

Transcript

The Bill Walton Show

Ralph Benko and Jimmy Kemp

7/13/2017

Bill Walton : What should politics be about? But isn't? One of my guests today, Ralph Benko, wrote recently in Forbes about the Declaration of Independence and it's claim that the pursuit of happiness is an unalienable right. For most people today, the word happiness conjures up pleasant, positive emotions and having needs satisfied, whereas in 1776, the common meaning was prosperity, thriving, wellbeing. Today, this pursuit of happiness has nearly dropped out of our political discourse, discourse. Politics has become largely an exercise in misery, and evolved mostly into a fight over property and what constitutes justice, rather than a spirited competition for the pursuit of happiness. This is a great pity.

Yet, we had among us a politician who did fight for the pursuit of happiness. Jack Kemp, a true stage man. Jack, who died in 2009, would have been 82 today, July 13th. Our politics sorely miss him. Jack was also a legendary professional football quarterback who believed that sports were a microcosm over society and our competitive way of life. He believed that the spirit of competition leads to productivity and human flourishing. But to him, sports were not about rugged individualism. Sports require cooperation and collaboration, both the weak and the strong can succeed. We are lifted up not only by our own efforts, but by the inspiration and help we receive from the highest achievers.

With us today to talk about what Jack Kemp meant to American politics, and also what we can do to reset our political compass towards the pursuit of happiness, are Jack's son, Jimmy Kemp ...

Jimmy Kemp: Hey Bill.

Bill Walton : And the distinguished original thinker, Ralph Benko.

Ralph Benko: Hey Bill.

Bill Walton : Jimmy Kemp is the president of the Jack Kemp foundation, the managing partner of Kemp partners, a strategic consulting firm, and the founding chairman of Hope Community Charter School. The Jack Kemp's foundation mission is to develop, engage, and recognize exceptional leaders who champion the American idea, beginning with the premise that the condition of your birth shouldn't determine the outcome of your life. Jimmy played eight seasons as a quarterback in a Canadian Football League, retiring in 2001 from the Toronto Argonauts. Jimmy, welcome.

Jimmy Kemp: Thanks, Bill.

Bill Walton : Ralph Benko, my frequent guest, is the author of the Webster's Dictionary: How to Use the Web to Transform the World, and the 20th century, 21st century gold standard for prosperity, security, and liberty. Among his many endeavors, he is editor in chief for the Supply Side blog, a weekly contributor to Forbes.com, and is the president of the Linsky center.

Ralph Benko: Correct.

Bill Walton : He served in the Reagan White House, and was a principal agent in the George W. Bush administration's human traffic- human trafficking victim rescue project. Ralph, welcome back.

Ralph Benko: Thank you so much, Bill.

Bill Walton : Jimmy, tell us a bit about Jack.

Jimmy Kemp: Well, as you said. Today, July 13th is my dad's birthday, he was born in 1935 in Los Angeles, California. Uh, to Paul and Francis Kemp. My dad was the third of four Kemp boys, and uh, grew up in a rambunctious household where sports uh, was the language that was spoken. The other language that was spoken was entrepreneurship. Uh, my dad's father, my grandfather, Paul Kemp uh, started an audaciously named company, uh, that was a delivery service, which started with one motorcycle. He and his brother, uh-

Bill Walton : Small packages, I presume.

Jimmy Kemp: Small packages, they had one motorcycle, and they called it the "California Delivery Service."

Bill Walton : (laughs) Okay.

Jimmy Kemp: In Los Angeles.

Bill Walton : That's pretty audacious.

Jimmy Kemp: They grew, they grew in-in, during the course of my dad's uh, you know, formative years. They grew to have about ten trucks, uh and about that many drivers. Uh, my dad's, one of his summer job was uh, was driving a truck and- and the story goes that, uh, on one of his final days of work, he was backing up a truck and backed it right up into the client's brick warehouse, and that was the, the last time that he drove the truck.

Ralph Benko: (laughs)

Bill Walton : It was time he was requested to go take up football, or uh.

Jimmy Kemp: Correct, I- I believe so. Um, so my dad would have been 82 today. He passed away, as you said, in 2009, and uh, he's inspired so many people Bill. Certainly, uh, myself and my three siblings, um, who he loved very well, always encouraging us to be a leader. We never left the house when dad was there without him saying, "Hey, be a leader." Um, he was a great encourager, uh, for each of us. But, as the president of the Jack Kemp foundation, it's very common for people to come up to me and say, "Jimmy, I just have to tell you. Your dad helped get me into politics. He is the reason why I wanted to go into public service." Um, both-

Bill Walton : He, he made it a positive rather than a negative.

Jimmy Kemp: And, and so what, the way we describe it is that dad practiced the politics of optimism.

Bill Walton : Yeah.

Jimmy Kemp: He was eternally optimistic, um, and that fits perfectly with the founder's intent for this country, um that there are inalienable rights as you're talking about, to life, liberty, and the pursuit of happiness. Uh, and when you think of our political climate today, I don't think that we should be so discouraged. Is it bad? Does it get ugly? Yes, it does. Have we had an unprecedented uh, election? Yes, we have. But, that's not unique in our history. I mean, when you look around the world at the uh, political situations that people have been, we still have an incredible opportunity, and there are a lot of exciting opportunities on the horizon, and we need political leaders who can stand up and say what is

possible and remind people that there is common ground, as you talk about in the name of this show.

There's common ground where people can come together, and really make progress on issues um, that have a huge impact on people's ability to flourish.

Bill Walton : Ralph, you've written about, you're writing about this as we speak, about uh, pursuit of happiness, human flourishing, uh, and what Jack Kemp meant to it, uh, share your thoughts.

Ralph Benko: Yeah, well uh, in my uh, uh, column at Forbes.com today, it-it's all about happy birthday Jack Kemp, uh ...

Jimmy Kemp: Thank you.

Ralph Benko: The man who transformed the world, and uh, you can just google Ralph Benko, Jack Kemp happy birthday, and it'll pop up.

Jimmy Kemp: (laughs)

Ralph Benko: Uh, while I point out, getting sort of here as I am perched on the precipice of eternity, I remember more things than many upcoming young tigers. Uh, and I go into the back story, which I won't do here but, Jack Kemp persuaded Ronald Reagan to run on a, what was considered to be a radical, a heretical by the [inaudible 00:09:07] republicans, and a uh, and a nutty idea by the [inaudible 00:09:13] democrats of, strengthening the, stabilizing the dollar, re-restoring the dollar to high integrity, which we knew how to do but Jimmy Carter couldn't figure it out.

And, cutting marginal tax rates across the board for everyone by 30%. Uh, and uh, what people fail to remember is, after Kemp handed this off to Reagan, who agreed to put this as part of his policy, and then shortly after Reagan, or shortly around that time, Reagan announced for president in November of 1979. The DOW Jones industrial average on that day was 814. No missing commas. It's now over 21,000. The world wealth, the world GDP was 11 trillion dollars. It's now, according to the world bank, 75 trillion dollars. That didn't happen by accident. We were facing a world of poverty and misery, and an America with a, with a uh, misery index over 20 point, 20%.

Bill Walton : Misery index being what, inflation plus unemployment?

Ralph Benko: Inflation plus unemployment and another couple of variables.

Bill Walton : Yeah.

Ralph Benko: It was worse than it is today, and as much as Bill Buckley liked to uh, brag that the national review was about standing athwart history yelling stop.

Bill Walton : Yeah.

Ralph Benko: Jack Kemp was talking about taking history in his hands, and saying "Start." He was an outlier, and I refer to him in the column as the whole Wizard of Oz package.

Jimmy Kemp: (laughs)

Ralph Benko: Brains, heart, and courage. He took this soggy system and he redirected it 180 degrees from misery to prosperity and human flourishing. And, he's never gotten enough credit. That's not a problem for him. It's a problem for us, because there's an example there to follow.

Bill Walton : So, what are, what were the predicates? The taxes? He also had a tremendous optimism about including everybody.

Ralph Benko: Yes.

Bill Walton : He was not just, I think there's this view that we've got of the elites in America now, and then everybody else. I think that would not be his view.

Ralph Benko: Absolutely not.

Bill Walton : It's not just the 1%, but there's an elite set, a group of elites that are the issue, that are both Republican and Democrat.

Jimmy Kemp: Well, that's why tax reform is so important. Getting a simple tax code that doesn't privilege uh, the wealthy. And, people who can figure out, can hire the advisors to guide them to make the right decisions. Dad was always in favor of a simple tax code, um, and you have many people who believe in that, that view, um, in our leadership today.

Bill Walton : Yeah, the tax code is manifestly biased towards people with resources who can figure out how to work it.

Jimmy Kemp: Absolutely. And, uh ...

Bill Walton : And leaves everybody else out.

Jimmy Kemp: And the class warfare approach on, on this issue is, is wrong. And, the goal is not to cut taxes for the wealthy. The goal is to get to the right tax rate that maximizes the dynamic energy of people, regardless of what socio economic status they're in because the tax code should uh, unleash the greatest capital that anybody has. The ideas that they have to serve others, um, and that's where free enterprise is so powerful. And, our, our founding fathers understood it and uh, and I agree Ralph. My dad was uh, a unique person who had a radical idea. But, remember that the word radical means getting back to the foundation. To the principles um, and that's why I agree and like your use of the word radical.

But, um, I think all of this is important and when you talk about human flourishing, uh, that's also a really important part of it.

Bill Walton : So, what-what are the predicates of pursuit of happiness, Ralph? Or, what are the elements? I mean, how does that apply to 2017 and where we are? I mean, what would we do if we wanted to set-set policy initiatives that would, uh, bring that about?

Ralph Benko: I-I have my, I have a few favorites, but I'm really all that interested in that. My favorite is, Jack, my first favorite is, Jack Kemp's unfinished symphony, the classical gold standard. The [inaudible 00:13:54] hypothesis, which was his playbook, was mostly about restoring good money. High quality, high integrity monetary policy with a reference, with a powerful reference to the gold standard. He introduced the gold standard back in 1984.

That said, we have new problems today. The problems that he solved were stagflation. He's laid out the blueprint for how to end inflation, which [inaudible 00:14:24] followed, and how to unleash growth, uh, and how to cut the top tax rate from 70%, ultimately down to 28%. Which was dramatic. I'm more interested in finding new leadership right now. Yes, the gold standard, and yes the Lausen plan to solve the uh, unfunded, um, public employee, uh, pension crisis. And yes, John Kemp needs talent Trump's taxes, and yes Senator Lee's social capital.

Yes, there are plenty of good ideas out there, but there's no leader. There's no one right now who has stepped forward like Jack Kemp to say, "We are going to figure out based upon what's tried and true, how to get economic growth to 4%." Because that is the game changer, so I, like [inaudible 00:15:16] and his lantern in search of an honest man. I'm in search of the next Kemp. The person who will take a stand, an unshakable stand, an unstoppable stand for general equitable prosperity. Without a quarterback Bill, it doesn't matter how great

your playbook is. You don't have a team, and a team needs to build around a quarterback. I am looking for the next Kemp.

Bill Walton : Jimmy, and uh, any suggestions for Ralph?

Jimmy Kemp: (laughs)

Bill Walton : Who is, uh, a quarterback might be, as a quarterback yourself. And uh ...

Jimmy Kemp: Yeah. Well, look. Uh-

Bill Walton : I think you're talking about a policy quarterback. Or uh, political-

Ralph Benko: A political quarterback.

Bill Walton : Okay, good. Alright.

Ralph Benko: It can be a congressman, it doesn't have to be ... Jack Kemp was a back bencher congressman. He wasn't on the right committees, he didn't have great ... so as a matter of fact, Jimmy you should talk about that.

Jimmy Kemp: Well, it's an interesting point because, um, look. Governing is-is challenging. President Trump is running up against all sorts of headwinds. Not only, uh, the ones that are constantly in the, in the press about Russia and the other things. But, he's got these huge challenges around healthcare, uh, tax policy, there's welfare reform. Um, and-and obviously we have a-a new era in foreign policy with the war on terror, um, that has, uh, been uh, really huge challenge since 9/11. Um, the, the thing that dad did was from the back benches. From the minority of congress, he charted a course that brought Democrats and Republicans, but dad really wanted to win people on the other side of the aisle.

Bill Walton : Yeah, talk about how he worked with, with the Democrats.

Jimmy Kemp: Well uh, you know. His, it didn't matter whether you were a Republican or a democrat. And, back then remember, in the 70s when my father was in congress, um, members moved to where their job was. Um, so I was born in Buffalo in 1971, my father was elected in 1970. They moved to Bethesda, Maryland, which is where I grew up. And, other members moved their families here. And yes, they went back to the district, the members did, but Sam [inaudible 00:17:35], democratic senator from Georgia, his family grew up down the block. And, there would be discussions uh, barbecues in people's backyards, that uh, in our dining room uh, there were discussions about policies, and the guy or woman wasn't a democrat. They were a fellow Politian.

Dad wanted to-to convince them of his perspective. And today, part of the reason that doesn't exist is because in '94 when the republicans took control of congress, they won on an anti-Washington message. Um, and that's not a long term strategy. They told their new members to keep the family in the district, come to DC for three or four days a week, and then go back to your district, and uh speaker Gingrich and leader delay, that was part of the way that they were gonna keep discipline in the caucus. Um, and I-I think it hurts overall-

Bill Walton : So, by running against Washington they destroyed Washington?

Jimmy Kemp: I-I think that, I mean, look I don't think Washington is destroyed but I think it had a really negative impact.

Bill Walton : But, you've got congressmen living on cots rather than uh, socializing with each other and getting to know each other.

Jimmy Kemp: It's not human flourishing, is it Bill?

Ralph Benko: (laughs)

Bill Walton : Not my view of human flourishing.

Jimmy Kemp: Talk about-talk about your understanding of human flourishing.

Bill Walton : (laughs) Starts out with a cot in my office [crosstalk 00:18:51]. And eating cold pizza for breakfast, how's that?

Jimmy Kemp: Yeah. (laughs)

Bill Walton : (laughs) So, you think that culture is, you know that's one of the cultural shifts in Washington you've seen as somebody growing up in the family business?

Jimmy Kemp: Oh, certainly. Today, you know, families don't get to know each other um, and- and when they walk the halls at congress, there's not that personal relationship where you know, they were either having a drink or a meal with the family, and they can talk about that before talking about issues in which they disagree. At the Jack Kemp foundation, we, our main program area is called the Kemp forum. Um, we want it to be a debate and discussion series providing a platform for the civil competition of ideas. And, we do need more civility. Um, we need more ideas. Um, we need people who are, want not just to build uh, agreement within their own party. We want people who want to convince and win folks who right now, are on the other side.

Bill Walton : Is Kemp forum an event, or is it a process? Or is it a ...

Jimmy Kemp: So, the Kemp forum is uh, we do have a process that we have designed. We kind of have a long term plan that we are building up to.

Bill Walton : Good.

Jimmy Kemp: But, what we've had recently are a bunch of Kemp forum events. Um, we cover economic policy, foreign policy, and importantly, and you alluded to this earlier, equality of opportunity.

Bill Walton : Mm-hmm (affirmative)

Jimmy Kemp: You can't talk about economic growth-

Bill Walton : Right.

Jimmy Kemp: Without helping people understand that true economic growth comes when there is equality of opportunity. And, my dad understood that from his sports background, and one of the most powerful, uh, narratives that had an impact on him, was the parable of the good shepard. Who left in '99 to go find the lost lamb. And, in this country, if we're willing to write off a percentage of the people, then that is, that's damaging to the soul of this nation. And, our better angels call us to go find those people, give them equality of opportunity, and so we do a lot of events specifically in DC. But, also helping conservatives and liberals talk about how to fight poverty in a way that actually helps people.

Bill Walton : That's so important. We had a guy who wrote off 47% and that didn't work out too well for him.

Ralph Benko: If I can just interrupt you for a second ...

Bill Walton : Sure.

Ralph Benko: You know, I mean, Jack Kemp inspired me into politics. He was the force that Shanghai'd me into this life. I'm still deciding ...

Jimmy Kemp: I'm sorry Ralph. Sorry (laughs)

Bill Walton : Well what was your, what was your alternative path Ralph? That's hard to imagine. (Laughs) Kept you off the tennis tour.

Ralph Benko: But, after Jack left public service, after he left the congress, after he left uh, secretary of housing urban development, and became a beloved party elder statesman, okay. We supply sliders, we proud, we few, we-we-we-we uh, [inaudible 00:21:45]. Used to just shake our head because we could never get him out of retirement, he'd gone back to the private sector, and the, and the think tank sector and so forth. But, any time any African American asked him to do something for their organization, to be there, he did it. He walked the walk. This was not rhetoric. We have a lot of republicans talk about the need for outreach, or messaging, or what ...

Bill Walton : Only, only in the election year.

Ralph Benko: Only every two or four years, right. Jack Kemp lived by this code.

Bill Walton : Yeah.

Ralph Benko: Okay? He played football with African Americans and they became a band of brothers. And, he, I remember a story, you can correct me if I'm wrong. The team was traveling somewhere and they said, "okay, well your black players have to stay here."

Jimmy Kemp: It was in New Orleans.

Ralph Benko: Okay, you tell the story cause ... Okay. The black players get to play here, get to stay at this hotel out in fringe in town, and you guys all get to stay in this hotel. And Jack Kemp said, "No."

Jimmy Kemp: Well actually, that, so the black guys didn't like it. Led by Cookie Gilchrist, who was an all start running back for the Buffalo Bills in the 60's, um, and this was an all star team for the American Football League in 1964 playing in New Orleans. They go down to New Orleans, they're in separate hotels, and the final straw was actually, uh, cab driver uh, who Cookie hailed, and uh, and he said, "hey, this is not a colored cab." And Cookie said, "I don't care what color the cab is."

Ralph Benko: (laughs)

Bill Walton : (laughs)

Jimmy Kemp: I just want to get to the club. And, uh, so that was one of the final straws. And that night, the black guys got together and they said, "Hey, we don't want to play, we don't want to play in New Orleans. This-They've separated us by hotel, and we can't get a cab to the club, and they told the white guys, they said, "Hey, we're gonna bail." And dad agreed with some other guys who said, "You know

what, we're not, we're gonna support this and we're gonna tell the uh, the commissioner that we're not gonna play the game." The commissioner then moved the game to Houston.

Um, but that was a formative experience, because dad grew up in California, and, I-I-I want to get speaker Ryan credit here because after he was a part of Romney-Ryan in 2012 and lost, he, one of the most inspiring parts of the campaign was when he did outreach uh, to African Americans, and we helped put together an event in Cleveland um, where he did a backstage round table with a bunch of community leaders uh, who were working on drug addiction issues, and helping people get out of poverty. Which is hard, you know, person to person work. And, after they lost the election, he called me up and said, "Jimmy, I want you and Bob Woodson from the center for neighborhood enterprise to set up a listening tool for me."

And, it wasn't just an election year, he did that and uh, and he does truly care about, uh, equality of opportunity. Um, and addressing the racial challenges that we have.

Bill Walton : So, Jack Kemp had a-had an empowerment, uh, zone, um ...

Jimmy Kemp: Enterprise.

Bill Walton : Enterprise, yeah.

Jimmy Kemp: Enterprise zone, and President Clinton [crosstalk 00:24:55]. No, so this is important to understand. Enterprise zones, were-remember there were red lined areas that banks would have in cities.

Bill Walton : Sure.

Jimmy Kemp: And they'd say, "You can't lend here, don't lend here, this is a bad-bad investment." Right? So, they were literally red lines on maps that banks had, and that became known, and my dad and uh, a democrat, Bob Garcia from New York, um they came up with this enterprise zone idea where they looked at the red lines on these maps, and said, "What if we turn these red lines into green lines and we zeroed out the capital gains tax for any-any company, any investment firm that wants to go in and invest in a business inside this line?" Zero out the capital gains tax.

Bill Walton : No property taxes, no income tax, nothing.

Jimmy Kemp: Right.

Bill Walton : Okay.

Jimmy Kemp: And, zero it out, and then see what happens. Let the market work.

Bill Walton : Mm-hmm (affirmative)

Jimmy Kemp: Let's get money in there, and there's no tax coming out of that so you're not gonna lose revenue. And, uh, and you're gonna create, um, owners. You're gonna create employees. And, uh, so it never got passed, although the bill was introduced. Um, President Clinton, smartly, politically, co-opted a conservative growth idea and he created tax credits for those green lines. But, tax credits operate differently than zeroing out, uh, the capital gains tax, and there are- it's the government picking winners and losers. It can work, it did have a positive impact.

Bill Walton : What's- what's the difference?

Jimmy Kemp: Well, a tax credit is if-if you go in and invest in a business inside this, uh, depressed area, then we will give you a tax credit, um, and-uh, but you have to meet these certain criteria.

Bill Walton : Mm-hmm (affirmative)

Jimmy Kemp: Right? So, the new market tax credit is-is an example. Um, there's low income housing tax credits, and those can get bundled and sold on the market. But again, tax credits are beneficiary, they-they benefit the wealthy who have the ability to already do this as opposed to really getting the money to the people who, uh, have the ideas for businesses.

I've got a guy in Southeast DC, Ron Moton, who uh, is working with uh, inner city kids on helping them develop businesses and-and he needs capital. He needs people who are interested in investing. Um, but that's, that was the idea, so. Um, but a lot of people think that empowerment zones was-was uh, Kemp's idea. Dad always bristled at that.

Bill Walton : What do you think, what do you think he'd be taking up today? I mean, the landscape is very different. We don't have inflation. We don't, you know. It's-it's a, a misery index although people still aren't feeling that happy mood ...

Ralph Benko: Can I just interrupt that question?

Bill Walton : No, let me, let me ask the question Ralph.

Jimmy Kemp: (laughs)

Ralph Benko: You told me I could interrupt! (laughs)

Bill Walton : What's an inflation? 2%?

Jimmy Kemp: Yes.

Bill Walton : And unemployment is technically 4% so we somehow don't have that same misery index.

Ralph Benko: I've-I've stipulated to that, I said the circumstances are probably- are presenting problems are different. They're stagnation, and that's inflation.

Bill Walton : Okay, now it's your turn. It's your turn Ralph.

Jimmy Kemp: (laughs)

Ralph Benko: Well, I just wanted to-to ... see, you've destroyed my moment.

Bill Walton : (laughs)

Ralph Benko: Thank you very much, because Jimmy just opened the door to a very important other factor about human flourishing.

Bill Walton : Okay, I want to keep that door open. Keep going.

Ralph Benko: Okay. And that is, uh ... Kemp was selected by George H.W. Bush to become his secretary of housing and urban development.

Jimmy Kemp: Right.

Ralph Benko: Right?

Jimmy Kemp: Which, he didn't want to take by the way.

Ralph Benko: But, but, he had heart. So, I remember reading the New York Times story of the interview when he was a newly fledged HUD secretary, okay? And, one of the striking factors is, Jack had not one, but two busts of Abraham Lincoln in his office.

Jimmy Kemp: Yes.

Ralph Benko: And I wanted to bring this back to, the GOP was created as a party of Lincoln.

Jimmy Kemp: Yes.

Ralph Benko: It was created by Abraham Lincoln to abolish slavery. To-to oppose slavery. It is the party of human dignity in its origin, and to me, it was just a fascinating story that-that Jimmy was telling before we went on the air, about how the Kemp foundation did a Kemp forum at what Jimmy called Abraham Lincoln's camp David. I just wanted to open the door to that for a minute so that he could tell. Because, there's this profound spiritual, I'm gonna use the word ...

Jimmy Kemp: Good.

Ralph Benko: An unflinchingly connection between Lincoln and Kemp, and the Kemp foundation channeled that at an event that was really very fascinating.

Jimmy Kemp: Yeah. Well, it, and look. All of us have-have flaws and I'm gonna-I'm gonna get to that right here. After I tell the HUD story, because when my dad was named HUD secretary by President H.W. Bush, he had just lost the primary to H.W. He ran in the, uh, republican primary in '88, lost to not only H.W. Bush, uh, but to Pat Robertson, Pete DuPont, um, Bob Dole, and a bunch of others. Um, he was really discouraged. He believed that he was-

Bill Walton : Not many supply siders in that bunch. (laughs)

Jimmy Kemp: (laughs) No. Um, he believed that he was the heir to the Reagan legacy, and-and he really wanted to be President of the United States. When he lost, and President H.W. Bush would call supply side economics, "Voo-doo economics." Um, one, and was asked to become HUD secretary. My father's aspiration was to be treasury secretary. Um, that's where he wanted to go.

Bill Walton : He would have been a good one.

Jimmy Kemp: And, he was talking to my mother and said, "I don't want to be HUD secretary." And to my mom's credit, she said, "Jack, if you don't take this job, then all the urban opportunities, economic growth for all, all of that part of your career will be forgotten. This is your opportunity." And so, dad became a HUD secretary who had his own economic policies, so foreign policy ...

Ralph Benko: He got teased about this by Jim Baker.

Jimmy Kemp: Jim Baker.

Ralph Benko: Jim Baker said, "You're the only HUD secretary that in addition to having a housing policy, has an economic policy and a foreign policy!"

Bill Walton : I get the first two, the foreign policy we need to ... (laughs)

Jimmy Kemp: Yeah, that-that's another story. But um, so, at the Kemp foundation we wanted to carry forward dad's uh, political optimism and you're right Ralph, the Lincoln Cottage here in Northeast D.C. um, is a place that we chose as uh, a venue.

Bill Walton : Would you describe what it is?

Jimmy Kemp: It's where President Lincoln went during the summer, because the white house wasn't air conditioned.

Bill Walton : Where is it in D.C. right now?

Jimmy Kemp: Uh, it's up North Capital Street, um in Northeast D.C., and it's called, many people know it as, "The Old Soldier's Home" but it's a Veteran's ...

Bill Walton : So it's just a couple miles from the white house?

Jimmy Kemp: Yeah, it's two or three miles from the white house.

Bill Walton : Yeah. Yeah.

Jimmy Kemp: Just North of Catholic University.

Bill Walton : Sure.

Jimmy Kemp: Um, and uh ...

Ralph Benko: Beautiful campus, by the way.

Jimmy Kemp: There's-there's a cottage there where the Lincoln's lived and it's been restored by the park service, and they rent it out. So, we rented out Lincoln's bedroom where he wrote the Emancipation Proclamation. And, we had a Kemp forum on the future of the American idea. Um, and we did it at Lincoln cottage because the roots of the republican party are as Ralph talked about. And, republicans have got to do a better job reaching out to all sorts of minorities. Um, blacks, Latinos, Asians, uh, this country is E Pluribus Unum. Out of many one, and dad's background in football especially, it taught him what teamwork is and how you are to go after the people who haven't been included, and bring them in. Um,

and-and so you've gotta address that first before you talk about um, you know, budget issues. Uh, you can solve budget issues ...

Ralph Benko: [inaudible 00:32:49] once said, "Nobody cares how much you know...

Jimmy Kemp: ... till they know how much you care."

Ralph Benko: Bingo. Heart, brains, heart, and courage.

Jimmy Kemp: Yeah.

Bill Walton : So, this-this is one of the things that drives me, I don't know what it drives me to exactly, but you know, we-we think we've got good policies that are, that are supply side policies. We think we know how to drive economy, we think we can get to 4% growth.

Jimmy Kemp: Yeah.

Bill Walton : And, we think it's good for all people.

Jimmy Kemp: Yes.

Bill Walton : And yet, it's characterized as something just the opposite. As something just for the rich and only for the, you know, the few that uh, early in the elites. How do you take that message and translate it into something that's, uh, resonating with ordinary people? 'Cause you're right, we're not doing a good job.

Jimmy Kemp: No. Well, look I think we all agree, you've gotta go into place where republicans haven't gone. You need to be in the inner cities, you need to be in rural areas, and give President Trump, he, when he, President Trump credit when he was campaigning, he was opening up conversations with people who haven't been engaged. Um, and that is what republicans need to do. There's a, there's a lesson to be learned there. And, going out and talking to people about the challenges that they face, that they see on a daily basis, um and providing hope. Um ...

Bill Walton : Maybe that's happening in the state houses more than it's happening in congress, because when I look at congress, I look at a bunch of lawyers and legislatures that don't know anything about economic growth and optimism. Or a couple, a handful.

Ralph Benko: There-there ...

Bill Walton : You know, that's a sweeping generalization ...

Ralph Benko: No, it-it's right but I want to contextualize it. Okay?

Bill Walton : Okay.

Ralph Benko: Congresses are reactive body. Think of it as a big banjo. Okay? They get played, and I mean that in the positive sense, not in a snarky sense. In ... there were, there were two members of congress, who more than anybody else, transformed the world in my lifetime. One was Jack Kemp. Before Jack Kemp started selling his model of lower marginal tax rates, and a- and a higher integrity dollar, a dollar is good as gold ... 80% of the world lived in dire poverty. It's now 10%. The world economy has blossomed, but only after Jack Kemp said, "Don't do it that way, we know you're well intended, it just doesn't work. Do it this way." There was a, just as a, and not just in the United States, I mean it was massive in the United States, although we kind of lost the thread about 17 years ago and have been wandering around outside of the Kemp model. And, the economy has been growing at only half of its historic trend rate.

Bill Walton : Then, that's when George W. Bush became president.

Ralph Benko: That includes George W. Bush, and extends through Barack Obama. If the economy was growing at Jack Kemp rates instead of George W. Bush, Barack Obama rates, we would all be somewhere between 30 and 50% richer.

Bill Walton : Well, let me push on that though, I mean, you're equating supply side tax policy with all this growth, or lack of growth, I mean certainly ...

Ralph Benko: Yeah, with all of the growth. The supply side, uh, supply side policies correlate brilliantly with 4% growth. We've been going through one and a half or 2% growth for 17 years. I call it the little dark age. As we've deviated from those policies, as we've left them. George W. Bush wanted to do it his way, we got boom, we got bust, we got boom, we got bust. And then, we got this long ultra slow punk recovery under Obama. When you add it all up, the uh, our income, your income, my income, and the national income is somewhere between 30% and 50% lower than it would be if things had grown on trend.

Bill Walton : Okay, well these-these are all the ... I'm inclined, you know, I-I'm basically a business guy. I'm looking for line of action.

Ralph Benko: Right.

Bill Walton : Here we are in 2017 ...

Jimmy Kemp:

Yes.

Bill Walton :

Okay, we've got 17 years of catastrophic policy, what do, what are the three things you'd put in place to bring about what, uh, it would be leading us to toward the [inaudible 00:37:07] of economic growth.

Jimmy Kemp:

Yeah. Well, look. Economic determinism is not the end all, be all. But, if you don't have economic growth, Bill, as we've ... if you don't have economic growth, you can't solve a lot of the challenges that we face.

Bill Walton :

You can't pay for any of the programs if people won't.

Jimmy Kemp:

You can't pay for ... and our demographics don't look great. Right? Um, but the innovations that we see, uh, coming from the private sector, the technological innovations um, are, they're incredible. And, the potential for growth is-is there, um, but there are some real challenges. So, we have got to get people back to a culture of aspiration. I think one of the main problems, my wife and I have four boys, and we want to see a culture of aspiration return to this country where it-it seems that there's more of a culture of expectation. Where my four children, boy, I'm really working to get them to aspire to accomplish things instead of sitting on their devices.

Uh, it's a broad generalization, and there-there is a lot that can be done on devices, but I want them thinking about all the things that are possible, not just the latest social media of what their friends are doing. Right? So um, I think it's important that there is a cultural understanding that in this country, in our education system, uh where we need the free enterprise, free market forces that work delivering training people to- for the jobs of the future, not the jobs of the past.

Um, and we need to be a country that embraces people with capacity, right? We-we made to be the engine for the world. Um, and so first of all we've gotta get our tax policy right. Um, and-and it's not easy to do. Uh, but you've gotta get our tax policy right. Um, certainly trade policy is important.

Bill Walton :

Tax policy right means low, flat tax across the board.

Jimmy Kemp:

I wouldn't say a flat tax across the board because you do get into the Warren Buffet problem, where you're taxing Warren Buffet at a lower tax rate than his secretary. So, flat tax has some challenges to it. We think that there are solutions, um, [inaudible 00:39:18] the communist who Ralph and I are friends with ...

Ralph Benko: He used to be Jack's Chief of Congress when Jack was in the conference.

Jimmy Kemp: Uh, John has a proposal called, "The Fair and Simple Tax." Um, that taxes labor capital and investment capital at the same rate. Um, I think it's a great idea that's worth uh, discussion and we-we haven't had a lot of success to Ralph's point, we haven't had a lot of success on the hill, um, getting that into the conversation. Um, but it's a critical point to understand that labor capital and investment capital are preferred by, labor capital is preferred by the democrats, so when they're in control, they advantage labor capital.

Bill Walton : So, we're talking, we're talking wages versus capital gains and capital gains at the ...

Jimmy Kemp: Yeah ... it should be equalized.

Bill Walton : Yeah.

Jimmy Kemp: Uh, but you don't want Warren Buffet paying a lower tax rate. Uh, so tax, having the sounds stable um, dollar [crosstalk 00:40:10].

Bill Walton : That's a good talking point, but you know, [inaudible 00:40:12] has had a tax plan in place for the last 40 to 50 years. He paid no taxes at all.

Ralph Benko: Bill, look. I hate to be the skunk at the garden party on taxes, okay, because I know all republicans doctrinally want to cut taxes, tax rates, okay. There's a big difference between cutting tax rates and cutting taxes, for one thing. You can actually raise taxes by cutting rates. But, we are the victim of our own success here. Thanks to Jack Kemp, the top marginal tax rate has come down from 70 to 39.6.

Bill Walton : Mm-hmm (affirmative)

Ralph Benko: He actually brought it all the way down to 28, but then Clinton popped it up to 39.6. I wish it was still at 28, but the fact is, there is a, the most they're talking about on capital hill is bringing it from 39.6 to 35.

Bill Walton : See, that-that's not gonna make any difference.

Ralph Benko: There is a difference, right. [crosstalk 00:41:04]

Bill Walton : Well, let me just throw something back at you guys because we talk about rates. You know, part of my job and the transition helping with the Trump putting

together action plans for the agencies, is to talk to the people at the Internal Revenue Service. We all have our own personal thoughts about the IRS, and I ...

Ralph Benko: I love- personally I love them. In case you're watching, thank you, thank you.

Bill Walton : I'll say even more, I was in, I visited with all the top people, and they're lovely people.

Ralph Benko: Yes.

Bill Walton : I said, "Okay, so what would be the one thing that we could do that would-that would, that you think the tax side could-could do to stimulate growth? And, to make the IRS a better player in American life?" And they said, "simplify the tax code."

Ralph Benko: Mm-hmm (affirmative)

Bill Walton : I mean, every time they say something gets thrown in, that's uh, some new good idea from congress, it throws them into a [inaudible 00:41:56] and ... could you pronounce that word for me, Ralph?

Ralph Benko: Paroxysm.

Bill Walton : Paroxysm, thank you. I knew you could.

Jimmy Kemp: (laughs)

Bill Walton : Um, and we're talking about rates, I think we oughta be talking about the whole tax code.

Jimmy Kemp: Yes.

Bill Walton : 'Cause that's the thing that's really unfair.

Ralph Benko: I'm sorry, that is not the secret sauce now.

Bill Walton : (laughs)

Ralph Benko: I-I know, we all love it ...

Bill Walton : Okay Ralph, we've got four minutes left. What's the secret sauce?

Ralph Benko: The secret sauce is-

Bill Walton : (laughs)

Ralph Benko: Okay. My secret sauce is to make the dollar as good as gold.

Bill Walton : Okay.

Ralph Benko: Okay? That said ...

Bill Walton : Isn't there some horrifying statistic that when Nixon took the dollar off of the gold standard in 1974 ...

Ralph Benko: Medium family went from this, to this.

Bill Walton : Yeah, for those that are not watching, listening, the growth rate dropped from 3 to 4 percent, went to flat line. We've seen family income flat line for 50 years. 60 years.

Ralph Benko: Which had been growing steadily, and in accord with the wealthy, went flat and it has never, it has never consistently recovered. And, the income of the rich people took off like a hockey stick.

Bill Walton : Yeah.

Ralph Benko: August 15th, 1971. You could look it up.

Bill Walton : So, you're big thing is getting back to the gold standard, and the statistics are there. I mean, if you look at the uh ...

Ralph Benko: And the statistics are there, but that's not why I'm here.

Bill Walton : Okay.

Ralph Benko: Okay? I'm here to talk about the pursuit of happiness and human flourishing.

Bill Walton : (laughs) I thought that was the gold standard!

Jimmy Kemp: (laughs)

Ralph Benko: Just like tax reform, that's an instrumentality. For people to grow year after year, Einstein famously never said, "The most powerful force of the universe is compound interest."

Bill Walton : He didn't say that.

Ralph Benko: That's what I said, I said, "Einstein famously never said."

Bill Walton : Yeah. (laughs)

Ralph Benko: The most powerful force in the universe is compound interest. If we're growing, if all of us are growing at 4% a year instead of 1.5% a year, we double, we double our, our Ralph.

Bill Walton : I think the numbers are off. If you're growing at 4%, you can double your household wealth in about 15 years.

Ralph Benko: Right.

Bill Walton : If you're growing at one and a half percent, it takes 75 years. Or, some ridiculous, uh.

Ralph Benko: So, you can double your household worth in three times during your life, at 4%. Three to four times instead of less than one. Alright, but the point I am most passionate about Bill, is we need the next Kemp. None of this happens spontaneously. There's an old saying in politics, "Spontaneous as arson." There are plenty of good ideas, what we need is a new quarterback to pull them all together, to focus to team, to make the, to force the GOP as Jack Kemp did, to talk about the pursuit of happiness, which means human flourishing, which means equitable prosperity. We can pull together the half a dozen best ideas, in fact maybe there should be a Kemp forum on it, as to how to get to 4% economic growth, that are innovative. Not retreads of tax and regulations, yeah yeah yeah. Yeah yeah yeah, that too. Okay.

But, among other things, we have a new generation that needs to take power.

Jimmy Kemp: Mm-hmm (affirmative)

Ralph Benko: We are the old [inaudible 00:45:04] here. We live through this ...

Bill Walton : Well, maybe-maybe you are. (laughs)

Ralph Benko: (laughs) We live through this supply side rec- uh, the supply side ...

Bill Walton : I'm the old Robert Baron or something like that. (laughs)

Ralph Benko: Okay, fine. Uh, we lived through the 70s which were much worse than today, and thanks to the political leadership of Jack Kemp ...

Bill Walton : Yeah.

Ralph Benko: We turned it around, and we spread worldwide prosperity, but we're old and tired now, and we need, you know, young Bucks like Jimmy Kemp to be stepping to the floor and saying ... uh, what is it your father said, he was in a football game and ...

Jimmy Kemp: In-in a huddle?

Ralph Benko: In a huddle. And he said, "Let's get this overwith."

Jimmy Kemp: Oh.

Bill Walton : (laughs)

Ralph Benko: And went on, went on to win the game and I think the championship.

Jimmy Kemp: One of the important things I think Bill, is yes there is a right policy mix, I do want to get in that the unfinished business of supply side economics is getting to a sound dollar. Um, and that discussion hasn't happened enough. It's interesting that there's uh, a potential new nominee [inaudible 00:46:13].

Bill Walton : Is the sound dollar the same thing as the gold standard?

Jimmy Kemp: Well, I think there are probably a few, there are different ways to get there. To get to a sound dollar, and I- but I think the conversation needs to happen. Um, and we're, actually we have a Kemp forum on exchange rates and the dollar, um and it's something that we're trying to facilitate. We've had one event on this issue.

Ralph Benko: It was huge, by the way. They had cake.

Bill Walton : So-so even if we don't go back to a gold standard, we-we need to do something about the fed and the monetary policy.

Jimmy Kemp: Yeah, I mean, back in the 80s ...

Bill Walton : And treasury.

Jimmy Kemp: Uh, you had the uh, the Paris, what was it? The Paris accord?

Ralph Benko: The Louvre.

Jimmy Kemp: The Louvre accord. Um, you had the Louvre accord, uh, you had these uh, this stabilizing of exchange rates. Um, so we need to get a sound dollar.

Ralph Benko: Wait, you didn't have the stabilizer of exchange rates. We had stable exchange rates. Okay? You don't ... when you're driv- money is just a bridge between two people doing business. You want a solid, reliable bridge. You don't want a floating bridge, or a sinking bridge, or a kinda semi stable bridge.

Jimmy Kemp: Right.

Ralph Benko: You want a rock solid bridge, and that's what our money needs to be if we are gonna flourish.

Jimmy Kemp: It's the same principle as what you were talking about with the IRS. We need a stable tax code that people understand, um, and they know what to expect. And business, says, "okay, hey, we're gonna bring that money back in." Um, so certainly we do need to get money back in from uh, overseas.

Bill Walton : Well that, yeah that's a point that needs made. Not only with taxes, but with regulation. It's not the, the regulation per se, it's just that they change every three weeks.

Ralph Benko: Yes, but also, look- the republican party loves deregulation. And god bless them, but it's not an orphan issue. A good, good money, a good dollar, a dollar as good as gold, however you get there, is the orphan issue. Okay? There's plenty of people out there avidly deregulating. And I say, go to it kids. Okay? And there's a whole bunch of people who-

Bill Walton : Well, there are a lot of people out there talking about it, but there's not many people who are actually doing it.

Ralph Benko: Well, at least they're talking about it, okay? And, there's a lot of people out there, and god bless you, we're the victims of our own success on the tax war. We've basically won that. Could it be better? Yes. Should it be better? Yes. Do I support it being better? Yes. But the orphan issue is the integrity of the dollar.

Bill Walton : Okay. That sounds like a final word. (laughs)

Ralph Benko: No, Jimmy gets the last word.

Bill Walton : Jimmy does get the final word, Ralph. You're, you -

Jimmy Kemp: Well, Bill, I just appreciate your passion for common ground and human flourishing, because that's what our founders intended.

Bill Walton : We need to get there.

Jimmy Kemp: They-they want this place.

Bill Walton : That's what I mean, yeah.

Jimmy Kemp: This place to be a, an island in the world, um, where people could come and there was a common ground, universal rights that come from nature's creator. And, this was a level playing field. So, our policies should follow that guiding star. Right? And, the American idea, uh, is-is about maximizing human flourishing. Um, it's not just for Americans. It's for all people. That's who we have to be. We need simple, limited government that people can understand, and we have to pursue justice for all. We have to care about everybody, and I think one of my dad's lasting impacts on me and what we're trying to do at the foundation, is help people see how important it is to go after the lost sheep and care for them, bring them in, uh, but make sure that they have an opportunity. Not to be taken care of, but to earn their own success.

Bill Walton : Your dad was not only a great, uh, statesman, he was a great father. I feel like his spirit is sitting right here in the room with us, and it's great.

Jimmy Kemp: Well, thanks. I, he was a great father and I'm very fortunate.

Bill Walton : How do we find out more about, uh, the Kemp foundation?

Jimmy Kemp: So, we're at JackKempFoundation.org. Um, and uh, we've got a book called, "The American Idea Renewed." Uh, it's a collection of my dad's best speeches and includes our Kemp forum on the American Idea at Lincoln Cottage. We have a [inaudible 00:50:14] report on that. Um, and then some other essays from friends of the foundation. Uh, you can find that on our website. Um, and then my dad's uh, books are, you know I'm sure you can get them on eBay or wherever. Uh, an American Renaissance and the American Idea.

Bill Walton : I think they're still uh, still on Amazon.

Jimmy Kemp: (laughs)

Bill Walton : Ralph, where can we find you?

Ralph Benko: I-I, Google.com, Ralph Benko.

Bill Walton : (laughs)

Jimmy Kemp: (laughs)

Ralph Benko: And I probably said something like a million words over the last five years at Forbes.com, at thegoldstandardnow.org, at national-

Bill Walton : But it sounds like if we really wanted to drill on-on your idea, it's the gold standard. The people oughta be taking a fresh look at.

Ralph Benko: I-I I'm passionate about the gold standard and I'm passionate about the centennial monetary commission, which was just passed by the house and is pending in the, pending in the senate. To look at all the different ways we can ...

Bill Walton : Where would we find out about the centennial monetary commission?

Ralph Benko: Uh, you would go to google and ...

Bill Walton : (laughs)

Ralph Benko: You would google, "Congress.gov HR10" And then you would look at section 10-11 and you would read a whole section about the centennial monetary commission. But, just take it, save yourself a lot of wonk work, take it from me and say, "I think I'd like to call my congress, my senator since it's through congress, and tell them what a great thing I think uh, uh, the centennial monetary commission is." Or the, what a terrible thing if that's what they think. But, I-I, this, this is, it comes down to humanity. Okay? Policy comes from brains, heart, and courage. And on this day Bill, I would like to salute you, and raise a toast to the memory of Jack Kemp, and ...

Bill Walton : To Jack Kemp.

Ralph Benko: A toast to Jack Kemp and human flourishing.

Bill Walton : There we go.

Jimmy Kemp: Cheers, thank you.

Bill Walton : Thank guys. We'll have you back soon.

Jimmy Kemp: Thanks Bill.

Bill Walton : To be continued.

Jimmy Kemp: Great to be with you.

Bill Walton : Yeah.