

Rep. Kristi Noem looks back on
her first year in the House



The Rippon Forum

Winter 2012
Volume 46, No. 1

Recapturing JACK

Why Kemp's Legacy
Still Matters

Plus:
Ed Rollins on the
'88 campaign

Steve Largent on
political courage and
life on the gridiron

And: Rep. Dan Lungren on
Kemp's political heir

Visa is a proud sponsor of The Ripon Society



Visa is honored to be a part of the Ripon Society, an organization with a long history of bringing public and private sectors together.

more people go with Visa
visit [visa.com/go](https://www.visa.com/go)



The Ripon Forum

*"Ideas that matter,
since 1965."*

Volume 46, Number 1

Politics & Perspective

- 4 **Investing in America's Workforce**
by John Kline
The Chairman of the Education & Workforce Committee discusses the effort he is leading to make sure today's workers are better equipped for tomorrow's job opportunities.
- 6 **The 1986 Tax Reform Debate and the Lessons for Today**
by Bob Packwood
It's been over 25 years since the U.S. last reformed its tax code. One of the architects of that reform plan discusses how it was done -- and how a similar plan could be passed today.
- 8 **The American Jobs Machine**
by Douglas Holtz-Eakin
To some, the American jobs machine is broken. But according to this leading economist, the job stall is due not only to predictable demographic shifts, but preventable policy errors.

Cover Story

- 12 **Recapturing Jack**
by D.R. Tucker
On April 6, 1987, a Congressman from Buffalo launched a bid to become President. His campaign was short-lived, but his legacy of inclusion, growth and opportunity still resonates today.
- 15 **"Empathy for the Little Guy"**
Q&A with Ed Rollins
The manager of Jack Kemp's run for the White House discusses the '88 campaign, the promise of his candidacy, and why his bid for President ultimately came up short.

Cover Story (cont'd.)

- 17 **"It's the Courage to Continue that Counts"**
by Steve Largent
A Hall of Fame wide receiver and former Member of Congress looks at Kemp's boldness and discusses how life on the gridiron prepares a person for life in politics.
- 19 **Jack Kemp's Political Heir**
by Daniel E. Lungren
One of Kemp's closest friends discusses his legacy and the individual who -- in both policy positions and political temperament -- is today best suited to carry Kemp's mantle of reform.

Articles

- 20 **Positive Solutions for Immigration Reform**
by Merrill Matthews, Ph.D.
Ideas to help Republicans win the fastest growing segment of the American electorate.
- 22 **Union Man**
by Joseph McCartin
Based on his book, a look at why Ronald Reagan fired 11,000 air traffic controllers in 1981.
- 24 **A Lack of Accountability**
by Mark Calabria
Caught viewing porn on their federal computers, why are 33 SEC employees still on the job?

Sections

- 3 **In this Edition**
- 26 **News & Events**
- 28 **Ripon Profile -- Congresswoman Kristi Noem**

Publisher
The Ripon Society

President
Jim Conzelman

Editorial Board
Bill Frenzel
Billy Pitts
Pamela Sederholm
Judy Van Rest
Jim Murtha

Editor
Louis M. Zickar

Deputy Editor
Josh Pierstorff

Editorial Assistant
Stephen Jackson

© Copyright 2012
By The Ripon Society
All Rights Reserved

One Year Subscription:
\$35.00 individuals
\$10.00 students

The Ripon Forum (ISSN 0035-5526) is published by The Ripon Society. The Ripon Society is located at 1300 L Street, NW, Suite 900, Washington, DC 20005.

Postmaster, send address changes to:
The Ripon Forum, 1300 L Street, NW, Suite 900, Washington, DC 20005.

Comments, opinion editorials and letters should be addressed to: The Ripon Forum, 1300 L Street, NW, Suite 900, Washington, DC 20005 or may be transmitted electronically to: editor@riponsociety.org.

In publishing this magazine, The Ripon Society seeks to provide a forum for fresh ideas, well-researched proposals, and for a spirit of criticism, innovation, and independent thinking within the Republican Party.

GIVING YOU MORE EVERY DAY



BECAUSE YOU ARE
AT THE CENTER OF
EVERYTHING WE DO.

Every day, the men and women of CenterPoint Energy help communities save money and live comfortably with energy-efficient, environmentally friendly natural gas. Our highest priority is safe and reliable delivery and we are committed to providing you with the natural gas you need for home heating, water heating, cooking and more.

So, when it comes to your comfort and safety, we're the company to call.

And when you do call, we're always there.

For more information, log on to CenterPointEnergy.com.

*Pete B.
Service Technician III
Richmond, Texas*



Always There.®

**THE RIPON SOCIETY
HONORARY
CONGRESSIONAL
ADVISORY BOARD**

U.S. Senators:

Pat Roberts (*Senate Chairman*)
Roy Blunt
Richard Burr
Susan M. Collins
Orrin G. Hatch
Olympia Snowe

U.S. Representatives:

Thomas E. Petri (*House Co-Chairman*)
Pat Tiberi (*House Co-Chairman*)
Steve Austria
Spencer Bachus
Charles F. Bass
Judy Biggert
Mary Bono Mack
Charles Boustany
Vern Buchanan
Michael C. Burgess, M.D.
Ken Calvert
Dave Camp
Eric I. Cantor
Shelley Moore Capito
Howard Coble
Ander Crenshaw
Geoff Davis
Charlie Dent
Renee Elmers
Jo Ann H. Emerson
Rodney Frelinghuysen
Jim Gerlach
Kay Granger
Sam Graves
Nan Hayworth
Wally Herger
Darrell Issa
Walter Jones
Leonard Lance
Steven LaTourette
Jerry Lewis
Kevin McCarthy
Thaddeus McCotter
Candice Miller
Randy Neugebauer
Todd Platts
Dennis Rehberg
Peter Roskam
Aaron Schock
John Shimkus
Bill Shuster
Lamar Smith
Lee Terry
Mac Thornberry
Mike Turner
Fred Upton
Greg Walden
Edward Whitfield

Retired Members of Congress:

Bill Frenzel (*Chairman Emeritus*)
Bill Archer
Henry Bonilla
Michael Castle
Mike Ferguson
J. Dennis Hastert
David Hobson
Nancy Johnson
Sue Kelly
Scott Klug
Bob Livingston
Jim McCrery
Robert H. Michel
Susan Molinari
Don Nickles
Michael G. Oxley
Bill Paxon
Deborah Pryce
Tom Reynolds
Tom Ridge
E. Clay Shaw
Gordon Smith
Don Sundquist
Tom Tauke
Robert S. Walker

In this Edition

There's a classic scene in the movie, "Gladiator," in which the aging Emperor, Marcus Aurelius, talks to his top General, Maximus Decimus Meridius, about his vision for the future and what he hopes their country will one day achieve.

"There once was a dream that was Rome," the dying old man tells the dashing young warrior. "You could only whisper it. Anything more than a whisper, and it would vanish... it was so fragile. And I fear that it will not survive the winter."

For many Republicans who were young at the time, and for many other Republicans who look back on at that time fondly today, the 1988 campaign of Jack Kemp for President represents, in some ways, the GOP equivalent of the "dream that was Rome." It was a moment when the possibilities that lie ahead for the party truly seemed to be without end.

Coming off the second term of one of the most successful administrations in recent history. Basking in the glow of one of the most popular Republican Presidents of all time. Enjoying the fruits of a domestic agenda that not only helped power the American economy to record growth, but helped bring the Soviet Union to its knees and an Evil Empire crashing to the ground.

For the Republican Party – and for America, for that matter – these were indeed the golden years. And no one seemed more suited to lead our party and our nation on the next part of its great journey than Jack Kemp, the dashing young congressman from New York who many saw as the aging President Ronald Reagan's rightful heir.

In Kemp, many saw a leader who could expand the coalition that Reagan built into a permanent majority that included minorities and members of the working class. In Kemp, many saw a visionary who preached the gospel of free market conservatism but also understood that limited government could at times have an important use. In Kemp, many saw a passionate defender of freedom who understood that peace, once earned, must always be protected.

In short, in Jack Kemp many saw the 41st President of the United States. But it wasn't to be. His campaign, launched a quarter century ago this spring, barely got off the ground. Lasting only 339 days, Kemp exited the race after Super Tuesday. And yet his impact is being felt more and more today. It started three years ago, just after his untimely death from cancer at the age of 73.

"Jack was the reason I ran for Congress," stated Wisconsin Congressman Paul Ryan of the man for whom, as a young staffer fresh out of college, he once worked. Similarly, when asked in a Winter 2011 Ripon Profile to name the Member of Congress he admired the most, freshman Congressman Tim Scott's answer was succinct: "Jack Kemp."

To the extent that Ryan and Scott represent the future of the Republican Party and can be considered two of the GOP's new guiding lights, then perhaps it is a good time to look at the man from whom they took their inspiration to run and serve.

For that reason, we examine some of the contributions of the late Jack Kemp in this edition of the Forum, and encourage you to write us at editor@riponsociety.org with any thoughts or comments you might have.

Lou Zickar
Editor
THE RIPON FORUM

Investing in America's Workforce

JOHN KLINE

According to a national unemployment report released in January, 5.6 million Americans have been out of work for 27 weeks or longer. Seven months without a job can feel like a lifetime, especially in today's economy. These individuals are often trapped in a vicious cycle – the longer they are unemployed, the more difficult it is to find their next job. Over time, many lose skills vital to success in the workplace.

Reducing the regulatory burdens on American businesses, reining in the size and cost of the federal government, and adopting a more competitive tax system are all part of Republicans' strategy to encourage stability and growth in our economy. However, we must also take steps to better equip today's workers to compete for tomorrow's job opportunities.

For decades, the federal government has administered a host of programs intended to help job seekers find the training they need. In 1998, Congress passed the Workforce Investment Act, providing workers with a network of One-Stop Career Centers to more efficiently and effectively offer employment support. These centers coordinate the efforts of at least 19 entities operating at the state and local levels and deliver services such as job searches, resume writing, career training, and adult education.

While the law marked an important step toward a more accessible job training system, it has been on auto-pilot since its authorization expired in 2003. Years

of inaction have resulted in waste and inefficiencies. In the Winter 2011 edition of *The Ripon Forum*, National Taxpayers Union Foundation senior policy analyst Demian Brady noted the existence of 47 job training and employment service programs. According to the Government Accountability Office, this complicated maze of programs winds through nine federal agencies, costs taxpayers \$18 billion annually, and is rarely evaluated to determine whether the programs help workers.

Consequently, we have an outdated workforce investment system in which employers struggle to find skilled workers, employees lack important training, and taxpayer dollars are wasted. This is no way to support workers during a sluggish economy, and it is certainly not an appropriate use of taxpayer money in the midst of trillion dollar deficits.

Unfortunately, President Obama has failed to provide any real solutions to address this crisis. The president's recent endeavor to reorganize the federal government ignores the bloated bureaucracy crippling our job training programs. In fact, in a stimulus plan released last September, the president exacerbated the problem by calling for additional programs

that will cost taxpayers an additional \$9 billion. More government and more spending are the failed policies of the past. It is time for Congress to chart a better course.

The House Committee on Education and the Workforce is taking action to reform the federal workforce



...we have an outdated workforce investment system in which employers struggle to find skilled workers, employees lack important training, and taxpayer dollars are wasted.

investment system. The committee held numerous hearings over the last year, listening to state officials and business leaders describe the challenges facing their workplaces and the suggestions for improvement. As a result of what we've learned, House Republicans are moving forward with reforms that reflect three principles critical to a successful job training system.

First, a modern workforce investment system must be leaner and more accountable. The Streamlining Workforce Development Programs Act, authored by Rep. Virginia Foxx (R-NC), consolidates dozens of duplicative and ineffective programs into four flexible funding streams. The legislation improves accountability and protects taxpayer investments by requiring an independent evaluation of programs every five years. Additionally, the bill calls for the development of common performance measures to help eliminate waste and abuse.

Second, workers must receive skills that meet the current needs of employers. A report released by the Congressional Budget Office cites a number of structural impediments hindering hiring across the country, including a "mismatch" between job openings and job seekers. Rep. Joe Heck's (R-NV) Local Job Opportunities and Business Success (JOBS) Act will

expand the role of employers in workforce investment decisions to ensure the training available fills the demands of local businesses.

Third and finally, a 21st century job training system must respond quickly and effectively to the changing needs of workers. Federal rules and mandates can stand in the way of the support an individual needs. The Workforce Investment Improvement Act, introduced by Rep. Buck McKeon (R-CA), eliminates arbitrary barriers that prevent workers from accessing training immediately and enhances flexibility in the services provided to job seekers.

As Chairman of the House Education and the Workforce Committee, strengthening job training and employment support remains a top priority for me and my Republican colleagues. Providing workers, employers, and taxpayers with a more effective, flexible, and accountable workforce investment system will help foster the long-term growth and prosperity our nation desperately needs. **RF**

Congressman John Kline represents the 2nd District of Minnesota in the U.S. House of Representatives. He serves as Chairman of the House Committee on Education and the Workforce.

OIL COMPANIES SHOULD SUPPORT THE COMMUNITIES THEY'RE A PART OF.

WE AGREE.

Healthy businesses need healthy communities. Jobs, education, and healthcare are essential. We've provided microloans to thousands of entrepreneurs in Angola, funded polytechnic universities in Indonesia, and committed \$30 million to The Global Fund to Fight AIDS, Tuberculosis and Malaria. We're making a difference where it matters. Because the truth is, our business depends on thriving communities. Learn more at chevron.com/weagree



CHEVRON, the CHEVRON Hallmark and HUMAN ENERGY are registered trademarks of Chevron Intellectual Property LLC. © 2012 Chevron U.S.A. Inc. All rights reserved.

The 1986 Tax Reform Debate and the Lessons for Today

BOB PACKWOOD

One of the ongoing debates in Washington these days is whether tax rates should be lowered to create jobs and stimulate sound economic investment. Of course, this is not a new concept.

Indeed, the 1986 Tax Reform Act was based on this concept. Before the Act was passed, the top personal tax rate stood at 50 percent, while the top corporate rate was 46 percent. After passage, the top personal rate had been reduced to 28 percent, while the top corporate rate had been reduced to 34 percent.

In making these reductions, the Act neither lost nor raised money. Instead, the measure was revenue neutral -- an accomplishment that was not only achieved by getting rid of deductions, but one that could be repeated today.

The Original Gang of Seven

In setting the stage for the '86 debate, one must first recall the politics of the time.

In 1985, we had a Republican-controlled Senate, but the House was overwhelmingly Democrat. The GOP had not held a majority in the House since 1954.

In fact, they had been out of power for so long that Democrats -- assuming Republicans would never retain control of the chamber -- excluded Republicans from participating in the writing of the tax bill.

The tax reform bill was referred to the Rules Committee, with Ways and Means Committee Chairman Dan Rostenkowski insisting that it not be open to amendments. But when the ensuing rule went to the House floor, it was defeated, thus opening up the bill to amendments, and causing Rostenkowski to pull it.

At this point, President Ronald Reagan asked the House Republicans to vote for the rule and in essence the bill itself, but adding if it came to him in this fashion he would veto it. The legislation was subsequently approved

by voice vote, and was sent to the Senate.

As Chairman of the Finance Committee, my job was to get the rates as low as possible and make the bill revenue neutral. At that time in the Senate, we had a reasonable history of bipartisan cooperation on major issues. On taxes, there seemed to exist a natural marriage, as well. Republicans wanted lower rates; Democrats wanted to close what they thought were unjustified "loopholes."

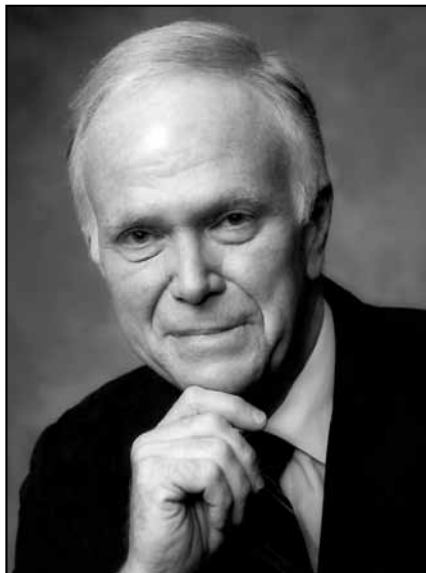
On the Finance Committee, we had particularly good bipartisan working relationships, and I chose Democrat and Republican members on the committee whom I knew I needed to accomplish the goal. Moderate Republican Senators John Chafee (RI) and John Danforth (MO) were two of my closest friends, and conservative Republican Senator Malcolm Wallop (WY) was a close ally.

Senator Daniel Moynihan (NY), one of the intellectual leaders of the Senate Democrats, was my closest friend in the Democrat party. And I knew Bill Bradley (NJ) could be counted on as a strong supporter of eliminating deductions. A good working relationship with Democrat committee member George Mitchell (ME) would bring along other Democrats.

We had the small working team of seven, but we knew we had to move very quickly. Any group that was going to lose deductions would fight us. If this reform was to be accomplished, it would have to be done secretly -- we had to take the opposition completely by surprise

before they could organize against it.

Every morning for just six days, that working group would meet in my office at 8:30 a.m. and agree on what we wanted to accomplish at the full, public Finance Committee meeting later. Those seven committed votes -- and the fact that those seven members were the natural leaders of the committee -- were key to the success of passage of the bill out of the Finance Committee.



As Chairman of the Finance Committee, my job was to get the rates as low as possible and make the bill revenue neutral.

I had to make just one major concession to a group of oil state senators who wanted a form of passive losses which we had eliminated in the draft bill. It was a strategic decision to give the oil state senators their passive loss provision. By compromising with them, I got their full support for the bill and it passed out of the Finance Committee with a 20-0 vote instead of a 12-8 vote. That 20-0 vote was the basis upon which the bill went to the Senate floor and passed by an overwhelming vote of 97-3.

In six short days -- with secret negotiations among seven Senate leaders from both sides of the aisle who could work together, and with give and take for the greater good -- we had a piece of legislation that became the most significant change in the U.S. tax code since its creation some 75 years earlier.

Lessons Learned and Today's Debate

Can meaningful tax reform be accomplished today? I believe with leadership and focus, it most certainly can. Here's how:

Very quickly, and on their own, the House Republicans need to focus on passing a revenue neutral tax bill. They should not try to solve the deficit problem in the bill. They should not try to solve the Medicare problem in that tax bill.

A bill that is revenue neutral, lowers the individual and

corporate rates to the mid-twenties, and keeps its current progressivity -- where the higher income people pay a higher percentage of taxes -- should get support from a broad spectrum of economists. It will also garner a good liberal and conservative cross section of editorial comment.

The Senate will not want to stop a bill that gets such broad support. Timing and leadership are essential to passage of any meaningful tax reform. The time is right. Meaningful tax reform will go a long way to curing the ills of our current economy, and money will be invested based on good business decisions, instead of being based on distorting incentives in the tax code. Meaningful tax reform will remove the whole class warfare fight because the richer will pay a progressively higher rate of taxes.

The goal of lowering rates is worthwhile. Our economy will greatly benefit, and the argument about the rich not paying their fair share will have the rug pulled out from beneath it. The U.S. House can and should act quickly.

It will take leadership and focus to pass a revenue neutral tax bill, but it can be done. We proved that with the 1986 Tax Reform Act. **RF**

Bob Packwood served in the United States Senate from the State of Oregon from 1969 to 1995.

Dynamic companies work with us because we know what succeeds for growth.

At Grant Thornton, we help dynamic organizations unlock their potential for growth. We participate in an ongoing dialogue with our clients and with members of Congress — bringing our best audit, tax and advisory thinking to the table — so they can make informed decisions and craft robust policies based on sound financial fundamentals.

Call National Managing Principal of Public Policy
Mary Moore Hamrick at 202.521.1545.



Grant Thornton

Audit • Tax • Advisory

Grant Thornton LLP is the U.S. member firm of Grant Thornton International Ltd.

The American Jobs MACHINE

DOUGLAS HOLTZ-EAKIN

To the naked eye, the American jobs machine is broken. Between 1950 and 2000 the U.S. economy created an average of 145,000 jobs (“non-farm payroll employment”) every month. Since then the average is a startling *decline* of 4,000 jobs monthly.

But digging a bit deeper suggests that the stall consists of one part predictable demographic shifts, and one part policy errors. The latter has hampered the two most recent recoveries – each of which has earned the well-deserved moniker: “jobless recovery.”

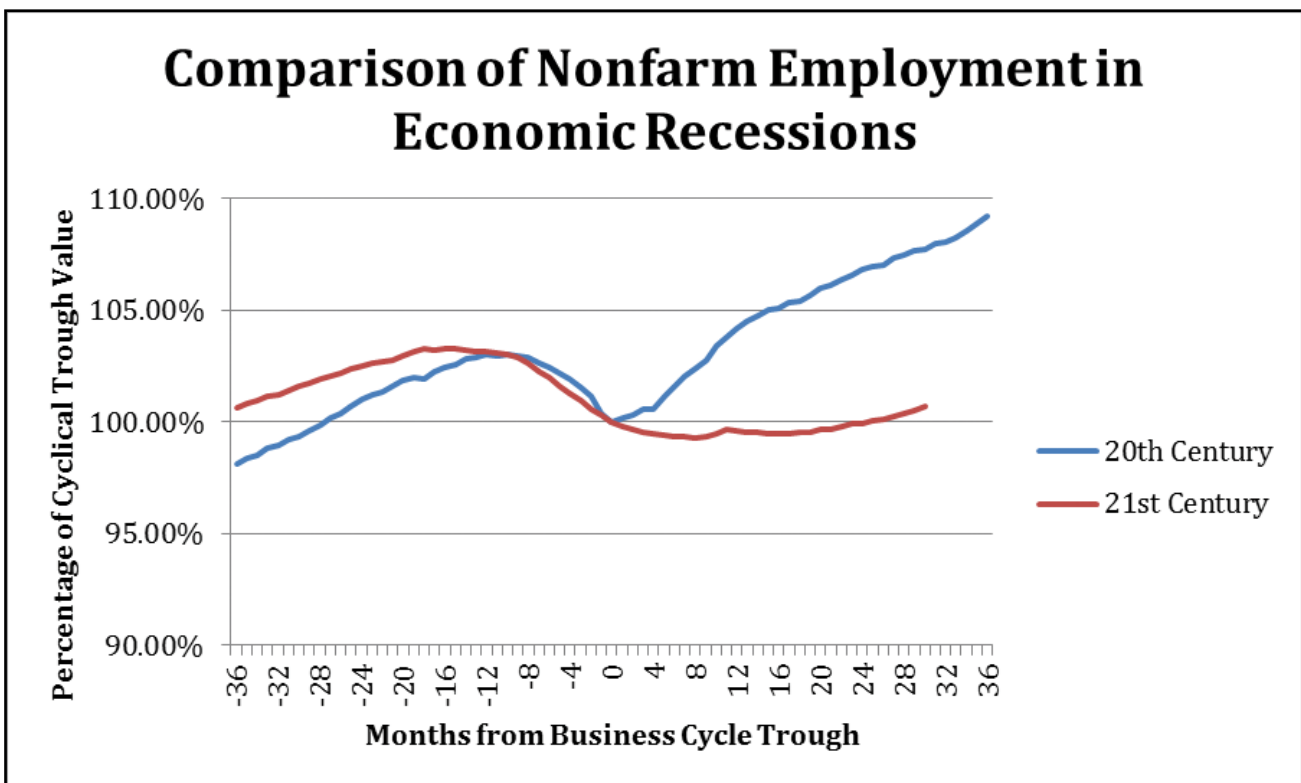
Consider the chart below:

As shown in the blue line, during the average 20th century recovery, employment was 5 percent above the low point after 16 months, and nearly 10 percent above after 3 years. In contrast, the past two recoveries have been abysmally anemic, with employment barely above the trough after over two full years. (Interestingly, the profiles are remarkably similar for the year of decline

before the trough.) So, both from the perspective of the longer trends and the recovery, something seems amiss.

Stepping back, in part the slowdown should have been anticipated. During the final five decades of the 20th century the labor force grew at the healthy rate of 133,000 each month, a reflection of the baby boom, immigration, and generally rapid population growth. In the 21st century the monthly increase has fallen to a bit above one-half of that – only 76,000. As the U.S. ages and population growth slows, there is slower top-line growth in the demand for goods and services, which requires fewer new jobs to supply the products and meshes nicely with the slower growth in the supply of labor.

So, one part of slower job growth was baked in the cake, as it is a tenet of modern analysis that advanced economies will ultimately always return to full



employment (with emphasis on *ultimately*) and long-run job growth will be driven by the supply of labor.

However, the recession-recovery performance in the 21st century suggest that there is a large mismatch between the character of the two most recent recessions and the arsenal of so-called “stimulus” policies that have been deployed to fight them. Beginning with the propitiously timed Bush tax cuts of 2001, discretionary fiscal policies were unleashed in 2002, 2003, 2005, 2008, and most dramatically with the Obama stimulus bill of 2009. As is evident from the chart below, this Keynesian carpet-bombing of recessionary forces has yielded two of the worst recoveries on record.

Perhaps this should not be surprising. Keynesian policies were developed to counter income-driven, cash-flow recessions. Higher interest rates, a decline in animal spirits, or other shocks cut the spending of households and businesses. The reduced cash flows caused businesses to idle factories and lay off workers that, in turn, further reduced family incomes, spending, and business cash flows. Traditional stimulus policies attempted to fight this downdraft by using federal debt

to (literally) borrow temporary cash flow from the future and inject it into households and firms during the recession. Tax rebate checks, enhanced unemployment benefits, and other temporary transfers raised family income, permitted spending to stop declining, and generated cash flow for business. The latter could respond by re-opening the shuttered facilities and re-hiring workers. The business model was intact and prosperity restored. *Voila!*

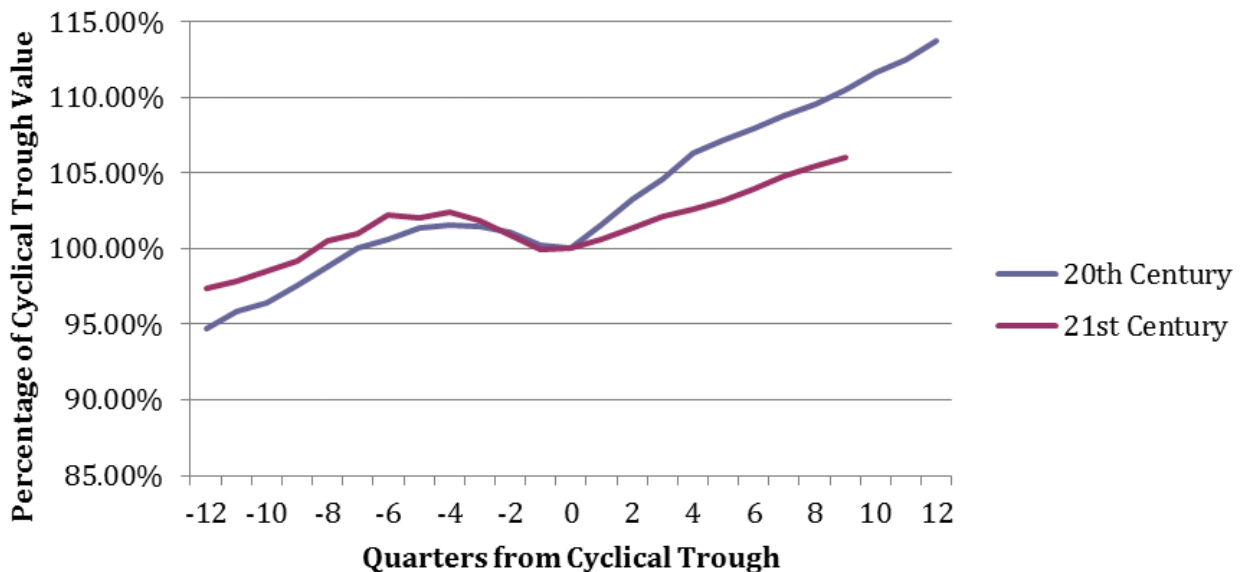
The key feature of the 2000 and 2008 recessions is their asset market origins. The dot-com bubble of the late 1990s collapsed and yielded the first recession of the 21st century. The U.S. housing bubble – which was the *same* size as the dot-com bust, but much more heavily leveraged – was part of the triggering of a much larger financial crisis.

In both instances, sharp asset market declines were the precipitating causes of the distress of the Main Street economy.

When the equity and debt financial instruments backing a company decline in value, they are sending the message that the firm’s operations have become unprofitable and need to be restructured. While a demand-driven recession sends the message to hang on

During the final five decades of the 20th century the labor force grew at the healthy rate of 133,000 each month ... In the 21st century the monthly increase has fallen to a bit above one-half of that – only 76,000.

Comparison of Real GDP in Economic Recessions



until business picks back up, the asset-market recessions send the message to restructure – permanently shed workers, permanently close and optimize facilities, and permanently re-think the product line. The appearance of temporary, government-delivered cash flows does nothing to change this message.

Instead, a new philosophy is needed that recognizes that recessions are the same thing as large-scale restructuring. Workers need the skills necessary to make the transition from an old (and long gone) job to a better future. And government policies should discard the “targeted, temporary” mantra from the past. In

these circumstances no government will know what or whom to target, and the new businesses will best benefit

from a permanent, pro-growth policy stance.

What does that mean right now? Discard the Mickey Mouse payroll tax holidays in favor of pro-growth tax reform. Give up on stimulus spending in favor of fundamental entitlement reform that eliminates the debt threat.

The American job machine is *not* broken. But it has noticeably downshifted and is suffering the drag of bad public policy. **RF**



Douglas Holtz-Eakin

...a new philosophy is needed that recognizes that recessions are the same thing as large-scale restructuring.

recently was a Commissioner on the Congressionally-chartered Financial Crisis Inquiry Commission.

Douglas Holtz-Eakin served as Director of the Congressional Budget Office from 2003 to 2005. He currently serves as President of the American Action Forum and most

Lilly

for
Better Health

lillyforbetterhealth.com

Learn more about what we're doing to help improve patient health.





PRODUCTS FOR YOUR LIFE. EVERY DAY.



AFPM

American
Fuel & Petrochemical
Manufacturers

The new NPRA.

afpm.org

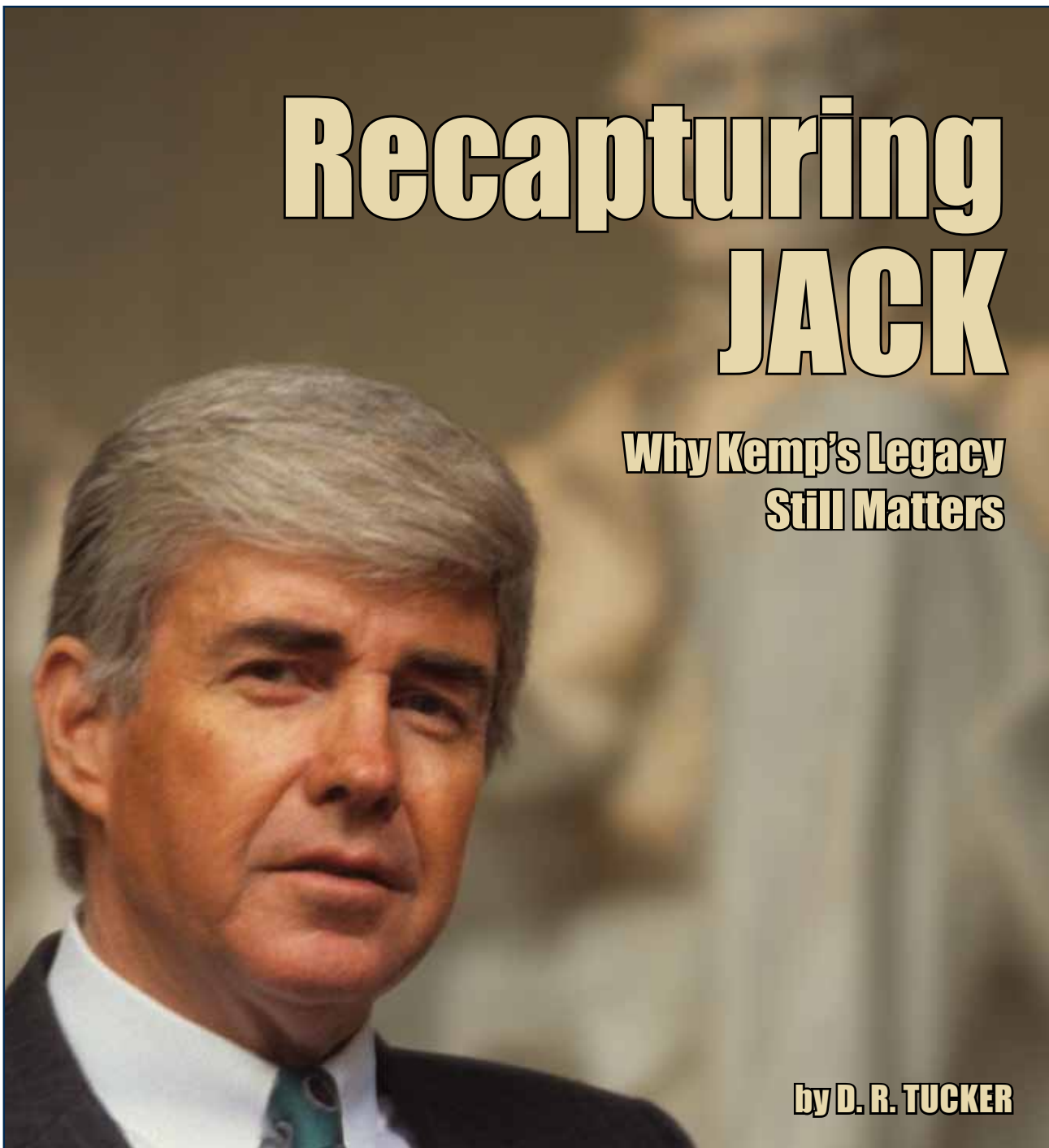
NPRA, the National
Petrochemical &
Refiners Association,
is now AFPM,
the American Fuel &
Petrochemical
Manufacturers.

The high-tech manufacturers of AFPM make modern life possible by manufacturing virtually all of our vital fuels and essential building blocks for thousands of products we use every day. Our members support 2 million American jobs, strengthening America's economic and national security.

Learn more at afpm.org

Recapturing JACK

**Why Kemp's Legacy
Still Matters**



by D. R. TUCKER

On April 6, 1987, a 51-year old Republican from Buffalo, New York launched a bid to become the first Congressman elected President since James Garfield in 1880.

His name was Jack Kemp, and his campaign for the White House lasted a mere 339 days. He exited the race on Super Tuesday in 1988, succumbing to a better-financed and much better known opponent in then-Vice President George H.W. Bush.

And yet for many Republicans then, and many

Republicans today, Kemp's quest for the presidency remains something of a high water mark in their political lives – a moment when conservatism and progressivism came together in a campaign that sought not only to fulfill Ronald Reagan's vision of America, but to expand and build upon it, too.

It was a campaign geared around inclusion, growth and opportunity, and one that actively reached out to union members, minorities and other non-traditional GOP constituencies in search of votes. And at its center

was Kemp, the son-of-a-truck-driver-turned-football hero-turned-U.S. Representative who would become one of the greatest warriors the American conservative movement has ever known.

A devout believer in supply-side economics and a proud protector of the unborn, he was also one of the unsung heroes of the post-1960s civil rights movement, a man who fought to ensure that the GOP would remain the party of Lincoln. Three years after his untimely death at the age of 73 and twenty-five years after his unsuccessful campaign for the Presidency, Kemp's legacy still resonates.

And what is his legacy?

First and foremost, Kemp was a conservative evangelist, taking the message of free markets and free people to every corner of the country. In his mind, conservatism was a philosophy that could be understood and embraced by virtually every American. Kemp was driven by his recognition that the welfare state sabotaged the American Dream.

He noted in a 1990 *Wall Street Journal* piece that America:

“...is separated or divided into two economies. One economy—our mainstream economy—is democratic and capitalist, market-oriented and entrepreneurial...[But] there is another economy—a second economy that is similar in respects to the East European or Third World socialist economies.

It functions in a fashion opposite to the mainstream capitalist economy. It predominates in the pockets of poverty throughout urban and rural America. This economy has barriers to productive human and social activity and a virtual absence of economic incentives and rewards. It denies black, Hispanic and other minority men and women entry into the mainstream. This economy works almost as effectively as did hiring notices 50 years ago that read ‘No Blacks—or Hispanics or Irish or whatever—Need Apply.’ The irony is that the second economy was born of [a] desire to help the poor, alleviate suffering, and provide a basic social safety net. The results were a counterproductive economy. Instead of independence, the second economy led to dependence. In an effort to minimize economic pain, it maximized welfare bureaucracy and social costs.”

Shortly after Kemp passed away, the *Journal* noted, “...unlike many of today’s Republicans, Kemp’s populism was inclusive. Across his career, he ventured into neighborhoods where Republicans too rarely tread.” (In an NPR interview the day after Kemp’s death, former Minnesota Congressman Vin Weber noted that Kemp “was very passionate about the Republicans

needing to do more to connect with minority voters, particularly African-American voters. And I’m sorry to say, the party did not do well in that regard and it’s still a huge challenge facing the Republican Party.”)

Kemp knew that the Republican Party faced political peril by enforcing rigid ideological litmus tests; while he had strong conservative views, he had no tolerance for epistemic closure. “I really believe,” he noted in a December 1987 Michigan speech, “that the disagreements are temporary, [and] that the unity of a party does not require unanimity—we don’t all have to march in lockstep with each other.”

While Kemp was a firm pro-lifer, he was conscious of the GOP’s need to avoid being perceived as the “theocon” party. In a November 1998 *Washington Post* column, Kemp noted:

“The [1998 midterms] demonstrated the limitations of a political campaign built around only cultural and social issues. It is impossible to separate the culture from the economy; a strong culture requires a strong economy. Those party intellectuals and opinion leaders who gambled this election on a cultural backlash are now licking their wounds and pondering their failures. There is absolutely a place for them in the party of Lincoln, but it can’t be in a dictatorial role. Conservative social engineering is every bit as presumptuous as liberal

social engineering...Americans prefer to receive their spiritual fulfillment in churches, synagogues and mosques. They are conservative in their values but they want a progressive conservatism, not a reactionary conservatism... Reagan espoused a conservatism that was based on traditional values and morality without legislating personal behavior. He knew that economic growth, personal freedom and equality of opportunity will allow America’s faith-based institutions to thrive and provide a moral compass without government interference.”

Kemp also understood that the GOP’s message must always be focused on policy, not over-the-top rhetorical assaults. Demonizing Democrats, he believed, was not a substitute for the clear articulation of policy differences. “It isn’t enough to be against them,” he proclaimed in a March 1998 New Hampshire speech. “It is not enough. The Bible says, ‘To overcome evil, overcome evil with good.’ It is not enough that we tell people [the things] to which we are opposed. We have a moral, social, political responsibility to outline, particularly in the eyes of those young people, what we are for.”

In the final year of his life, Kemp spoke eloquently

**First and foremost,
Kemp was a conservative
evangelist, taking the
message of free markets
and free people to every
corner of the country.**

about the importance of electing John McCain. However, he never resorted to trashing Barack Obama personally. In a time when conservative commentators consistently condemned Obama as a reincarnated Che Guevara, Kemp's calmness was a needed salve for our country's partisan wounds.

After Obama's victory, Kemp wrote, "The party of Lincoln, (i.e., the GOP), needs to rethink and revisit its historic roots as a party of emancipation, liberation, civil rights and equality of opportunity for all." He knew that merely making the case against President Obama would not be sufficient to ensure voter confidence in the GOP. He knew that without an optimistic, comprehensive, credible vision of where to take this country, the Republican Party would perish. He knew that unless the GOP had the confidence to sell its ideas to all audiences, the party would inevitably lose more ground to the Democrats.



D.R. Tucker

Regardless of the outcome of the 2012 elections, the American right will not return to full political health unless and until it adopts Kemp as its lodestar. Kemp was animated by a desire to instill conservative principles into the heart and mind of every American, no matter one's race or class.

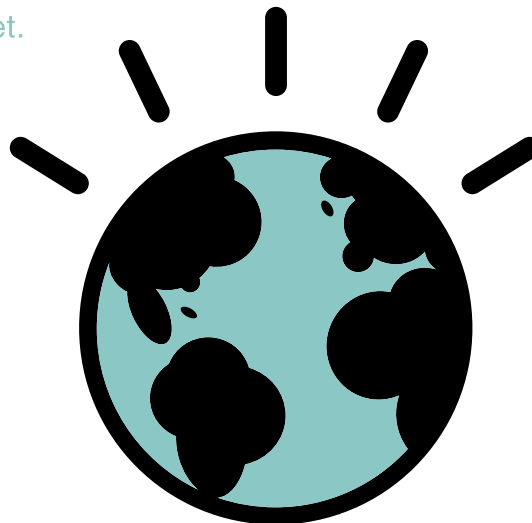
At a time when America is more divided than at any other time in recent history, Kemp's legacy is not just worth recalling. It's worth recapturing, and is an example for all Republicans to follow today. **RF**

[Kemp] knew that without an optimistic, comprehensive, credible vision of where to take this country, the Republican Party would perish.

D. R. Tucker is the operator of the Massachusetts-based blog The Urban Right. He is also a freelance

writer whose articles have appeared in the Boston Herald, FrumForum.com, HumanEvents.com and TheNextRight.com.

On a Smarter Planet,
the question isn't what can we do.
The question is what will we do?
[Let's build a Smarter Planet.](#)
ibm.com/smarterplanet



IBM, the IBM logo, ibm.com, Smarter Planet and the planet icon are trademarks of International Business Machines Corporation, registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the Web at ibm.com/legal/copytrade.shtml. ©Copyright IBM Corporation 2010. All rights reserved. P24698

“Empathy for the little guy”

A Q&A with Ed Rollins

Ed Rollins is perhaps best known these days as the campaign manager for Mike Huckabee’s and Michele Bachmann’s recent presidential campaigns.

But his pedigree in Republican Party politics goes back much further – to the Reagan Administration, where he served as political director at the White House, and as the manager of the 1984 campaign which produced a landslide victory and won President Reagan a second term.

THE FORUM contacted Rollins recently to talk to him about the years immediately following this second term. In many respects, it was the halcyon age of Republican Party politics – a time when the GOP was not only basking in the glow of a President who had rescued the party from oblivion, but was looking for a successor who would expand the coalition he had built.

For Republicans, the 1988 campaign was about selecting Ronald Reagan’s heir apparent. For Ed Rollins, that meant signing on with a 51-year old Congressman from Buffalo, New York.

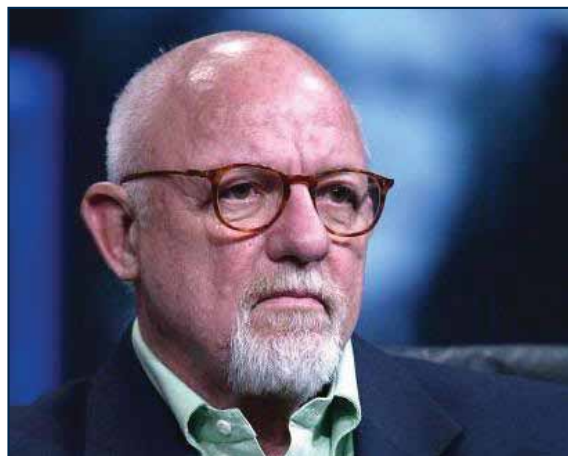
THE FORUM asked Rollins about this decision, the campaign that ensued, and the legacy of the man he and many others viewed as the future of the GOP – Jack Kemp.

RF: Set the stage for us if you will – you went from being President Reagan’s top political aide to the Chairman of an underdog presidential campaign. You could have had your pick of any job or any candidate in the world. What was it that drew you to Jack Kemp?

ER: I liked George H.W. Bush, but I just didn’t have the feeling in my gut that he really believed in much of

the Reagan agenda: lower taxes, a strong national defense, elimination of burdensome government regulations, or that he had an agenda – that is, the vision thing -- for a third term, following his service as Vice President during Ronald Reagan’s two terms.

Kemp was a big idea guy. He had great appeal to young voters. Jack was always about broadening the base of the Party. He did this by reaching out to African Americans, Hispanics, and blue collar workers. I always knew his election possibilities were an uphill battle, but I wanted -- as did he -- to make the Republican Party a party for working people, not just Wall Street and country club Republicans. He also had great energy and empathy for the little guy that appealed to me.



“Jack was always about broadening the base of the Party. He did this by reaching out to African Americans, Hispanics, and blue collar workers.”

RF: What was he like as a candidate – his strengths and weaknesses – and what was the main message of his campaign?

ER: He was a great retail campaigner. He loved people, and it showed. He wasn’t as disciplined as he needed to be when he made speeches. He would have so many things in his head that

a speech could be about five things or 40, and he could also go on too long. But then he could give a speech that would bring the house down.

He was an avid learner. He always had a book in his hand and was forever sharing whatever he had just learned. Like many candidates, he hated making fundraising calls. He inspired a loyalty among his troops like few others.

RF: Why ultimately do you think he failed to catch on and had to withdraw from the race?

ER: In 1988, if you admired and agreed with Reagan, you were for Bush; if you didn’t, you were for Dole. There

really wasn't any space for Kemp.

There is also a stature gap with a member of Congress running for President. Voters can see a Vice President moving up; they can see a Senator or Governor running for President. But not a House member.

RF: Why is his legacy important today? What does being a "Kemp Republican" mean to you?

ER: A Kemp Republican to me is someone who cares deeply about working people, minorities, and the elderly. Someone who is conscious enough to know that economic policy has to look out for the aforementioned people as well. He always believed a rising tide lifted all boats.

He was for a strong national defense and was a great friend of the State of Israel. He believed in a policy of addition -- meaning every day, you have to expand the base of the party, not narrow it.

RF: Who in your opinion are some of the Republicans today who are most likely to carry on the Kemp mantle of inclusion, opportunity and reform?

ER: Certainly Paul Ryan comes to mind.

RF: Finally, a question related to your background and the politics of today. Both you and Kemp have working class roots – your Dad was an electrician, Kemp's was a truck driver. Ronald Reagan had a similar background as well, as does John Boehner and numerous other Republicans today. Yet the party's reputation is one of being elitist and out of touch with the lives of the working class. How do Republicans shake this label and once again forge a connection with blue collar Americans?

ER: If we are only the party of Wall Street and country clubbers, we will quickly become irrelevant. We have to understand what is going on in the lives of working people today and address their concerns.

That includes issues like the uncertainty of the job market, the future costs of education for their kids, how we address the concerns of our returning military veterans -- many of whom come from blue collar families -- and safety in the streets of their neighborhoods and in the workplace. **RF**

"A Kemp Republican to me is someone who cares deeply about working people, minorities, and the elderly."



PPL Corporation.

Energy ... for how we work, live, play.

www.pplweb.com

“It’s the Courage to Continue that Counts”

Jack Kemp’s lessons on leadership – both on the gridiron and off

STEVE LARGENT

I developed a keen appreciation for the courage required to play quarterback successfully during my football playing career, which included 14 years with the Seattle Seahawks in the National Football League.

It is not a position for false bravado. I saw many young quarterbacks coolly stroll into a huddle, call a play, and once the ball was snapped, turn into mush in the face of 300-plus pound behemoths bearing down on them with the intention of dislodging them from their senses and shattering the limits of their body’s durability.

Risking life and limb, quite literally, is not for the faint of heart. Focusing on the collective task at hand -- while ignoring the very real chance of personal peril -- requires a combination of skill, awareness, and fearlessness that few of us possess. Jack Kemp had it, and it was those very same qualities, finely developed during his outstanding football career, that were expressed in his exemplary record of public service.

Jack was a professional quarterback for 13 years, most of those spent as one of the legendary pioneers in the fledgling American Football League. He was named Most Valuable Player of the AFL in 1965, and played in its title game in five of the 10 years in which he was a member of the league, winning two of them. He consistently was among the league’s leaders in the

key areas by which quarterbacks are measured, and his physical skills were immense.

But what additionally separated Jack from so many others who played the position was the confidence that he inspired in his teammates, who saw his passion, commitment, and unswerving faith in them, and in turn elevated their performance to heights they might not have thought possible. He was fearless under fire, a calming presence in the face of adversity whose performance was positive proof of the champion qualities he embodied. Jack believed in himself, and that faith transcended into the world of public service, where he exhibited the very same array of traits and achieved comparable levels of enormous accomplishment.

In fact, I don’t think Jack skipped a beat the day he left the football field and entered the arena of national politics. Whether it was as a nine-time Representative from the Buffalo area, Secretary of Housing and Urban Development, a presidential candidate in 1988, or on the Republican

ticket as the nominee for Vice President in 1996, he was always bold and clear in his thinking, dogged in his determination to succeed, and absolutely confident and optimistic in being able to achieve his goals. Those characteristics were undoubtedly fashioned by his football experiences.



I saw many young quarterbacks coolly stroll into a huddle, call a play, and once the ball was snapped, turn into mush in the face of 300-plus pound behemoths bearing down on them...

I was fortunate to learn first-hand about Jack's impeccable timing and tremendous empathy, which were also honed on the football field. I ran into him shortly after I had been defeated in my run for House Majority Leader, an event that occurred in a rather tumultuous time in the Republican Party's congressional history. Perhaps sensing more disappointment than I was willing to let on, Jack ended our conversation by quoting one of my favorite historical figures, Sir Winston Churchill. He told me, "Steve, I want you to remember that success is not final, failure is not fatal: it is the courage to continue that counts."

That message might have been intended for me that day, but it could very well have been the mantra

of Jack's life. He experienced his share of victories and defeats, but an enduring constant in his life was his courage in facing taxing challenges, remaining focused on a task, staying true to his ideals, and displaying an inspirational optimism.

That's what made Jack Kemp a leader, on and off the field. **RF**



[Jack] was fearless under fire, a calming presence in the face of adversity whose performance was positive proof of the champion qualities he embodied.

Steve Largent is President and CEO of CTIA-The Wireless Association®. From 1994 to 2001, he represented the 1st Congressional District of Oklahoma in the U.S. Congress. Prior to his election to Congress, he spent 14 years as a Pro Bowl wide

receiver with the Seattle Seahawks, earning induction into the Pro Football Hall of Fame in 1995.

"Affordable energy."

"A job when I graduate."

"Cleaner energy."

Who's right? They all are. That's why, at ConocoPhillips, we're helping to power America's economy by safely accessing one of America's most abundant energy resources: natural gas. Which creates jobs. Reduces emissions. And answers each of their concerns.

To find out why natural gas is the right answer, visit PowerInCooperation.com

© ConocoPhillips Company, 2011. All rights reserved.

ConocoPhillips
There's Power in Cooperation™

Jack Kemp's Political Heir

DANIEL E. LUNGREN

Jack Kemp was unique. His combination of intellectual curiosity, inspiration, openness to everyone and persistent advocacy for free market and individual freedom will not be repeated in my lifetime.

However, a worthy candidate for the mantle of Jack Kemp's legacy in the U.S. Congress is Paul Ryan (R-WI). Paul Ryan, a trained economist, who aspired to practice the "dismal science" as a professional came under the mentorship of Jack Kemp and was profoundly changed in his career path.

Jack's love of the intellectual debate, respect for opponents' differing views and yet cheerful belief in the powers of persuasion now mark Paul Ryan's notable achievements as a leading member of the current Congress.

While Jack insisted on the civility of vigorous public discussion, he never shirked the responsibility of leading that discussion. Paul Ryan's respectful but forceful encounter with President Obama during 2010's "White House Summit" had Jack Kemp's style written all over it. The only thing missing was repeated football references.

Perhaps hunting deer with a bow and arrow from a tree stand – Paul's passion – is not as easily translatable into lessons for life and economics.

At the same time it does reveal Paul Ryan to be a genuine example of the best of Americana.

When Jack entered the Congress no one had heard of "Supply Side Economics." Indeed, the Republican Party had a well earned reputation

as "green eye-shade pessimists." Jack helped jolt us awake from that political nightmare. Now, Paul Ryan summons us to the "animal spirits" of a Pro-Job, Pro-Growth approach to taming the formidable challenges in our economy.

This time it is leaders like Paul Ryan who have exhibited the courage to face the fiscal mess in a way that both inspires and instructs. His "Roadmap for America's Future" is the best straightforward analysis of the facts confronting this

country, and it includes a sobering yet hopeful response to them.

Jack Kemp championed the worth of the individual as the keystone to an American economic renaissance. Paul Ryan's faith similarly arises from his fellow

Americans and their willingness to honestly deal with our present day economic reality.

Jack Kemp made America a better place so, too, does Paul Ryan.

RF



Jack's love of the intellectual debate, respect for opponents' differing views and yet cheerful belief in the powers of persuasion now mark Paul Ryan's notable achievements as a leading member of the current Congress.

Daniel E. Lungren represents the 3rd District of California in the U.S. House of Representatives.

Finding a Positive Way to Address Immigration Reform

MERRILL MATTHEWS, PH.D.

President George W. Bush set exactly the right tone for the immigration debate in a 2006 Oval Office address.

“We are a nation of laws, and we must enforce our laws,” he stated. “We’re also a nation of immigrants, and we must uphold that tradition, which has strengthened our country in so many ways.”

While I suspect that nearly every Republican agrees, keeping that balanced tone has been a challenge—especially in an election year.

A decade-long explosion in illegal immigration, which only recently leveled off, along with a high unemployment rate and increasing Mexican gang violence, has led to growing public concern—even outrage—and widespread calls for the government to get control of the borders.

The Pew Hispanic Center estimates that the number of illegal immigrants grew from 8.4 million in 2000 to 12 million in 2007—a nearly 50 percent increase in eight years. That number declined to 11.2 million in 2010.

President Obama has, albeit unintentionally, been very effective in reducing the number of illegal immigrants. His lousy economic and restrictive regulatory policies have suppressed the normal economic bounce back after a recession. So it is likely that the current number of illegal immigrants is now even lower than the 2010 level.

Illegal immigrants may also feel less welcome. The red states of Arizona, Alabama, Georgia, Indiana, South Carolina and Utah have passed

similar laws to crack down on illegal immigration. The Department of Justice has sued Arizona and Alabama, claiming that state laws infringe on the federal government’s right to regulate immigration. In addition, judges have blocked several provisions in the

problem except securing the border. Newt Gingrich tried to rise above the negative statements by proposing a way to help illegal immigrants become legal—not citizens—by setting up a guest worker program.

By contrast, Mitt Romney and Rick Perry got into a verbal tussle during the debates, with Romney attacking Perry for allowing children of illegal immigrants to pay in-state college tuition—which is not a tax subsidy, just lower tuition—while Perry attacked Romney for hiring a lawn service that apparently hired some illegals. Let’s just say it wasn’t their proudest moment.

As a result, the Somos Republicans, the largest Hispanic Republican group, has just endorsed Gingrich, who is, whether you agree with it or not, doing the best job of articulating a positive tone and vision for reform.

I explained in my regular *Forbes* column last summer why Hispanics will not save Barack Obama in 2012, as so many in the media love to suggest. Even so, the Hispanic population is growing—in number, power and income. And they tend to be socially conservative and entrepreneurial—both solid Republican constituencies.

If Republicans can reach out and work with Hispanics to propose immigration reform that provides widespread economic opportunities without amnesty, then Hispanics might find a new political home.

What would that reform look like? It would start with a guest worker program. Foreigners would pay a fee to enter to work, and they should be



Dr. Merrill Matthews

President Obama has, albeit unintentionally, been very effective in reducing the number of illegal immigrants. His lousy economic and restrictive regulatory policies have suppressed the normal economic bounce back after a recession.

various state bills, while letting others stand.

These developments, along with some of the rhetoric, have created a real messaging problem for Republicans. Some of the GOP presidential candidates have taken a strong anti-illegal immigrant stand, but haven’t explained what they would do to address

required to report in and renew their permit periodically. A widely available temporary green card program that allows aliens to work and pay taxes would greatly reduce, although not eliminate, the strain on the borders.

The U.S. desperately needs a system in which highly skilled, low-skilled and entrepreneur immigrants can temporarily work and invest in the U.S. But permission to work is not a ticket to citizenship; that's an entirely different issue and should be addressed separately.

Guest workers should not be able to receive welfare benefits. Those with children should be able to enroll them into public schools—they do that now—perhaps with an up-front

charge. But they would be paying state and local taxes to help cover those costs. They could also be required to have a very basic health insurance policy to minimize dependence on the health care system.

If Republicans can reach out and work with Hispanics to propose immigration reform that provides widespread economic opportunities without amnesty, then Hispanics might find a new political home.

What to do about those who have been here for many years? Nothing. There is no political consensus to either deport them or allow those who broke the law by coming here to become citizens. Those who have

been living in the U.S. illegally for years could enroll in the guest-worker program just like others—a path to legality, not citizenship.

It's time the country had a serious debate about immigration reform ... again. If Republicans take the lead in proposing a positive reform that provides economic opportunities and a life out from the shadows, they could find immigrants who eventually do become citizens are solid GOP voters. **RF**

Dr. Merrill Matthews is a resident scholar at the Institute for Policy Innovation in Dallas, Texas.



Retail's Leading Brands

Speaking with One Voice

- 24 Hour Fitness Worldwide, Inc.
- 7-Eleven, Inc.
- Abercrombie & Fitch, Co.
- Advance Auto Parts, Inc.
- American Eagle Outfitters, Inc.
- American Signature Furniture
- Apple Inc.
- AutoZone, Inc.
- Barnes & Noble, Inc.
- Bed Bath & Beyond Inc.
- Belk, Inc.
- Best Buy Co., Inc.
- Big Lots Stores, Inc.
- Blain's Farm & Fleet, Inc.
- Canadian Tire Corporation, Limited
- CarMax, Inc.
- Christopher & Banks Corporation
- Claire's Stores, Inc.
- Collective Brands, Inc. (Payless)
- Costco Wholesale Corporation
- CPI Corp.
- Crate & Barrel
- Crocs, Inc.
- CVS Caremark Corporation
- Dick's Sporting Goods, Inc.
- Dollar General Corporation
- Dollar Tree Stores, Inc.
- Duckwall-ALCO Stores, Inc.
- Express, LLC
- Family Dollar Stores, Inc.
- Food Lion LLC (Delhaize America)
- Foot Locker, Inc.
- Gap Inc.
- Giant Eagle, Inc.
- H-E-B
- The Home Depot, Inc.
- Hy-Vee, Inc.
- IKEA North America Services, LLC
- J.C. Penney Company, Inc.
- J. Crew Group, Inc.
- Jo-Ann Stores, Inc.
- Limited Brands, Inc.
- Lowe's Companies, Inc.
- Meijer, Inc.
- Michaels Stores, Inc.
- NIKE, Inc.
- Northern Tool Company, Inc.
- Oriental Trading Company, Inc.
- The Pep Boys – Manny, Moe & Jack
- PETCO Animal Supplies, Inc.
- PetSmart, Inc.
- Publix Super Markets, Inc.
- Recreational Equipment, Inc. (REI)
- Regis Corporation
- Rooms To Go, Inc.
- Safeway, Inc.
- Sears Holding Corporation
- Staples, Inc.
- T-Mobile USA Inc.
- The TJX Companies, Inc.
- Target Corporation
- Tractor Supply Company
- Tuesday Morning Corporation
- Ulta Salon, Cosmetics & Fragrance, Inc.
- VF Corporation
- Walgreen Co.
- Wal-Mart Stores, Inc.
- Whole Foods Market, Inc.
- Wilkinson
- Winn-Dixie Stores, Inc.



Retail Industry Leaders Association • 1700 North Moore Street • Suite 2250 • Arlington, VA 22209
www.rila.org • 703-841-2300

Union Man

Ronald Reagan and the PATCO Strike

JOSEPH MCCARTIN

Ronald Reagan, the beacon of modern American conservatism, believed in collective bargaining for government workers.

That's right. Reagan, the president whom Governor Scott Walker invoked as his inspiration in February 2011 when he stripped Wisconsin's public workers of their union rights, held views on collective bargaining at odds with those espoused by Walker and leading conservatives in the Republican Party in recent years. This is one of the most significant findings to emerge from my recent book, "Collision Course: Ronald Reagan, the Air Traffic Controllers, and the Strike that Changed America".

Collision Course tells the story of the strike that helped define the Reagan presidency. Less than seven months after he was sworn in, President Reagan faced a walkout by the union of the Federal Aviation Administration's air traffic controllers, the Professional Air Traffic Controllers Organization (PATCO). On August 3, 1981, PATCO rejected the administration's final offer in a months-long contract negotiation and struck. Their action was illegal; federal workers have no right to strike. Reagan refused to continue negotiations with a law-breaking union. Instead, he laid down an ultimatum: if the strikers did not return to work within

48 hours, he threatened, they would be "terminated"—fired and permanently replaced. When more than 11,000 controllers defied him, Reagan made good on his threat.



Joseph McCartin

That myth held that Reagan had sought out the confrontation with PATCO in order to deal a crippling blow to unions ... To the contrary, the Reagan administration had hoped to avoid a controllers' strike.

That event changed American labor relations. Never before had the country seen a national strike broken so swiftly and completely. Reagan's success in defeating PATCO in turn galvanized many private sector employers who had long wanted to take on unions. In the years following the PATCO

strike, many companies opted to replace striking workers instead of reaching settlements with them. As a result, over time the strike all but disappeared as a tool providing bargaining leverage for workers. In the 1970s, the U.S. averaged 289 major strikes per year. By 2009 that number had dwindled to 5.

The PATCO strike had such a devastating impact on labor that a myth soon arose around the event. That myth held that Reagan had sought out the confrontation with PATCO in order to deal a crippling blow to unions. This myth took root early. A story in *The Nation* magazine only months after the strike said it all: its headline read, "How PATCO Was Led Into a Trap." But, as I show in my book, there was no plan to trap PATCO.

To the contrary, the Reagan administration had hoped to avoid a controllers' strike. It had enough headaches to deal with as Reagan pushed his legislative agenda in the summer of 1981. And no one was sure how badly a strike would affect the economy or air safety.

Not only was there no effort to trap PATCO, Reagan went further than any previous president had gone in negotiations with a federal union, a fact that was later obscured by his dramatic standoff with PATCO. Once the union made clear in June 1981 that it planned to strike if its demands were not

met, Reagan approved a remarkable contract offer. Although federal workers had no right to bargain over salaries, Reagan made them a salary offer anyway. He offered PATCO an 11.4 percent increase in controllers' compensation during a year when other federal workers would only see a 4.8 percent scheduled increase. If these numbers seem large to us today, it is because the country was in the grip of rampant inflation then: prices rose by 10.4 percent in 1981. (Indeed, the fact that all but 1 percent of their promised increase would be eaten up by inflation led the controllers to see Reagan's path-breaking offer as inadequate—they were frustrated after years of watching inflation outstrip their scheduled salary increases.)

Yet Reagan's offer was unprecedented. And he extended it not only because PATCO was one of the few unions to endorse him

union, the Screen Actors Guild. And as governor he presided over the spread of collective bargaining for public workers in California through the 1968 Meyer-Milias-Brown Act. Thirty years of myth-making in the aftermath of the PATCO conflict has clouded the issue, but the fact is that Ronald Reagan believed in collective bargaining. As they clamor to don Reagan's mantle, today's increasingly anti-union conservatives ought to remember that. **RF**

It is worth remembering today that even in the heat of his conflict with PATCO, Reagan never questioned the controllers' right to bargain.

in 1980. He believed controllers deserved more. He was prepared to break new ground by offering them a raise, but he would not be pushed to sweeten his offer by an illegal strike. It is worth remembering today that even in the heat of his conflict with PATCO, Reagan never questioned the controllers' right to bargain. This should not surprise us. Reagan had formerly led a

Joseph A. McCartin, teaches history at Georgetown University. He is the author of "Collision Course: Ronald Reagan, the Air Traffic Controllers, and the Strike that Changed America".

ALSTON + BIRD LLP
WWW.ALSTON.COM

Alston & Bird proudly supports

THE RIPON SOCIETY

A&B has one of the most distinguished bi-cameral and bi-partisan lobbying teams in the country. Spearheading Alston & Bird's Legislative & Public Policy Group are four former Congressional leaders; **Senate Majority Leader Bob Dole** (R-KS), former U.S. Senator **Blanche Lincoln** (D-AR) and former Congressman **Billy Tauzin** (R, D-LA) and **Earl Pomeroy** (D-ND). A&B also houses Washington's largest health policy practice — led by former CMS Administrator Tom Scully, and utilizing the skills of former Senate Finance Committee and House Commerce Chairs Dole and Tauzin and Senate Finance and House Ways and Means members Lincoln and Pomeroy.

ATLANTA | BRUSSELS | CHARLOTTE | DALLAS | LOS ANGELES | NEW YORK
RESEARCH TRIANGLE | SILICON VALLEY | VENTURA COUNTY | WASHINGTON, D.C.

A Lack of Accountability:

The Real Obscenity at the SEC

MARK CALABRIA

Thanks mainly to the efforts of the Inspector General at the Securities and Exchange Commission (SEC), we know that the agency's staff was nothing less than asleep at the wheel as imbalances and frauds built up in our financial system. Worse, we also know several employees spent a considerable portion of their work day visiting pornographic websites, rather than monitoring the capital markets. The most obscene part, however, is that years after these discoveries have been made, the employees in question have yet to lose their jobs. Yes, some left the agency voluntarily, while others remain on paid administrative leave (sounds like a vacation to me). But none have been fired.

In an extreme instance, dealing with a SEC employee who ignored the warning signs of Bernie Madoff's Ponzi scheme, both the SEC's human resources department and an outside legal consultant recommended that the employee in question be terminated. SEC Chair Mary Schapiro's response? No, as such "would harm the agency's work." I'd think having incompetent employees would harm the agency's work.

Sadly, Madoff was not the only fraud ignored by the SEC. Allen Stanford ran a \$7 billion Ponzi scheme. His 20,000 clients are still, years later, waiting to see how much they will recover.

That delay did not stop the head of the SEC enforcement office in Dallas, which has oversight of Stanford, from leaving the SEC to represent Stanford. After a DOJ investigation, the SEC has



Mark Calabria

I am all in favor of appropriate due process, but the current procedures for firing incompetent federal employees allow the process to drag out indefinitely with one required bureaucratic obstacle after another.

reluctantly decided to bar said lawyer from appearing before the agency for a whole six months. So, apparently it's not just current SEC employees that get a pass, but also former employees as well.

Were these just isolated incidents one might be tempted to overlook them. Even the viewing of pornography by SEC employees was more widespread than commonly believed. Between the years of 2005 and 2010, as the worst of the housing bubble was building, 33 SEC employees or contractors were found to have viewed pornography using taxpayer funded laptops and office computers. Many of these were highly paid employees. Seventeen of 33 made between \$100,000 and \$220,000 annually. A Senior Counsel (lawyer) in the SEC's Enforcement Division was found with 775 pornographic images on his government computer. And contrary to the stereotypes, it wasn't all men.

A female accountant received nearly 1,800 access denials for pornographic websites using her SEC laptop in only a two-week period and had nearly 600 pornographic images on her laptop. Perhaps worst of all was a DC-based attorney, who admitted accessing pornography and downloading images to his SEC computer during work hours so often that he sometimes spent eight hours a day accessing pornography. He downloaded so much to his government computer that he filled the hard drive and needed to move images to CDs or DVDs that he accumulated in boxes in his office.

And yes, all while getting a six figure paycheck from the taxpayer.

In the private sector any of these actions would be grounds for dismissal. One would be fired on the spot, with security escorting you from the building. In fact, a private sector employer wouldn't even have the option of deciding if your benefits to the company were worth the time wasted on Internet porn. Such activity would generally be interpreted as creating a hostile work environment; with the result that any company that didn't fire the employee in question would expose itself to litigation by other employees.

The government "solves" the problem of a hostile work environment by letting the accused employee stay at home on indefinite paid leave. So yes the agency's other employees are spared the harassment, but at great expense

to the taxpayer. In addition, a federal employee is "entitled" to at least 30 days written notice of any effort to terminate said employee. On top of that the employee gets another seven days minimum to submit documents and evidence in support of keeping their job. I am all in favor of appropriate due process, but the current procedures for firing incompetent federal employees allow the process to drag out indefinitely with one required bureaucratic obstacle after another. Having spent a year managing a federal office, where we did attempt to terminate at least one employee who regularly missed work, I can say you almost have to hire someone whose sole job is to do the firing.

This is just another example, in a long list, of why relying on the relatively weak incentives of government regulatory oversight

is inferior to relying on the strong incentives contained in market participants having their own wealth on the line. But then for such incentives to be effective, we need to end bailouts and have real market discipline. Sadly we are currently stuck in the worst of both worlds: incompetent and unaccountable regulators coupled with a neutering of market discipline by these very same regulators. If we continue along this path we will guarantee another financial crisis and future self-enrichment by government bureaucrats. **RF**

Mark Calabria is Director of Financial Regulation Studies at the Cato Institute. Before joining Cato in 2009, he spent six years as a member of the senior professional staff of the U.S. Senate Committee on Banking, Housing and Urban Affairs.



THE RIPON SOCIETY
Founded 1962

50 Years of Public Policy

www.riponsociety.org

Speaker Boehner Kicks off Ripon Society's 2012 Politics and Policy Series

In luncheon speech, discusses State of the Union Address and previews Congressional agenda for this year

WASHINGTON, DC – Speaker of the House John Boehner (OH-8) kicked off The Ripon Society's 2012 *Politics and Policy Series* of events on Tuesday, January 24th with a speech to a packed luncheon meeting of the 50-year old public policy organization. In the speech, Boehner discussed not only the President's handling of the economy and the State of the Union Address that evening, but the legislative outlook on Capitol Hill for the coming year.

"One of the important things I learned in my 62 years on this earth

is how to run a small business," stated Boehner, who ran a plastics and packaging company in Ohio prior to his election to Congress in 1990. "I've got a pretty good

"I am going to make it clear each and every day that we have our plan for American job creation."

Speaker John Boehner

idea of the challenges facing our business community. And I think it's pretty clear that no one on the President's economic team has any clue, because none of them have ever

worked in a small business. They've never done anything. The President is going to show up tonight, and he is going to try to act like this is his first year in office. He's going to try to act like the last three years he wasn't here -- like he was backpacking around Europe. But for the last three years, the President's policies have not worked.

"They've been on a spending binge, they've been on a regulatory binge, and he's going to act like he's got nothing to do with what's happening. Now, I don't want to judge the President's performance



Speaker of the House John Boehner kicked off The Ripon Society's 2012 *Politics and Policy Series* of events on Tuesday, January 24th with a speech to a packed luncheon meeting of the 50-year old public policy organization.

over the last three years based on my barometers. Why don't we use his own barometers? You know, he's the one who said that if we pass this stimulus bill, it will create a million new jobs immediately -- when in fact, millions of Americans have lost their jobs since. The President said, 'you pass this bill, and unemployment will not exceed 8 percent.' Now we are at 35 consecutive months with unemployment over 8 percent. So instead of making things better, I would argue, that the President's policies have actually hurt the economy. And I do believe, consequently, that the 2012 election is going to be a referendum on the President's economic policies.

"He's clearly trying to make this about everything other than his own records. So he's going to beat up on the Congress and do a lot of other things. But our job is to drive that point home and we intend to do it. At the Member retreat, last week I talked about the importance of oversight. Oversight is there to drive a message to help educate members and educate others. When you look at all the policies coming out of this administration, we need to do a better job of holding them accountable and telling the stories about how these policies are damaging the private sector's ability to create jobs. I just kicked off the retreat for the Energy and Commerce Committee, and just in that one committee you've got dozens and dozens of regulations that we need to explore. The Democrats are going to call this partisan politics, election year activities. But there are facts here. The facts are that these policies are getting in the way of creating jobs. In addition to that, I think it is our job to offer the American public a competing vision of what we would do if we had the majority, if we had the White House, and the Senate. So you'll see us talking about the need

to overhaul our taxes."

"Our economy is being held back by a very uncompetitive tax system. On the corporate side, we are about to have the highest rate in the world. And that needs to be dealt with. On the personal side, it is so confusing, and the President is going to talk about how unfair the current system



Also appearing at the Jan. 24th Ripon Society luncheon were Rep. Pat Tiberi (top) and former Rep. Mike Oxley (bottom), who introduced the Speaker.

is. But you probably don't realize that we spend \$500 billion dollars as a nation complying with the current tax code. Five hundred billion dollars! I know what I pay my accountant, and it is ridiculous. This needs to be dealt with, and it's not going to be easy. Neither one of them is going to be easy, but it is something the American

people want, it's something we want, and you will see us spending an awful lot of time talking about it."

That said, Boehner concluded his remarks by making clear that Congress cannot tackle these challenges on its own.

"One of the biggest issues facing our country is the lack of leadership," he stated. "If you watch the President, he started on Labor Day and he has not stopped. He gave up governing on Labor Day, and all he has done for the last four months is campaign each and every day. So where is he going today? He's going to five battleground states to try and drive home and extend the speech that he's giving tonight. This is not leadership. As I've made clear to the President a year ago and as I said to the media this morning, our job -- even though we have complete different ideas about what role the Federal Government is -- is to find enough common ground to do what the American people need us to do. To do that, it takes two. We are here and we are willing to help. We've got 27 bills sitting over in the United States Senate, jobs bills that they could deal with. But they want to lay it all off on us -- that we are the problem.

"I am going to make it clear each and every day that we have our plan for American job creation. This plan was put together last May and we've been working on it all year. And as we get into this year, our main focus is going to be jobs. But if we want to get these enacted into law, it's time for the President and Harry Reid and Senate Democrats to get off their duff and at least come to the dance floor and see if we can't do something that looks good to the American people."

To view Speaker Boehner's remarks at The Ripon Society luncheon, please visit www.riponsociety.org. **RF**

Ripon

Profile

Name: Kristi Noem

Occupation: Congresswoman (R-SD)

Who were your heroes growing up? I truly admired my father. He was a hard worker and never shied away from a challenge if it was the right thing to do. He taught me the value of responsibility, integrity, and pride in a job well done. We did everything together as a family and I especially enjoyed working by his side on the family farm and hunting trips to the mountains.

How did your upbringing as a farmer and rancher in South Dakota shape your view of Washington and the federal government today? When my father passed away in a farming accident, I was only 22 years old. Our family was immediately confronted with the burden of estate taxes. Trying to deal with the tragic loss of my dad and figuring out how to pay that bill to the federal government changed me forever. I saw how policies can dramatically change lives and threaten family owned businesses. I started to get active in the policy making process so that the everyday person who knew how to put together a budget and stick to it could have a voice in such decisions.

You've been in office now for just over a year. What's been the toughest vote you have cast and how did you explain it to the people back home? Voting for the Budget Control Act was not an easy choice for me. I believe that the people sent us here to govern so I didn't think shutting down the federal government was the right answer. But I came to Washington to help stop the spending spree that is bankrupting our country. The BCA wasn't perfect by any means but I believe it has helped shift the focus in Washington from spending to responsible cutting and gave us the opportunity to put words into action. The provision requiring a vote on a balanced budget amendment to the Constitution is an essential component of the Act.

When you return home and hold town hall meetings, what one question are you are most commonly asked? When I'm back in South Dakota traveling around the state, folks often ask me "is it as bad out there in DC as it seems?" Often, my answer is "yes."

When you leave office, what do you hope your greatest accomplishment will be? I hope I will be remembered as someone who always worked for what was best for South Dakota and our great country. I want them to remember that I was a common, ordinary person who would do whatever I could to help them succeed.

Finally, 17 years after leaving college to run the family business in the wake of your father's death, you're about to receive your degree. What one lesson do you hope young people take away from your journey to earn your college diploma? Earning my degree has not been an easy journey. I turned in my final paper in December and received word that I will graduate with the Class of 2012 from South Dakota State University in May. I had always wanted to go back to finish my degree but marriage, children, businesses, public service and life always convinced me that the time would have to be "later". One day my sister told me she was surprised I had never finished my schooling because I never quit anything. That was the trigger that got me back on track again and hitting the books again. Life was never going to slow down, so it was time to just make a little more time in each day.

I hope young people understand that life is full of surprises which may change your current plan for your life. It's okay to do things in a non-traditional manner. Don't be afraid to pursue an opportunity. Continue to grow in knowledge, expand your horizons, and be a life-long learner.



American Innovation

TE Connectivity directly employs more than 14,000 Americans and thousands of suppliers who contribute to the economy by manufacturing products in the United States.



EVERY CONNECTION COUNTS



A New Name... with a Rich History

With a 50-plus year history of leadership, TE Connectivity is a global provider of over 500,000 products that connect and protect the flow of power and data inside the products that consumers and industries around the world use every day. We partner with customers in virtually every industry—from consumer electronics, energy and healthcare, to automotive, aerospace and communication networks—enabling smarter, faster, better technologies to connect products to possibilities.

Our common stock is listed on the New York Stock Exchange under the ticker symbol “TEL”.

www.te.com

TE Connectivity and TE Connectivity (logo) are trademarks.



The Ripon Society
1300 L Street, NW
Suite 900
Washington, DC 20005



TARGET