born. We spent a lot of time trying to think it through, had great staff to help with this process, and captured the imagination of people who were interested in this kind of mixture of Democratic and Republican ideas. So Dick became a strong supporter of that and a good partner at that time.

Kondracke: You didn't consider having a Republican co-sponsor?

Bradley: No, because I didn't have any Republicans really interested in it. I went with Dick because I'd been in the Senate at that time about four years and so I knew him, so I thought we'd put it in. The thing was to get the idea out. We knew that we've got to put it out and then we were going to take all kinds of flak or attack, with the full understanding we were going to do the new and improved. The history of this is, of course, we put it out in 1982 and I started talking about it. Right?

Then the presidential campaign took place and Republicans heard that I was going to try to convince [Walter F.] Mondale to come out for this tax reform, the Bradley-Gephardt, or at least the concept of lower rates and fewer loopholes. Of course, I argued to the then vice president that would have allowed him to take the whole tax argument from the Republicans, because he could be arguing for lower rates, and at the same time

he could cover the Democratic side with eliminating the loopholes. That didn't prevail. I don't know why. I wasn't in the internal discussions. I think possibly it might have been because when he was in the Senate, he was on the Finance Committee and thought this was an impossible task and nothing could ever be done like this, and the old battles would be the battles that would be fought between those for the upper income and the poor and so forth.

But at any rate, he didn't adopt it in his campaign, but the Republicans heard about the fact that we were making this case, and therefore, to preempt that, in the middle of the campaign Reagan said, "I want to have a study for fundamental tax reform lowering rates and eliminating loopholes." He didn't actually say that. He said "tax reform," which was translated into lower rates and eliminating loopholes. And that was how the cooperation began. When I saw that, I thought, that's great. I wish Mondale had done it, but Reagan's doing it, so let's see what happens. Let's see if it's a political ploy in a campaign to parry a Democratic proposal or whether he's serious about it.

So then when he was reelected, they did the study, the tax reform study, and it was reported back and it was a pretty good piece of work. It was good tax policy. That was at a time where tax policy was really done by professionals. It wasn't politicized. It was done by professionals, the Joint Tax Committee and then Treasury, and they were good people. So they put this out, and I thought, well, that's interesting. They've moved in the direction I'd hoped they'd moved in. I had to say, "Well, okay, they put a study out, but are they really serious?"

At that time, [Donald T.] Don Regan was the Treasury secretary, and [James A.] Baker [III] was at the White House. I remember over Christmas vacation I arranged a

secret meeting in Florida with Regan, and we had lunch and we had a blunt conversation, at the end of which he knew I was committed and I knew that he was committed. So that's how we began to cooperate.

Kondracke: The secret meeting was when and where?

Bradley: Over Christmas in 1985. Then, of course, Jim Baker went to the Treasury with [Richard G.] Dick Darman. We had very close working relationship. The reason tax reform happened was because we had the chairman of the Finance Committee and the Ways and Means Committee, who each had their own destiny entwined with it and wanted it for their own political reasons and personal reasons. We had a president who was committed to it broadly, and we had a Treasury secretary and a chief of staff who said they'd spend what needs to be spent to get behind it. The Democratic chairman was [Daniel D.] Dan Rostenkowski of the Ways and Means Committee, [Robert W.] Bob Packwood in the Senate, and I became like constructive staff to both of them, tried to make the arguments wherever I could, and literally for four years all I talked about was tax reform.

It got to be so bad that I was on a Sunday talk show, it was local in New York and it was recorded on a Thursday night, rebroadcast on Sunday morning. That was at the time when I was still watching myself on television. So I was there. Our daughter was about nine years old at that point. She had a little friend with her, and I said, "Hey, Teresa Anne, stick around. Dad's going to be on TV." The guy said, "Eyewitness News Conference on the Air, Senator Bill Bradley." "Stick around, Dad's going to be on the

air.” She elbowed her little friends, “Come on, let’s go. All he’s going to talk about are loopholes.” [laughter] So that’s literally true.

Kondracke: So how much contact did you have with Kemp as the bill was moving through the House?

Bradley: I talked to Jack frequently. He was a part of the Baker-Packwood-Rostenkowski meetings that we would have. We met two or three times, and I think that the reason he was important is that he was a leader, he was in the leadership, and he also was someone who had a long history of being for lower rates and someone whose honesty was unquestioned, and he could add a lot to the debate.

Kondracke: Did you do events together?

Bradley: We did some events together, yes. Over the years we did a lot of events together on tax reform, and it kind of gave a very nice picture to have these two guys up there, one a football player, one a basketball player, one a Democrat, one a Republican, and they were both concerned about the same thing, and if there were any disagreements, which there were rarely in this context, they were openly expressed. They were both headed in the right direction, and people would look at this and they’d say, “You know, that’s the way it should be, if you can get broad agreement.” I remember Russell Long always saying if you pass something 50-49, chances are it’s not going to stick, but if you pass something 80-20, it’s got a good chance of sticking.

Kondracke: Did you have any kinship with him as two former professional athletes?

Bradley: Yes. Yes, I've always felt very close to Jack because of our common background. I mean, I think that there's something to the experience of competitive sports at the highest levels, team sports, that creates a bond. When you're on a championship team, you have a bond for your life. The two [New York] Knick championships, the people there are like my brothers, truly, and when we see each other, there's kind of a common assumption about what life is and how you experience something because each of you gave yourself to the benefit of the rest in order to achieve what only a team can achieve, which is a championship. So there's that bond with that championship team. But there's also a bond among athletes at the top levels, I think.

Kondracke: Did you talk to Jack about your shared experience?

Bradley: I didn't talk to Jack about what was it like to be a quarterback. It was almost nonverbal. He knew what I was thinking and I knew what he was thinking in terms of what was important and how you behaved, how you treated a teammate, and in a sense, we were on the same team, and the respect that had to be given. And besides, he was just fun to be with. I never saw Jack Kemp say a bad thing about anybody, and to me, that's the mark of his character, that it's always easy to take a pot shot at somebody, but I never saw him do that. He'd come back and start ripping on some economic idea that we might

have had a disagreement about, but he always would end up saying, “Well, yeah, but we agree on more than we disagree.”

I think he had a very special quality. I liked him a lot. I enjoyed talking to him. I enjoyed being with him. He was irrepensible. He had real commitment to a set of ideas. I thought that we also shared something very deep in part because of sports, which was our commitment to racial unity in the country and the fact that I lived in a black world, he lived in a quasi black world. I don't know the exact makeup in football. But the idea was, we recognized how superfluous somebody's skin color was, you know. You either caught the pass or dropped it. You either hit the shot or you missed it. You either passed when you should or you kept it and were selfish. So I think that was a real bond. That was a real bond, and I think there was that common assumption that if either one of us could, in our own way, move our collective humanity a few inches forward, that we'd feel really good about what we had done.

I tremendously admired the number of times he challenged his own party to keep their head out of the sand. When he was doing this, there was a segment of the party that was Philadelphia, Mississippi, where Reagan kicked off his '80 campaign, and Jack constantly challenged that element of the Republican Party, and he did so bluntly but with a great spirit, which I guess he didn't offend anybody. I don't know what the deal was in the party, but for somebody in the other party, I just admired him so much.

That was the case the last time I saw him, too. We were on a television program during the [Barack] Obama campaign, and I think it was Fox or some interview. The interviewer—I don't know who it was, [Sean] Hannity or somebody—started hammering on “Reverend [Jeremiah] Wright, Reverend Wright, Reverend Wright.” And Jack

basically said, “Hey, that isn’t the issue. Why don’t you shape up?” And I was very moved.

Kondracke: Let me take you back to tax reform. Tell me about the opponents of tax reform, both the institutional opponents and who their representatives in Congress were. Because they were tough, right?

Bradley: The purpose of the reform was to split the business community, and we did that by eliminating the loopholes of some businesses and cutting the rates for other businesses. So we were able to build a business coalition in favor of tax reform, and that business coalition were kind of services, retail, that kind of thing, that had higher marginal tax rates and didn’t use the various loopholes to reduce their effective tax rate. The people who were hit were resource industries, some real estate, etc., who had to pay a higher rate because their loopholes were eliminated. That was a conscious strategy as an element of the overall strategy. I think that even those people who had benefited from it, they grumbled, but they couldn’t argue with the value of lowering the rate. When you said to them, “Look. How are you going to pay for it? You’re either going to cut out the loopholes or—.”

I remember in the Finance Committee we had about thirty hearings, and I would ask the same question of every panel at every hearing, and that is, “How low should the rate go if we’re going to eliminate loopholes, including capital gains?” It came down to two schools. One school said the rate was 10 percent, would still need a differential for capital gains. That’s what I call the theological view of capital gains. Other people said,

“Well, you know, if you get the capital gains, if you get the top rate down to 28,” which is what our capital gains was, “that’d be all right. We could live with that, if all income was taxed at 28.”

So we put a provision in the law that said that the top rate was 28, but that if the top rate ever went up, that it would automatically be the differential for capital gains. In other words, capital gains would never be more than 28. That was in part because we recognized that the lower marginal rate had a much more profound impact on the economy than the kind of system where you have a lower rate for this or that or the other thing, but the whole system is so complicated that it kind of deters investment or assumes that members of the Finance Committee and the Ways and Means Committee actually know how to steer the investment for the overall growth of the economy, and therefore will provide lower rates for people who buy certain machines or had certain kinds of business structures. That, I always felt, was just kind of baloney, and the real thing was to have the broad business community know if the rate was low, they wouldn’t have to seek to do all the things that businesses do to avoid paying tax. They could just do productive work and produce their widget or whatever and go on and have a successful business.

Kondracke: So how did you persuade Russell Long, who I believe you described as the king of loopholes?

Bradley: I never convinced Russell Long, and to the very end he was a strong opponent. I remember there came a decisive moment in the committee where he had something that

he wanted for oil. We'd eliminated some of the big things for oil, but he wanted to have a very special provision that would have allowed investors to invest in oil to actually be able to write off more in those other oil investments, etc.

We had a big debate in the back room behind the Finance Committee, of the whole committee, which was kind of rehearsal, and we had a vote on his provision, and he prevailed by one vote. I felt that, you know, there was at least one person there that would have voted with Russell in private, but I bet he wouldn't vote with Russell in public. So I decided I was going to raise the issue. So I raised my hand. I could see Russell saying, "Oh, I know what's coming."

I said, "Mr. Chairman, I propose the amendment—," yadda, yadda, yadda.

He kind of looked at me, like, "What are you doing?" So he said, "Okay, call the roll." Packwood was the chairman. "Call the roll."

I lost by one vote, right? And afterwards, he got through, what they did with the figures, "What do you think you were doing?"

I said, "Well, I thought—." Okay.

But then what happened was, Russell was also somebody who had a strong view about taxes, the value of the loopholes, etc., but he also was realistic about power and he had great respect for the presidency, so he signed on to the agreement coming out of the Finance Committee, that the whole Finance Committee would stand against any amendment on the part of the Senate. And by standing against every amendment, he would have a chance at preserving this well-crafted document.

We got to the Senate floor, and George Mitchell and his group ran the same thing I'd run in 1981, which was, "No, let's not do this. Let's give more to the middle class and less to the wealthy."

Then Lowell [P.] Weicker [Jr.] stood up and proposed the exact amendment that I had proposed in committee on oil. So it was a moment of truth, you know. I signed on, Russell had signed on, and so I spoke and voted against the Weicker amendment. You know, it kind of showed that Russell did what he did how he did it, and then he signed on and was a team player.

Kondracke: Were deficit hawks like [Robert J.] Bob Dole also opposed?

Bradley: No, Bob Dole was definitely for tax reform. He was a very strong supporter.

Kondracke: What about other deficit hawks who were primarily concerned with—

Bradley: No, deficit hawks didn't have an argument because ours was revenue-neutral, and the irony is, it was a revenue-neutral bill, in other words, whatever we lost with cutting rates, we got by eliminating loopholes, and it ended up that in the following two or three years, the upper income, top 10 percent or top 15 percent, ended up paying more of the total tax bill than they had prior to the reform. So even though the rate was cut, there was more revenue coming from the top 10 percent, largely because they didn't seek to avoid paying taxes. They paid it, and most people felt, "Gee, that's a pretty good rate. I do have a responsibility as a citizen to pay taxes. I can go along with that."

Kondracke: Did you have any trouble from charities, who tend to want high rates?

Bradley: When we did the first level of reform, we put a few things in there that upset the mortgage interest people, the charity people, the property tax people, inside buildup for pension people, even some of the healthcare people on the employer exclusion. So in thinking about it, because the taxes at that point were so bloated that we could get plenty of loopholes closed, we made a decision that we weren't going to touch the sacred loopholes like mortgage interest property tax.

I remember I introduced this bill in 1982. In 1984, I had my reelection campaign, and the original Bradley-Gephardt bill had done something on property tax. I forget. I think we let the deductible against the lower rate, but not the top rate. So I'd spent a whole campaign fighting that. Then after the campaign, I thought, you know, if we want to get this thing done, we've got to be realistic about where the opposition's going to come from, and it's going to be difficult enough as it is. Besides, we could get the rate to 28 without doing charitable and mortgage interest or property taxes or inside buildup on pensions or employer exclusion for healthcare. So why don't we do that.

Kondracke: Did you have media support in all this?

Bradley: Well, this guy Morton Kondracke was a big supporter. He's the one who put it over the top.

Kondracke: Okay. [laughs] Let me ask that question again.

Bradley: People would say, was this a big, popular issue? The answer is no. I mean, I'd done my homework so that I knew how I could sell it in my state of New Jersey, because New Jersey had the highest tax rates and used the fewest numbers of loopholes. So it would benefit by having the rate cut, but wouldn't be hurt as much as natural resource states would by eliminating the loophole. So I had my story that I could tell. But it wasn't a highly emotional issues. It was too complicated for people.

So the battle was really among the interest groups and the Washington media and the media generally. I think that the media treated us very fairly and positively, because I think they are smart people and they saw the structure, the principles, and understood what we were trying to do, and once you did, you couldn't help but conclude this is better than the present system. So the media was very positive here. The real battleground were the Ways and Means Committee and the Finance Committee.

Kondracke: Tell me about your lobbying the House. It's unusual for a senator to go over and spend time with House members.

Bradley: I did it a couple of ways. I was in the Senate eighteen years. I think I went to the House gym once, and it was during taxes, tax reform, and I wanted to get a couple of votes, not that playing basketball with people was going to get the votes, but it was a way of, you know, coming down from your perch in the Senate, from the perspective of the House, and just being a regular guy. But then also Rostenkowski would ask me to come

over and speak to the Ways and Means Committee, and I did that a couple of times. The irony, of course, [Charles B.] Charlie Rangel, who was in the room with Mondale when Mondale rejected the tax reform proposal in '84, was one of the key guys on the Ways and Means Committee.

But Rostenkowski was a very strong leader, and when I had answers for the questions that they would put, they might not agree, but I had answers and they were coherent answers, and then Rostenkowski got behind it. I loved Rostenkowski. As a human being, he was great. So I became very loyal to him and I'd be on call. "Whatever you need, what do you want, call this guy call that guy, what do you want me to do? Go here, go there." Rostenkowski saw this as after '81, when he was considered the big pork distributor, you know, with all the loopholes, that this could be a way that he could actually take the high road and could do something with very strong policy and that it would enhance his legacy, and I think it did enhance his legacy, not only because of the integrity of the proposal, but because he did something as chairman of Ways and Means Committee that had never been done by any chairman in the twentieth century. Therefore, it enhanced his reputation as a strong leader, and he definitely was a strong leader.

Bob Packwood was for it. He started out not so sure, trying to go another way, and then the internal contradictions of the road he was headed in came to the fore and fell apart, and then he turned to this. Once he turned to it, he became a tremendous advocate, and there was a great level of trust between him as a Republican and me as a Democrat. The key was always to—he's the chairman and I'm kind of glorified staff, you know.

Not glorified staff, but he was the person who should get the credit, and I just wanted to make it happen.

Kondracke: In December of 1985, tax reform nearly dies in the House because the Republicans vote against the rule on the Rostenkowski bill, and Kemp was one of the people who voted against the bill, and you called him.

Bradley: Yes.

Kondracke: What did you say?

Bradley: “Hey, what are you doing? This is a lot of what you’ve always wanted. We’re cutting the tax rate.” And he got it. He got it.

Kondracke: His people say that he voted against it in solidarity with the House Republicans, but what he really wanted to do was get Reagan into the act and to help change the bill. Do you have that impression?

Bradley: Help change the bill?

Kondracke: Help change the bill so that his Republican allies could vote for it. In other words, the top rate was 38 percent in the Rostenkowski bill, and it didn’t have a \$2,000 personal exemption.

Bradley: Yes.

Kondracke: And he was fighting for those things, and that's why they all voted against the bill, as I understand it.

Bradley: I don't know. I don't have any insight into this particular moment.

Kondracke: So in 1986, Kemp is thinking about running for president in 1988.

Bradley: Right.

Kondracke: Were you thinking about running for president in 1988?

Bradley: No.

Kondracke: So that didn't affect your relationship at all, presidential politics.

Bradley: No, it never affected our relationship. I felt very close to him when he was the vice presidential candidate in '96, because my commitment to him was on a deeply personal level, and anything he wanted to do, you know, I would be on a personal level very supportive. I'd call and tell him, "Doing great. Keep it up. Don't worry about so-

and-so. You're doing the right thing. Stay with your convictions." So it was a personal relationship that came out of great respect.

Kondracke: Didn't you coach [Albert A.] Al Gore [Jr.] on how to handle Kemp in the '96 debate?

Bradley: No.

Kondracke: There was a report somewhere that you told Gore that, "Kemp will never go negative, will never go after you, will stick to the—."

Bradley: There was a phone call. I got a call. "You know Jack Kemp. What do you think about Jack Kemp?"

I said, "Well, one of the finest people I've ever met in my life, and highly unlikely that he's going to take a lot of low blows. He's not going to give a lot of low blows. It's just not in his character." Yes, I did say that. It was not a personal coaching session; it was a phone call. And it proved to be true. It proved to be true. He was too positive. He was a fighter, but he was a fighter on principle and ideas. He was not a kind of gutter fighter who would use any tactic at all to advance his own self-interest. And I admire that tremendously, and I think that's the best of politics. That's why I think he's an example of the best of politics.

Kondracke: Did it ever strike you as odd that here he was, an NFL player, the ultimate contact sport, and he didn't play politics as a contact sport?

Bradley: No. I had that a little bit too. No, I mean, you know, if you've been hammered physically, you know that no blow that is delivered mentally will be as bad as any physical damage that you've sustained. So there's a kind of triviality to some of the gutter comments in politics, that if you are an athlete, that deep experience, you're able to rise above. So I didn't think this was a mark of his weakness; I thought it was a mark of his character and his perspective that he wasn't going to engage in lowest-common-denominator politics.

Kondracke: When the bill finally passed, who did you celebrate with?

Bradley: When the bill passed, I had my wife, my chief staff person, my chief of staff, and Jeff Bell, and we went back to my office and had a bottle of champagne.

Kondracke: You missed the signing ceremony at the White House.

Bradley: [laughs] Oh, god, yes, I did. This is classic. Okay. So I had worked on this nonstop from 1982, passes in '86. The signing ceremony's going to be in Washington.

[interruption]

Bradley: I'd worked on this nonstop for four years. It was passed in October, early October. The president signed it. He was going to sign it before the election. But I was campaigning. Where was I campaigning? I was campaigning in Oregon, right?

Packwood was in the middle of a race and so forth. So I had two thoughts. How can I help Packwood? I was there campaigning for a Democrat, right? Not his opponent per se. I showed up at one of his press conferences and just said we really celebrated something. It was great we did this. Not endorsing him, but whatever you can say.

So then I was supposed to fly back. He took a plane back, but I had an event that night for the pol. I forget who it was I was campaigning for. So I was supposed to take a very early plane the next morning to get to Washington in time to go to the White House signing, which was like noon or something like that.

I got to the airport and it was totally fogged in. Totally fogged in. So I had to phone in my—that would be one pen—that I wish I had.

Kondracke: They didn't even give you a pen, souvenir pen?

Bradley: No.

Kondracke: So assess the ultimate worth of the '86 tax bill.

Bradley: Well, I'm biased, obviously, but I think that it is legislating at a very high level, achieving something that nobody thought was possible, and turning common wisdom about what is possible in Washington on its head, which I thought was going to be a

terrific beginning to then deal with the budget deficit, which also people thought was impossible to deal with.

If I think about my eighteen years in the Senate, it's one of my three proudest legislative moments. In terms of its size, it's by far the biggest thing. But politics and certainly legislation is often like building a castle of sand near the water, near the waves, and over the next couple of years the waves came in and washed away the castle. It was ironic, because within months of it passing, the guys who wanted a differential in capital gains were back and pushing, pushing, pushing. I'd say to them, "Look. You want a differential. You know what's going to happen. You get your differential, the rate goes back up, and then we will have lost what we really—." And that's exactly what happened. Differential came in, rate went to 39. I forget what was the first rate, but it went up, then it went higher to 39, and the differential went to 20, I think.

So I look back and think that tax reform in '86 was the best of bipartisan policymaking, a Republican president, a Republican Finance chairman, a Democratic Ways and Means chairman, Democratic senator fully committed with every fiber of his body and mind to it. When that kind of unity happens, traditional politics is thrown for a loss. They don't know what to do. They don't have any frame of reference. So it was something that I was very proud to be a part of.

Kondracke: So is the tax code now as loophole-ridden and unfair as it was before you started?

Bradley: Well, it's a trillion dollars of tax expenditures now, which is a lot more than in '86. In '86 we eliminated 30 billion in tax loopholes and were able to drop the rate from 50 to 28, so you get an idea of how big the tax expenditures are today. They're a trillion dollars. That's 30 billion in one year. So ten years, it's 300 billion. I think the ten-year budget's stupid, but that's the way they calculate it.

What was the question?

Kondracke: Is it as bad? It's worse, I take it.

Bradley: The current tax code, what happened was the following. We passed tax reform in 1986 and we got the rates down, I think 28, 14 or 15, two rates. Then the following year, people came back, added with all the loopholes. The rates went back up.

Then President [William J.] Clinton was elected and he just had a strong opposition to the argument that the tax code should be used to collect revenue, not to make social policy. So he dramatically expanded the number of loopholes during his time in office, and many of them exceedingly narrow, which were obviously ways to spend money without scrutiny. You could get the credit with the Alzheimer's patients' families between age 50 and 75, but you wouldn't have to be held accountable for it because we'd stuff that little credit into the tax code. Those kind of social objectives proliferated during his term in office.

Then your normal business erosion took place as well, so that now the tax code is ripe for reform. You don't have the same kind of egregious kind of real estate depreciation that you did when we did '86, but there are plenty of things. Probably if you

were going to do anything really significant, you'd have to tackle some of the big six, which are mortgage interest, charitable contributions, property taxes, inside buildup on pensions, meaning no tax on your investment income and your appreciation in a pension, and the employer-paid healthcare. You'd have to tackle those big issues if you were going to get enough revenue to really drop the rates or reduce the deficit.

Kondracke: So what does the 1986 experience suggest to you and what advice would you give would-be tax reformers now?

Bradley: Well, if you're going to get tax reform done, you, first of all, need a president who's committed to it, not the president every day, but you've got to have a Treasury secretary or an assistant who can deliver the Treasury secretary, who knows the subject and will spend the chips to get it done, and it would help to have somebody in the White House who also is in sync. That's the first and most important thing.

The second thing is to have a chairman of the Finance Committee and the Ways and Means Committee who are fully committed to this and see this as a way for them to realize what they want to achieve in politics. To me, those are the key building blocks. If you don't have any one of those, then you might not consider making the effort, because you're probably not going to succeed.

Then you need a few people deeply committed to it who will do what needs to be done to make it pass. If you have those elements, then you've got a shot. If you don't have those elements, then it could be wasted energy.

Kondracke: Do you have any of those elements now?

Bradley: I don't know. You tell me.

Kondracke: I don't think so.

We're almost done here. You and Jack Kemp had a shared interest in monetary policy, and you did some events together. You were even in favor of the gold standard for a while.

Bradley: No, no, no, no, no, not that. The so-called Kemp-Bradley, Bradley-Kemp Monetary Summits in the mid eighties, after tax reform, and around the same time, yes, there were two people, one of whom was Jack Kemp's former chief of staff, Dave Smick and Richard Medley, who was Robert Byrd's chief economist, they left their respective places and they tried to put together an idea of a conclave of the world's monetary figures, Central Bankers, finance ministers, so forth. They asked Jack and I if we would be co-chairs, and I said, "Yes, I'd love to do it with Jack." So I think we did like four years of these conferences, and they took place in Washington, Zurich, I think New York, a couple of other places. They were really kind of extraordinary, if you look back on it. These two guys managed to get in one place the major players of the financial system.

At that time, my passion turned to another very simple issue, if not tax reform, it was the crisis in third-world debt, right? I had my plan or my idea that I was trying to advocate. So those were good forums for me, but also it gave me an opportunity to meet a lot of these international financial players. I think that Dave Smick and Richard

Medley did a real service, because it was at that time that the Plaza Agreement—they'd had all these back channels. This was Davos before Davos kind of thing, you know, not with millions, but with a hundred people who were all policy mavens and committed to their own particular view of things. There were always diverse opinions. There were always guys who wanted the gold standard or guys who wanted to have restructuring of third-world debt. There were other guys who wanted countries to go bankrupt and start anew. A whole range of things.

But those conferences were a lot of fun, and Jack and I, we'd give a keynote. He'd give a keynote, I'd give a keynote. He always had something interesting to say. He was very interested in monetary policy. He had some touchstone academics that he, I think, listened to, and always had interesting things to say.

I remember after we'd been named chairmen—I've been told this story; I don't have a perfect memory of it—evidently I called Richard Medley and said, "Look, I'd like to add one more guy to the list."

And he said, "No, it's full."

And I said, "Wait a minute. Kemp and I are co-chairs of this. I ought to be able to at least get one."

"Okay. Who is it?"

I said, "George Soros." And so he added George Soros to the group. [laughs]

Kondracke: That was good. So Kemp was in favor of the gold standard but you were not?

Bradley: No. I had these debates in 1978. I was never a gold standard person.

Kondracke: So Kemp ran for president in 1988. You ran for president in 2000. So you know what the qualities of a good president would be. Would Jack Kemp have made a good president?

Bradley: I think so. I think that most important thing for a president is to have, I think, an outstanding character and vision, and Jack had both. Another quality that is essential, that politicians don't really realize how important it is, is likeability. Why did people think so much of Reagan? He was a likeable guy, even to his opponents. No opponent said a bad thing about Jack. So, likeability would be important, and the ability to delegate. A great leader has to know how to delegate, and I think Jack did. I think he would have been a fine president.

In getting back to the whole racial thing, I keep coming back to that because it was really such a bond. I got kind of emotional earlier. But here we were on this Fox television program, and Hannity hammering on "Reverend Wright, Reverend Wright, Reverend Wright," and Jack just called him off, just called him off. It was like he hit him, almost. Where he was really tough was not in attacking someone, but in setting the boundaries for what was civil debate, and he basically said that day, "Hey, cut it. This is not the issue. Get beyond this. Don't keep playing this card." I sat there, had an earpiece. I think I was in Texas or someplace. I actually got tears in my eyes, thought about, "That's a real guy."

Kondracke: Do you think that Jack would have done something to overcome the polarization of politics?

Bradley: He would have tried. I think our relationship was the personification of a bridge beyond polarization. He tried to do that for as long as he was alive.

Kondracke: Have I missed anything?

Bradley: I don't think so. This was a comprehensive interview. Done a lot of homework. You must have a great person with earphones. Did we miss anything? Let's see.

Kondracke: Anything more you want to say about Jack Kemp?

Bradley: Sure. When I left the Senate, Jack and I debated any number of times in kind of speaker settings. We always had a great time and we'd always, afterwards, sit down and have a dinner or something and talk about life and talk about our families and talk about the country. It was always a mutually reinforcing relationship in the most positive way. That's why he was a good friend. I didn't talk to him every day, but when we got together, it's like we picked up right where we left off in terms of our friendship.

I remember one time we were in a debate in Michigan somewhere, some hall somewhere, about a thousand people, and in the middle of the debate, his cell phone rang.

So he picked it up, said, “Yes, Mr. President.” I’ve used that. I’ve set up that moment with speeches from that time forward. He wasn’t talking to the president, obviously.

Kondracke: There’s one piece of oral history that I want to cover. Your meeting with Walter Mondale in 1984.

Bradley: I covered that.

Kondracke: No, but who all was there? It was you and Gephardt. How did it unfold?

Bradley: Well, it was Dick and I and Rangel and Mondale and one other staffer. I forget who it was. It was at his home in Minneapolis. Had about an hour, made our case. They didn’t say yes or no, but from the questions, I knew it was unlikely. As a good Democrat, I thought, well, I did what I could do here. I offered it to him as a way to seize the tax issue from Republicans, and they’d either do it or not. And they didn’t. I think they didn’t because they were locked in the old sense of what is possible and thought this was some pie-in-the-sky idea that never had a chance to pass. That, of course, is why when it did pass, I felt so good.

Kondracke: Great. Thank you so much.

Bradley: Thank you.

[End of interview]