

A REVIEWER'S NOTEBOOK

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The American Idea

CONGRESSMAN JACK KEMP'S reputation rests mainly on his supply-side tax legislation, both the Kemp-Roth law that has already been passed and the "fair and simple," or FAST, flat tax which he and Senator Kasten have just introduced. But the more technical aspects of fiscal and monetary reform take up something less than half the space in the book that Kemp has made out of his collected speeches. Called *The American Idea: Ending Limits to Growth* (The American Studies Center, Washington, D.C., 355 pp.), with a foreword by President Ronald Reagan and a preface by Irving Kristol, the book applies the doctrines of the freedom philosophy to practically every aspect of government, from foreign and military policy to the protection of human rights, and from the compo-

sition of political parties to the chances for an international conference to restore the gold standard.

Kemp speaks of a coming "American renaissance," and he is himself a modern renaissance man. His college degree was in physical education, and he began his working life as a third string quarterback for the Pittsburgh Steelers. Later, as a first string quarterback for the Buffalo Bills, he doubled as a labor leader, helping to organize the football players union. When still a football player he chanced upon two books, Friedrich A. Hayek's *The Constitution of Liberty* and Ludwig von Mises' *Planning for Freedom*. These saved him from the journey to the Left that a belief in unionism entailed for many pro-labor partisans in the Walter Reuther period.

From the Playing Field to the Political Route

A Californian who might normally have preferred to return to the Sun Belt after completing a football career in snow country, Kemp was such a favorite with Buffalo fans that he was prevailed upon to remain in the Northeast and run for Congress. He knew that the decline in the steel industry might become his Number One political concern. But he also saw that protectionism would be no permanent cure for Rust Belt or "smokestack industry" troubles.

In one of the foreign policy speeches in *The American Idea* Kemp says: "Shortly after I became a congressman 12 years ago, I became increasingly aware that the problems which afflicted the depressed Buffalo-area district could not be solved by local projects. Buffalo was suffering from problems of national scope, which required solutions on a national level."

This perception caused Kemp to behave more like a Senator than a mere Representative. His Buffalo constituency has forgiven him for his refusal to concentrate on "local projects." As an ex-quarterback Kemp knew the importance of having a comprehensive game plan. He also knew that politics, like football, is a game of margins. Paradoxes had to be accepted, and some philosophical inconsistencies had to be excused at least for the time being.

So Kemp has always upheld the concept of the Safety Net. He does not talk about getting rid of the Welfare State. His political sense tells him that the best way of reducing welfare payments is to make them unnecessary. Hence his emphasis on the supply-side ideas of Jude Wanniski and Art Laffer. The supply-side proposition, as elaborated by Kemp in several of his speeches, is this: let potential savings and investment money flow back into the productive mainstream by reducing marginal tax rates. With new industries starting up and prosperity spreading, the amount of taxation needed to sustain the Safety Net would shrink. And, with more people taking care of themselves in private industry, the national budget deficit would disappear.

The anti-supply-side people, including many Republicans, have scoffed at so-called Laffer Curve thinking. So one of Kemp's major tasks has been to wean Republicans away from their old austerity concepts. "Austerity," says Kemp, "is not the solution. It is the problem."

Money and the Market

Some of Kemp's speeches that criticize the Volcker monetarists are highly technical. But, broadly speaking, Kemp doesn't think it possible for the monetarists to control the supply of money. "Money," he says, "is not chosen by economists or