

CONVERSATIONS

WITH BILL KRISTOL

Conversations with Bill Kristol

Guest: Jeffrey Bell, former Republican Senate candidate

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I: Jeff Bell's Senate Races (00:15 – 31:13)

KRISTOL: Welcome back to CONVERSATIONS. I'm Bill Kristol. And I'm very happy to be joined today by my old friend, Jeffrey Bell, a recent candidate for the Senate in New Jersey. I'd like to be calling you Senator Bell here, but you fell a little short in a very good race, wildly outspent by the incumbent. You had a closer race than a lot of Republicans did, against incumbents in tough states. So congratulations on a good race.

BELL: Thank you.

KRISTOL: Why did you run? I mean, it wasn't expected, I think, that you were going to be a Senate candidate here in the state that you had run first in 36 years before, right?

BELL: It was totally sudden. It was at the end of a process where I was trying to get other people whose candidacies would have made more sense than mine. And for one reason or another, nobody could get a way to make the race.

I wanted to run on monetary reform, on returning to the gold standard, which I had spent four years in Washington in complete frustration trying to get anybody to focus, not only on that but even on what the Fed was doing because the Fed has had a zero interest rate policy for the better part of six years. And the conservative movement, the Republican Party, Democrats, nobody was really talking about that or trying to have any kind of a debate on it.

The Republicans who said they didn't like too much easy money, they would have Ben Bernanke in a subcommittee testifying and they would just be very nice to him. They never really questioned the logic of what he was doing and printing all this money and financing huge deficits that started under George W. Bush. So I couldn't get anybody to take that issue up, so I realized that nobody was going to do it in this, in the 2014 cycle unless I did.

So I went to New Jersey, I rented a home in Leonia where I had previously lived over 30 years ago and declared my candidacy right away. And I hadn't been able to do, needless to say, any kind of financial preparation or I hadn't made any contacts in the state, I hadn't been there for years. And so it was kind of like jumping off a cliff.

KRISTOL: It's amazing, though. Well, but it turned out okay and just come back to the –

BELL: Well, I enjoyed it. I enjoyed it. I'm sorry I lost but I really enjoyed every minute of the campaign. It was so much better to be directly dealing, trying to get votes than trying to get people who had been elected to do something or candidates even.

KRISTOL: And the monetary reform message and the gold standard message seemed to resonate, actually. Well, and the primary, right, so you had a four-way primary, as I recall, and none of you had that much money or were that well known, really. And you won it to the surprise of –

BELL: I won it, and I didn't put anything else in my only letter that I sent to the primary voters or anything else in radio ads or in the robocalls that I did. Steve Forbes did a robocall because he agrees with me on the gold standard, just saying, "Jeff Bell is right, we have to fix our money before we can fix the rest of the economy."

And so I ran on that. I didn't have enough money to take a poll so on primary night, I had no idea whether this gold approach had worked. It's the only thing I had enough money to put across as the substitute for Jeff Bell, the carpetbagger. So I know it worked because I really didn't have any other content in the campaign.

KRISTOL: And why, so let's talk about that a minute. So the gold standard argument was, I mean, there's a kind of theoretical argument for it, obviously, but you made it more of a populist argument, I think, is that fair to say.

BELL: Yes, yeah, very much a pro-middle class argument. The argument I made about it was that the zero-interest-rate policy punished savers. You can't get a CD or start a savings account and get any kind of return, even to preserve what little money you have, much less increase it.

On the other hand, small business relies on lines of credit from locally based banks to create the jobs. And small business as the job creator in the economy was kind of handcuffed, even a successful small business in the last few years has had a hard time getting lines of credit, which is what they use to expand and hire workers. So, to me, the monetary policy was at the root of why we've had a jobless recovery. And I tried to get that across with gold as the logical answer to a paper money system where the wheels have fallen off.

KRISTOL: And also though, I think, you argued a paper money system that was sort of a collusion of Wall Street and Washington, right? I mean, it was a populist campaign and somewhat unorthodox Republican campaign in that way.

BELL: It was, and it was disdained by virtually everybody in the Washington Republican establishment and by Wall Street because Senator Cory Booker, my opponent who was an elected incumbent of one year standing – he had won a special election a year earlier – was the biggest Wall Street fundraiser of any Senator, Republican or Democrat during the 2014 cycle. He even eclipsed Mitch McConnell, the Republican minority leader in that regard.

And Wall Street, although they may have their qualms about the zero-interest-rate policy, people in the investment business are having a party because of all the money that's been drawn into the stock market because there's no alternative. And the Fed is printing money to sustain that. And so Wall Street didn't want to hear about a candidate who wanted to bring the party to an end and try something else.

KRISTOL: So this was not your first race. You said you went back to where you had run before. So talk about that because, I think, you were a staffer before that and very involved in the conservative movement, obviously. But you hadn't run for office.

I don't know if you'd thought about running for office. And I remember being there in grad school and knowing you slightly. And suddenly in 1978, you're running in a primary against an incumbent Republican Senator. So how did that, how did that happen?

BELL: Well, after the '76 campaign, I was unemployable, really, I mean, I was blamed by many conservatives for Reagan's defeat in the primaries to Gerald Ford and –

KRISTOL: Because of your –

BELL: Because of my \$90 billion decentralization plan, which had gotten Reagan into trouble. And I was interested in running against a liberal Republican and seeing if I could by winning the nomination against an incumbent who was out of touch with his own party, primary voters – usually the man I ran against, Senator Clifford Case, a liberal Republican who had served 24 years, he had never lost an election going back to the 1930s. He never had a serious Democratic opponent. He had the support of the AFLCIO, the Americans for Democratic Action, all the prominent liberal groups of that era. And so the Democrats hadn't bothered to try in the previous cycles. And so I thought, well, if I can sneak up on him and win the primary, then there's a good chance I can win the general election. Unfortunately, that was the year Bill Bradley decided to run as a Democrat.

KRISTOL: Right. But we'll get back to that. I want to get back to how you won the primary, though, which is pretty impressive and pretty important, I think, for the future of the Republican Party and for the conservative movement.

But did you personally, I'm just curious – we never really have talked about this – had you always had sort of the urge or the itch to run for elective office, or you had thought of yourself more as an operative and thinker and strategist and activist and not the actual candidate? Or was there a moment when you thought to yourself, gee, all these other guys are running and I'm working for them, maybe I should be the one who'll run?

BELL: I had thought about it. I mean, I think to be honest, most people who wind up running for office have had it in their mind, in the back of their minds that this is something I really would like to do if it's at all possible. Usually, people, young people who were thinking about running don't like to talk about it because it could be very embarrassing if they're telling their girlfriend they're going to run for governor and it never happens or they do very badly. They don't want it known that this is something they were always kind of thinking about.

So I was thinking about it but I was kind of propelled into that race by my own situation and the unemployability, the fact that I thought liberal Republicans were very vulnerable, it was partly seeing the opportunity of beating a liberal Republican in the primary, which was, I thought, doable without knowing at the time exactly how I was going to go about doing that.

KRISTOL: And it was – was there any one or two issues? I mean, you didn't – you had disagreed with Clifford Case on a million issues, I guess. But was it more sort of helping to propel the conservative movement forward after Reagan or was there a particular – ?

BELL: Well, what I did was I had continuity with what Reagan had challenged for in '76 in the sense that I was a hardliner on foreign policy and the issue that was still bubbling up at that time was the Panama Canal treaty, the giveaway of the Panama Canal. That, the vote was 68 to 32. They needed a two-thirds majority to give away the Canal, and Case was one of those 68. And so it was a natural vote to challenge him on.

But I would say more important was the element of supply side. And I had developed during the Reagan campaign a relationship with Jude Wanniski and Jack Kemp and Art Laffer. And I saw this idea bubbling around. It really hadn't come out that much by the end of the '76 race, but Jude Wanniski, who also

happened to be from New Jersey, he was very interested in the fact that I wanted to include a big tax cut in the decentralization plan, a federal tax cut of 23 percent. And we connected with each other. I had already read an article by him. Yeah, it was in '75.

KRISTOL: I didn't realize that. That's interesting. So Reagan was a tax cutter –

BELL: '76, we met in '75 or '76.

KRISTOL: The Reagan decentralization plan –

BELL: Had a tax cut. But Reagan was not a supply sider, in the sense that he thought every dollar of a tax cut had to be quote paid for unquote.

KRISTOL: At this point in '76.

BELL: So that's one reason why I cut so much out of the federal budget in my proposal that Reagan adopted because I had to make room for a tax cut. I didn't want it to be all castor oil.

KRISTOL: Right. Anyway, so you and Jude Wanniski and others sit around and you decide, I'll challenge a sitting Republican Senator, a four-term Republican Senator. That's pretty amazing. I don't know, when's the last time a Republican Senator even lost a primary, an incumbent Senator? I don't think, I mean, leaving aside Case himself.

BELL: Actually, Thomas Kuchel in California had lost to Max Rafferty in '68, 8 years earlier, 10 years earlier. The night, actually Rafferty defeated Kuchel, the night Robert Kennedy was shot and I was up late because I was a conservative working for Richard Nixon at the time, and so I was watching on television to see if Rafferty won. Kennedy had won early in the evening against Eugene McCarthy, his main opponent in California. And then Kennedy was shot. Rafferty won and Kennedy was shot.

So nobody in the Nixon campaign was in the headquarters so I was the one who called the people in the Nixon campaign to let them tell former Vice President Nixon that Kennedy had been shot. So my alma mater, Columbia, was going through huge riots that year. I mean, I felt like – and I had been in the Tet Offensive in Vietnam earlier that year. So, so many different things were happening in 1968, and I felt in some weird sense I was in the middle of all of them.

KRISTOL: Right. That is amazing. Anyway, so getting back to Jersey. So how do you, just so you decide, you're thinking of running, you know Jude Wanniski, you've been around the conservative movement. But how do you actually do it? I mean, how do you actually just decide, I'm going to run for the Senate?

BELL: The key thing that made me viable was direct mail, direct-mail fundraising. I worked with a direct-mail fundraiser named Bruce Everly who's still active in that field, a very good direct-mail fundraiser.

And I had a campaign theme that enabled me, our campaign to mail nationally to people who had never heard of me and really had never heard of Clifford Case. He wasn't that well known, compared to Jacob Javits and Ed Brook and some of the other liberal Republicans of that era. And the first line of the direct mail piece we sent out to conservative lists was, "Would you believe there is a Republican Senator with a voting record more liberal than Ted Kennedy and George McGovern?" And the rest of that letter kind of wrote itself, and it brought in money from the beginning.

The fact that they had never heard of me or of Clifford Case didn't really matter because direct mail had a kind of macro theme in those days. Richard Viguerie, who I later worked with in another campaign, he had pioneered the use of direct mail, which was the great populist conservative weapon of that period. And before I was even announcing as a Senate candidate, I had a – I was building up a direct mail list that brought in a stream of income during the whole race.

KRISTOL: So issues – that’s interesting. So all the talk about name ID and all that from political pros, the issue actually created, the issues or the issue mix created the name ID and not vice versa.

BELL: And that’s why Goldwater raised a lot of money in ’64, and Reagan raised a lot of money in ’76 against Ford, even though he didn’t have the corporate board room, he had the direct-mail conservative list behind him. And right after he won the North Carolina primary, he went in national television and gave a version of his foreign policy speech and so much money came into the campaign after that half-hour televised speech that the campaign didn’t know how to spend it all. And that’s how Reagan, who was broke at the time, got back into the race after winning North Carolina. Direct mail was just a magic weapon at that time for the conservative movement.

KRISTOL: And today, I guess, it’s more email and the Internet or I mean – think the populist opportunity is still there, though, to –

BELL: It’s there. I tried direct mail even after getting in so late. Usually, you need a lot of lead time to make a direct-mail campaign work. I wound up with over 50,000 names in my direct-mail file by the end of the ’78 campaign. But getting in at the last minute the way I did in 2014, there was just absolutely no chance that I could have raised money that way or gotten a head start.

KRISTOL: It is interesting how populist that early conservative movement was, though, as you say. And this was not, you were not a favorite of any, there were a few wealthy people, I guess, who were for you in ’78, a few wealthy conservatives?

BELL: Yeah, actually I had some significant Wall Street people who were in on the, early interest, influenced by the *Wall Street Journal* editorial page, Jude Wanniski and Bob Bartley. And like I had – the head of Goldman Sachs, the co-chairman of Goldman Sachs, John Whitehead, gave a fundraiser for me.

Steve Forbes, who was new to the supply-side movement, gave a fundraiser for me after I won the primary in which C. Douglas Dillon showed up. C. Douglas Dillon was John F. Kennedy’s Republican Treasury Secretary, and he was, in effect, laying his hands on me because the campaign tax cut that I was running on was really modeled on the Kennedy tax cut of 1964. And so that was a big moment for me that Steve Forbes, out in a very wealthy area in western New Jersey, had Douglas Dillon showing up, Kennedy’s Treasury Secretary, who was kind of a revered figure among the early supply siders.

KRISTOL: So you ran in ’78. You beat Case. What was the margin?

BELL: Very close. Like one plus percentage points. It was a virtual dead heat.

KRISTOL: Wow. Must have been amazing. Do you remember the election night? That must have been –

BELL: Well, it had a high impact, not just because I had won this big upset that nobody was predicting, but also because, at the same time, California had a referendum called Proposition 13. And it was coming in. It was a huge property tax cut in California.

And I could give you the details of that but the bottom line was that California was overdue for a tax cut because money had been building up due to a real estate boom in California, and Proposition 13 put a cap on it. Very few people in the establishment, certainly not Governor Jerry Brown, supported that. But it was a very grassroots movement led by a man named Howard Jarvis, and it won by a 2 to 1 margin on the same night that I was running on a big federal tax cut. So you had like –

KRISTOL: I forgot that it was the same night. That’s amazing.

BELL: It was. And later in the general election, one of my tag lines in my commercials was California has Proposition 13, New Jersey has Jeff Bell.

KRISTOL: That's good. And so that had an effect. You lost to Bill Bradley, though you ran a good race and lost by what 10 points or something, which was certainly respectable. Closest race Bradley ever had, I bet, in Jersey.

BELL: No, no, actually, he had another one, he had another one, it was his last one. Let's not get into that. But I lost by 12 points to Bradley.

KRISTOL: And so but it really did, don't you think, help with the notion that A, there's a conservative insurgency in the Republican Party and, B, supply side tax cuts?

I think both of those, somehow, really were front and center because, I mean, once Reagan is a historical figure and won the presidency in '80, many people forget – I do remember this being in grad school at the time – just it didn't look as conservatism was in the ascendancy. Reagan had tried but had lost to Ford. And the Panama Canal treaty finally –

BELL: And many people thought he was too old. I wondered if he was too old myself.

KRISTOL: The Panama Canal treaty had passed. It wasn't as if the people thought, oh, conservatism is the wave of the future. But I think you really helped change that dynamic as a young challenger to Case –

BELL: It did. And Jack Kemp came in for me and had a fundraising dinner, headlined a fundraising dinner in May of '78 before the June primary. And that was a big turning point in the campaign.

KRISTOL: Kemp came in against a sitting Republican.

BELL: Yes, he did. Reagan, Reagan himself – Reagan didn't support me in the primary, and I had a kind of an ice age with Reagan. I didn't even have him in in the general election, I had Gerald Ford, former President Ford instead. I think that was – you know, I had all sorts of rationalizations for it but the truth is I was mad at Reagan for not helping me, and I was interested in supporting Kemp for President in 1980, not Reagan because although Reagan had endorsed the tax cut, it wasn't clear at the time whether he would run on it as a centerpiece in his campaign, and we knew if Jack Kemp ever ran, he would run it with it as a centerpiece.

KRISTOL: Go back to Kemp coming in for you. I guess, I had forgot about that. I mean, I guess, Kemp was a risk-taker in that respect. I mean, he was such a nice guy, I would have thought – he wasn't in the same body as Case, he was a Congressman and Case was a Senator. But that's pretty gutsy to come in against a sitting Senator in a neighboring state. I mean –

BELL: Jack did a lot of things that were courageous. He probably would have done some things that were more reckless, if he'd always listened to Jude Wanniski. When Jude Wanniski was in my campaign, he was helping me put together propaganda. He was right there in Morristown, New Jersey and I would meet with him at certain times in the campaign, two or three times a week. And Jude lost his job on the editorial page of the *Wall Street Journal* because he was caught handing out Bell brochures at the Hoboken train station by the president of Dow Jones. And he was given an ultimatum, either quit or quit politics. And he decided his book was coming out later that year, and he decided to quit the *Journal* after getting caught handling out the brochures.

But Jack Kemp deserves enormous credit for pushing along the supply-side revolution. And I think Jude's and my flirtation with trying to get Kemp to run actually helped the internal forces within the Reagan campaign, to cement the Kemp-Roth tax cut as the centerpiece of his campaign, and eventually a kind of treaty, a détente was worked out between Kemp and Reagan. Reagan gave Kemp a big role in the

campaign heading into the 1980 election. And Reagan did run with it as the centerpiece, which I think were always his instincts but, you know, his campaign team had to be behind that to make it work and they definitely were after Kemp and Reagan got together.

KRISTOL: I mean, Reagan is so – again looking backwards, of course – he was President and it was inevitable, but I remember, vaguely, my father at the time being inclined to think that maybe Reagan was a little old and sort of had lost in '76 and kind of couldn't go back to that. Well, he respected Reagan, didn't know him I don't think much at all. And Kemp who we knew quite well, I think he had the sense too that this is the moment for Jack, you know, he's a little young and they're going to say he's untested but, I guess, he would have been in the House for what a decade by the 1980s. So that's plenty of time.

BELL: That's right, 10 years.

KRISTOL: And it would have been – I mean, but, I guess, if Reagan had not signed onto the Kemp supply-side, tax-cutting agenda, Kemp would have run, I think.

BELL: I'm not sure. I'm not sure if he would have. A lot of it was bluff. He was a little bit afraid of getting in against Reagan. He had actually worked for Reagan.

KRISTOL: Worked for Reagan, right.

BELL: Back in the 60s when Reagan was first Governor. And he was somewhat in awe of Reagan. I don't actually know whether he would have gone through with it. Wanniski and I certainly had every desire to have him do it but I can't say that we had Jack completely over the line, but I think just the threat of doing it had an impact on the internal situation and helped the people within Reagan's camp, led by John Sears who wanted to do this. He wanted Reagan to have a much more forward-looking program than a typical conservative would run with normally.

KRISTOL: Talk about sort of the politics, almost the political psychology of the supply-side tax cuts. And leave aside the economic theory for a minute. I mean, it was, do you think, I mean, I think it was, it was crucial to just changing the whole character of the party and to some degree of the conservative movement even in the late 70s?

BELL: I think it was, and I think Reagan who was always engaged with the conservative movement, he read *Human Events* cover to cover, read *National Review*, read a lot of the conservative classics of the 50s, 60s, 70s. Reagan was constantly engaged with the conservative movement as a movement.

And of course, I would also argue that he changed it for the better. He updated it in certain ways, he made it more populist, more pro- the Founding of America, more grassroots in nature. And more pro-democracy in foreign policy. And he transformed it at the same time that he was engaged with it. And I think almost all of the decisions in which he changed the conservative movement were correct. I think he made it stronger, better, having a wider appeal. Supply side was definitely, probably, the single most important one of those changes.

KRISTOL: And why he – I mean, you knew him pretty well, I mean, he was a hard person to know, I guess, but why? I mean, how did Reagan have the instinct that the movement had to be more populist? I think the American part is very important. Some of the early conservative movement, my sense as a kid reading the magazines and all, it was sort of – and I like it intellectually – but it was sort of a European or English, British, you know, sort of nostalgia.

BELL: If you read Russell Kirk's *The Conservative Mind*, you would never have the idea that the American Founding was a very important component of conservative thought. And I think it was. I think that it was both revolutionary, and revolutionary in a conservative way, and that Reagan sensed that. And

what he said – I know there was, Yuval Levin recently wrote a book with the tension between Paine and –

KRISTOL: Edmund Burke.

BELL: Burke. But Reagan had a lot of Paine in him. He loved that quote. He loved that quote of “You make the world over again.” And Reagan was very American in that way. He was not a skeptic about the possibilities for human advancement.

KRISTOL: And so that you got supply-side economics, which was populist-oriented and future-oriented and opportunity-oriented, you think fit well with his sort of disposition.

BELL: Yes, absolutely. He was optimistic. He was always optimistic and he was all about the future, that America hadn’t seen its best days and it hit a chord, hit a tremendous chord. And a lot of people assume that Reagan’s belief about how the tax cut would change America was exaggerated; they thought it was going to be a much more prolonged process to turn the economy around.

But, of course, once the Federal Reserve released their hold on the high interest rate policy and it turned around almost immediately, it was just a tremendous recovery that turned into an expansion, a very strong dollar. I mean, everything kind of kicked into gear all at once. So Reagan’s optimism about the willingness of the American people to perform economically was, I think, vindicated to a great degree.

KRISTOL: And in foreign policy, what seemed like a totally utopian hope that the Soviet Union could not just be checked or slightly even rolled back but overcome, transcended, made to go away, that was an amazing – I mean, it is an amazing story, which I think historians don’t really do justice to that, the U-turn, so to speak, or the pivot or the inflection point of America between about ’79 and ’89. And he deserves a lot of the credit.

BELL: He does. And a lot of what went into that, I think, happened in the ’76 campaign. There was a big battle at the Republican National Convention when Ford was on the verge of defeating Reagan, narrowly, at the Convention over a plank that was introduced by Senator Jesse Helms called “Morality and Foreign Policy.” And it had a lot of momentum. And Jim Baker, who was the Ford campaign manager in ’76, realized that if he took the advice of Henry Kissinger who was Secretary of State and National Security Advisor at the time for Gerald Ford, and fought that amendment to the platform tooth-and-nail that Reagan could take the Convention because what Ford and Kissinger were committed to was increasingly unpopular. It was felt that the *realpolitik*, the “let’s retreat here but maybe hold out there,” that type of thing that characterized Kissinger’s view of the world, it just wasn’t viable.

Reagan had won most of the primaries running against that, and so Baker delivered the Ford delegates for a title “Morality and Foreign Policy.” Henry Kissinger, I was told at the time and later, went absolutely nuts, sitting in the White House or Foggy Bottom or wherever he spent most of his time. He just said, “You can’t do this.” Morality – I’m not trying to quote him because he didn’t say anything publicly that I’m aware of – you can’t put morality into foreign policy, it’s a misunderstanding. This will send a terrible signal to the world. And Baker said, “Mr. Secretary, we don’t have any choice. We’ve got to support this amendment or the President is going down.”

KRISTOL: And Reagan really had internalized that and believed that to be the case.

BELL: I think so. I think so. He felt that America had become the greatest power in the world because it brought a moral element into foreign policy, not for any other reason. And I think that he really believed that, and he changed the whole orientation of foreign policy once he became President.

Jimmy Carter, actually, I would give a little bit of credit to because he brought up the human rights element of having a foreign policy, and Reagan built on that with Elliot Abrams as the Assistant Secretary

for Human Rights. And I think that was a component. And that was also at the time considered a very explicit break with Nixon and Kissinger's foreign policy.

KRISTOL: Yeah, I mean, I remember even as a younger person just watching. It was demoralizing. The Nixon-Kissinger policies, you know, whatever their merits in particular tactical ways, in particular parts of the world. If you were a strong anti-communist, it was demoralizing watching them refuse to go to China and refuse to be critical of this horrible tyrant who had killed 50 million people or whatever Mao killed. And then, of course, it was Solzhenitsyn in '74, '75, whenever that was.

BELL: When Ford refused to meet with him after he was exiled from the Soviet Union and –

KRISTOL: I think one reason I was with Scoop Jackson in '72 in the Democratic primaries more because, as much because of disgust at Nixon and Kissinger's détente than any intra-Democratic party reasons, which I had really no view on and didn't care much about the Democratic Party, I think, so –

BELL: You know, there's another thing that happened under Kissinger, which is something called the Sonnenfeldt Doctrine. Kissinger didn't want complete blame for it. It was all his idea but in exchange for a kind of condominium with the Soviet Union, we would recognize that the Soviets had permanent control of Eastern Europe.

KRISTOL: Yeah, it's amazing to think about.

BELL: And Gerald Ford got into probably his biggest mistake in the general election in '76 when he said that well, Poland is really a free country, which sounded like a really stupid thing to say but it was really consistent with a kind of Kissingerian view of, well, Poland can have its fulfillment under a Soviet leadership, quote/unquote.

II: Between Goldwater and Reagan (31:13 – 46:27)

KRISTOL: Right. So you ran in '78 and you ran one other time then in '82 in Jersey. And there I think you lost the primary.

BELL: I lost the primary to Millicent Fenwick. My only imprint, my only image in New Jersey in 1982 was as one of the early supporters and architects of Reaganomics, and Reaganomics was having its worst period at the time. The interest rates short-term went as high as 18 percent, unemployment went as high as 11 percent. And it was right at that time in June of '82 that I was on the ballot. I lost to a moderate Republican Congresswoman Millicent Fenwick, 54 to 46 percent.

And interestingly, I was attacking the Federal Reserve in that primary. At that time, they had incredibly high interest rates. Then I found myself 32 years ago attacking them for dysfunctionally low interest rates. So that's one aspect of the conservative or supply-side agenda that has been a constant although with different extremes in the volatility of the paper-money system that we've had since the 70s.

KRISTOL: It does seem to me that the case for the gold standard, ultimately, also is kind of a moral case.

BELL: It is. You're absolutely right about that. It is a moral thing. I mean, social conservatives or Tea Partiers, the morally centered conservative activists, are the ones who are most interested in the gold standard because it's kind of the government giving its word, having a level playing field, not playing games with the value of the money that everybody has to deal with.

KRISTOL: And it's populist, I think. I mean, it's not an accident that, somehow, the Fed with its ability to do what it wants to do somehow seems to end up benefiting Wall Street quite a lot of the time.

BELL: It's no accident.

KRISTOL: Say a word about what you think the historic significance of the American conservative movement is and then we should go back and talk about your own participating in.

BELL: Sure. I've been in it from 1963 when I got a summer job with *National Review*, and I got close to Bill Rusher who was kind of my first conservative mentor and he was the publisher of *National Review* but he was also the closest collaborator of F. Clifton White who started the Draft Goldwater committee and so I got a lot of inside info about the genesis of that and how reluctant Goldwater was and how they were maneuvering within the state parties and –

KRISTOL: So let's back up. So you're – what are you in college at this point and you –

BELL: Columbia, yes.

KRISTOL: And you just apply for – Bill Buckley started the *National Review*, I guess, 8 years before. And you had read it as a kid or, I mean, you were a conservative from a young age or –

BELL: Yeah, I got into it. I heard about Buckley fairly late in life, high school, 60s. And then I went to Columbia in '61, and then I really did start reading it but also I listened to radio shows. There was an all-night radio show in New York City, one of the precursors of what we have now done by a guy named Long John Nebel and it went from midnight to 5 a.m. with the same guest or guests.

And I actually heard Bill Rusher on this thing, and he was a great trial lawyer type. He later did a program on PBS with Michael Dukakis, which captured a lot of his qualities. And so I became fascinated with him. So I came into the movement and in the *National Review* as a Rusher protégé rather than a Buckley protégé, which was maybe a little unusual.

KRISTOL: Right. So you worked at the *National Review*. You saw the Draft Goldwater movement being started. And you stayed and then when you back to college, you stayed involved.

BELL: Yeah, I stayed. I was at Columbia from 61 to 65. Then when I had finished school, I went to work for *National Review* again for about 6 or 7 months and then I was drafted and I was in the U.S. Army for two years and spent the last year of that in Vietnam.

KRISTOL: Thank you for serving there. I'm sure that was tough but important. What – I'm just curious. So since you're a little older than I am and I remember reading about the Goldwater thing and I remember sort of reading *National Review* actually as a kid and sort of thinking *National Review* kept saying, Goldwater might win. There were these hidden voters – remember this – that weren't being captured by the polls. And I remember asking my father once, "Could Goldwater really win?" and he said, "No, probably not." But what was it like? You were older. I mean, was that a disappointment, was that exciting, I mean, what was it like to be sort of on the fringes of the Goldwater campaign?

BELL: It was exciting and devastatingly disappointing when he lost by so much. That silent vote that a lot of people were counting on just wasn't there. And what appeared to be true, which was that Goldwater had made a number of statements that had turned people off was true. And so I would say that after a big high, the Goldwater conservative movement was down, really down in '64.

And something that a lot of people have forgotten about, that I did get involved in, revived it, and that was the Buckley for Mayor campaign in 1965. And Bill Buckley announced for mayor. John Lindsay was the Republican nominee, a liberal Republican. And the Democratic candidate turned out to be Abraham Beame. And Buckley polled as much as in the mid-20s in New York City, he was doing very well in the outer boroughs, which at that time, Queens and Brooklyn were heavily ethnic Catholic. And he eventually got 13 percent of the vote. And but it was an extraordinary campaign. And I think somebody doing well in

New York City, which was considered the citadel of liberalism really energized a lot of conservatives and made us think that the Goldwater campaign wasn't just a flash in the pan.

KRISTOL: You know that's a good point because historians talk about the Buckley campaign as a lark, a joke, Bill was so funny and his comments, if he won, he would demand a recount, didn't he say or something? But I think you're right. People probably forget how much it re-moralized a demoralized conservative movement after Goldwater and sort of – do you think that's one reason he did it, I mean, that he felt that he had to sort of –

BELL: I honestly don't really know. I didn't know him well enough to know why exactly he decided to do this. But I think that he did it in a completely fun spirit, a spirit of fun. What will you do if you win, Mr. Buckley? Demand a recount. And that was the most famous line that came out of the campaign.

But he really did become a kind of truth-teller and iconoclast. He broke a lot of the rhetorical rules and he did something that I've always been fascinated to one degree or another ever since, which is that he went into the territory of quote the enemy unquote, the Left, and did well. And that I think is an important thing for a movement to achieve at some point.

KRISTOL: Just running in New York City, you mean?

BELL: Yes, well, running somewhere where a conservative isn't supposed to get anywhere.

KRISTOL: Make more of a difference if you don't just win a, what they now call, a red state. Right. I guess Reagan in '66, I mean, maybe you were already in the Army at that point so you weren't involved and weren't maybe following it that closely but I think it's always struck me historically that when you think about the turnabout, it's kind of amazing. Goldwater loses by 20 points or whatever in '64, Reagan who makes his name speaking for Goldwater, wins what a Republican primary and then a general election.

BELL: Neither of which he was supposed to win.

KRISTOL: Right and neither of which he was supposed to win. People have forgotten that totally. Two years later. It's a good lesson, I guess, in politics is not, you know, things turn fast, quickly in politics.

BELL: They sure do. It was a lesson that was indelibly inscribed in my brain is that you don't give up quickly even if something has gone badly and seems like a devastating setback at the time.

KRISTOL: And then you got involved. You came back to the U.S. after Vietnam, and you got right back into the political fray.

BELL: Well, I went to work for Nixon. I went to work for on the speechwriting team, and I was hired by Pat Buchanan.

KRISTOL: When you say you went to work, I think people – I'm interested, I'm sure a lot of our younger viewers are. I mean, so how do you get a job like that, how did that work?

BELL: I was lucky. A friend of Pat's, Neil Friedman, recommended me, that he'd give me an interview and he hired me. And I came back –

KRISTOL: This was '67, '68?

BELL: No, this was '60 – yeah, '68. I had just, I had been in the Tet Offensive in Vietnam. So I came back. That's when my enlistment draft period ended, early February, and I immediately got an interview with Pat Buchanan and he hired me and shortly after I came aboard, Lyndon Johnson dropped out of the presidential race and everything kind of exploded in that incredible year in 1968.

KRISTOL: And so what was the Nixon campaign like?

BELL: It was – I was a very peripheral person in the campaign. It was before the campaign finance laws limited the staff you could have, but it was a dazzling staff. You had everybody from Pat Buchanan to John Layman was an errand boy more or less like I was. Alan Greenspan was director of domestic policy research. Dick Allen and just Dick Whalen, a lot of very smart people, many of whom are still very well known or well remembered. But it was an all-star team.

KRISTOL: And what did you learn about presidential campaigns from that, and did you stay in touch with –

BELL: I was actually I was on the presidential campaign plane in the last month of the campaign.

KRISTOL: Oh, is that right?

BELL: Yes. The reason I got that is that Pat in addition to his other duties as a writer and interactor with the press was in charge of compiling a daily news summary for Nixon. And he had to be diverted onto the Agnew campaign plane because a few things had gone wrong there. And so he needed somebody to get on the plane in October of 1968 and travel with Nixon and prepare the news summary and that's what I did. I did a few other minor things but I did that in the last months.

So I had a bird's-eye view of, really, it was Nixon's collapse in the polls. He collapsed. In October, he was ahead by as much as 18 percentage points. He wound up winning by less than one. Humphrey really came into his own, he called out for a bombing halt in Vietnam. He was hounding Nixon about the fact that Nixon was afraid to debate, which he was. Nixon felt he had been burned in the debates with Kennedy in 1960, and he wouldn't debate. He never debated again after the Kennedy debates. He didn't debate in '72 either. And I think it actually hurt him. My own feeling at the time and ever since was that if a candidate looks like he's running away from debates, it can be very harmful to him.

KRISTOL: That's interesting. I had forgotten. Everyone thinks of the Nixon campaign. I mean, it was an amazing comeback, on the one hand, by Nixon but one forgets the collapse in the last month and how close – I guess if the race had gone 3 or 4 or more days, Humphrey would have run probably, right?

BELL: It's certainly possible. You never know. But I just, it was a terrible feeling at the time for here's a presidential frontrunner. Nobody had won as a Republican nominee other than the military hero, Dwight Eisenhower, since 1928. So it was a big thing for a so-called civilian to win a presidential election as the Republican nominee. We were at the tail end of the New Deal era, and so it was a big deal that somebody like Nixon could win nationally at the time. But he almost didn't.

KRISTOL: And did you stay in touch – did you work in the Nixon Administration?

BELL: No. I was invited to go on the White House speechwriting team, and basically, I said no. And I can't really tell you exactly why I came to that conclusion but I didn't like the atmosphere with Nixon's inner circle with Haldeman or Ehrlichman. And I thought my friend and boss, Pat Buchanan, had been really side-tracked and marginalized in the campaign, late in the campaign but also in the transition. And I just had a funny feeling about it so I left and wound up doing a few other things in the New York City area.

KRISTOL: And what – I'm just backing up to the conservative movement again – I mean, so what issues particularly attracted you or moved you? Was it the whole movement, was it anti-communism, big government? I mean, there were so many different parts of the movement at that time. I guess there still are. But –

BELL: Well, for young people who came up through, yeah for the Young Republicans, the ballgame in the early 1960s was foreign policy, that was the whole ballgame. It was 90 percent of the ballgame. Nobody had any great theories about economics. The economy was humming along in the 1960s so people getting into politics in their 20s in the 1960s were attracted to foreign policy toward anti-communism, the Cold War and that type of thing. The social issues were – hadn't even gotten started yet at that time. So anti-communism, I think, for most of the young people like me and others that I knew, it was you had to become interested in the Soviet Union, in China, Taiwan, that whole range of issues. That was the big item then.

KRISTOL: And was it more of a strategic U.S. – you didn't think the Democrats were doing a good job in terms of the U.S. national interest ,or was it a more moral kind of, you know, notion that is sort of what the survival of the West is about is defeating this latest –

BELL: I think it was more of the latter, but I think they were both involved with morality. I think that the idea of the importance of bad people being stopped like the Nazis had been two decades earlier was paramount, that the Soviet Union seemed like an overwhelming rising force at the time Whittaker Chambers when he left Communism and went to anti-communism said he had chosen to join the losing side, there was a lot of fear and pessimism about the Cold War at that time.

KRISTOL: Yeah, well, with Vietnam going so badly, it wasn't unreasonable, I suppose. The Soviets got away with invading Czechoslovakia and we did nothing.

BELL: Which happened – I remember the reaction to that in the Nixon campaign. A lot of the foreign policy people like Dick Allen who was the chief of foreign policy in the campaign, they felt vindicated because Johnson was trying to get across the idea that we could negotiate with the Soviets and get along with them. And what they did in Czechoslovakia seemed to vindicate those who said we really can't trust them.

III: Working with Reagan (46:27 – 1:13:43)

KRISTOL: So you helped Nixon get elected. Nixon promptly went down the road of détente with Kissinger and big government and various accommodations to big government, which we can defend or not, as you choose. But when did you – what was your next big political involvement?

BELL: In '69, I got involved with an effort to defeat John Lindsay in the Republican primary in New York City and it was successful.

KRISTOL: I remember that as a high school student. I didn't know you were involved in that. Jeeze, you were involved in all these things.

BELL: Yeah. I wrote a long memo to my friend, Neil Friedman, the one who had gotten me a job with Nixon, getting me the interview with Buchanan. I wrote it for him, and he delivered it to a State Senator from Staten Island named John Marchi and making the case why he could defeat Lindsay in a Republican primary. It was kind of a follow-on in some ways to the Buckley campaign because the outer boroughs were the key. Marchi wound up losing Manhattan by a margin of about 4 to 1, and he won all four other boroughs, not just his home base of Staten Island but Brooklyn, Queens, and the Bronx in a Republican primary where you had conservative Catholic voters being dominant. And so I also felt that having won the nomination that Marchi had a chance to be elected mayor in a three-way race against two liberals.

But as it turned out, the Democratic nomination was won by Mario Procaccino, a conservative Democrat from the Bronx who, a Catholic, who, he actually coined the term "limousine liberals."

KRISTOL: Is that right? I had forgotten that.

BELL: Yeah. And so instead of having one conservative who was the Republican nominee against two liberals, you had John Lindsay who was the liberal party nominee against two conservatives. So that's how Lindsay got reelected in '69.

KRISTOL: And then?

BELL: Then, I went to work for the American Conservative Union in Washington, and I had two big projects. One is I didn't like the idea of going to a popular vote, which had a lot of momentum. It had won 5 to 1 in that U.S. House and had gone over to Senate – the direct election of the President.

KRISTOL: They went against that. They actually voted.

BELL: It was overwhelming. It was called the Bayh Amendment after Birch Bayh, a Senator from Indiana, and it won overwhelmingly in the House. And it looked like it was going to get the two-thirds that it needed in the Senate. And eventually I was involved in trying to stop it, and it was stopped.

Then, once I was down there, I became Capitol Hill director of the American Conservative Union, and we had a big campaign against the family assistance plan, which was Nixon's and Pat Moynihan's scheme to have a guaranteed income to replace the AFDC welfare system and that also was stopped, that was stopped in the Senate just like the Electoral College abolition had been. So I had that early experience with ideological lobbying and that was a lot of fun.

KRISTOL: Yeah, and that was kind of early, I mean, those were some of the earlier instances of that kind of lobbying, right? I'm not sure there had been that much of it before, that real ideological –

BELL: Well, there wasn't. I was the first full-time lobbyist for the American Conservative Union, and there were not all that many other conservative organizations in Washington at the time. No Heritage Foundation. I had to work with people like the Farm Bureau and the Chamber of Commerce to fight some of those proposals by, liberal proposals that Nixon, ironically, had supported.

KRISTOL: And so you stopped these things you didn't like. And were you involved in '72 with Nixon or – ?

BELL: No. I actually was involved in a long-forgotten effort to try to bring Nixon back toward the center. We felt he had gone to the Left with a visit to China, the guaranteed income proposal, and détente in Eastern Europe. And so a group got together of leaders of the conservative movement and eventually became known as the Manhattan 12 because it met in Bill Buckley's townhouse in Manhattan.

And so this group issued a suspension of support of Richard Nixon in, I believe it was the summer of 1971. And we started negotiating with Nixon and his people about what it would take to keep us from actually opposing him. We wanted the family assistance plan dropped. We wanted certain other things in the foreign policy area to be adjusted. I can't remember exactly what we asked for because it's harder to make a specific demand in foreign policy. We wanted the so-called child development bill, which was an attempt to just socialize all early childcare that Walter Mondale as Senator was pushing. And we wanted the veto message being written by Pat Buchanan. We were down to the nitty-gritty things like that.

And we even were called in for a meeting with Henry Kissinger and Al Haig, his assistant, who assured us that, Dr. Kissinger assured us that he shared all of our concerns about the Soviet threat, etc. And have a more measured effort to get in touch with China and all the anti-communist motives they had for reaching out to China.

I think Bill Buckley was close to Kissinger. In fact, I think he had first – Kissinger was working for Nelson Rockefeller, one of Nixon's opponents in the '68 race. And after the election, Buckley actually introduced

Nixon to Kissinger. He put them in touch with each other at least. And so Buckley was close to Kissinger, always was. And so that was kind of in a way a fifth, some people saw it as a fifth column within the Manhattan 12, if you can imagine things like that. But eventually we and Nixon couldn't get together. And we wound up supporting Congressman John Ashbrook of Ohio in the primaries.

KRISTOL: I remember that. He got some votes.

BELL: He got a few votes but the campaign basically flopped because the SALT agreement came out, Nixon started looking good on foreign policy. The economy improved basically because they had removed the link to gold in Bretton Woods, and a lot of stimulus was coming from the Fed under Arthur Burns who was a Nixon appointee as Chairman of the Fed.

That wasn't one of our demands at the time. Nobody in the conservative movement was really defending the institution of the gold standard at the time. And so what we attacked was the wage and price controls that went with the suspension of gold convertibility. The two are definitely related to each other. But on a short-term basis, the economic policy that Nixon instituted worked. The family assistance plan and the child development bill went down anyway. And so there was a kind of armed truce that happened after Ashbrook was easily defeated in New Hampshire and then eventually the California primary.

KRISTOL: And, I guess, McGovern being the Democratic nominee, that served to rally conservatives, elected conservatives rallied back to Nixon.

BELL: Yeah, it sure did, yeah.

KRISTOL: And then you were working still at the ACU during Watergate. I mean how did that as a young conservative, what did that look like?

BELL: No. Actually after the Ashbrook campaign, I stayed with ACU for a few months, then I went up to Harvard. Actually, that's where I met you.

KRISTOL: That's right, I remember. I couldn't remember which year you were up there, though.

BELL: Early '73 when Watergate exploded, and also *Roe v. Wade* came down on my first month there. And I taught a non-credit at Harvard's Kennedy Institute of Politics for a semester. And then when that ended, I eventually went to work for Ronald Reagan in Sacramento.

KRISTOL: So that early. I guess I'd forgotten that. So –

BELL: I was out there for the last six months of the Reagan gubernatorial administration.

KRISTOL: So in '74.

BELL: So I was there when Nixon resigned, when the whole race turned upside down with Ford becoming President and announcing that he would run for a full term. Reagan briefly thought about dropping out, and some of his top people thought he would. And Ed Meese took a job in the private sector. He was Reagan's Chief of Staff in Sacramento. But then, there developed a big fight between people who wanted to start a third party.

KRISTOL: So back up. So if Reagan—I mean, if Nixon had served out his second term, which everyone assumed, I suppose, that would happen before Watergate really exploded – Reagan sort of intended to run in '76 just for the open – for the open seat, so to speak.

BELL: Some of the people who eventually ran the Reagan campaign, including John Sears and myself in a more minor role, were interested in supporting Agnew.

KRISTOL: Well, I was going to say –

BELL: Agnew was Vice President, he was very popular among conservatives, and but then Agnew got into his legal trouble of accepting bribes and he resigned as the Vice President and replaced by Gerald Ford, who, really, by then, was a moderate. And so the people who would have supported Agnew as the natural successor to Nixon gravitated toward Sacramento.

KRISTOL: So when people like you went out to Reagan to Sacramento in '74, it was already with the view towards the presidential.

BELL: Yes, absolutely. And, of course, we had no way of knowing that Nixon was going to abruptly leave office, but he did. I think I was in the Governor's office when Nixon resigned. I can't remember – this is going to sound odd – but I don't have that good of a memory for an incident, but I can't remember if Reagan was there, if he was watching. But I do remember being in the Governor's private office when Nixon announced his resignation on television. And so everything was up in the air.

KRISTOL: And Reagan had been a pretty good supporter of Nixon, right? I mean, he didn't kind of – wasn't one of those Republicans who sort of turned on him and said –

BELL: No, that's right. He didn't, he tended to trust Nixon on foreign policy. He was skeptical of détente, but he didn't outright attack it the way some conservatives did. He opposed the family assistance plan. And in fact, his opposition of the family assistance plan, the guaranteed income welfare plan, led to his biggest success as Governor, which was a reduction by about 350,000 in the California welfare rolls with state-based welfare reform. So he opposed Nixon in those areas where he didn't think Nixon was doing the right thing but he had a pretty amicable relationship with him as long as Nixon was President.

KRISTOL: And I remember that he didn't sort of, he was skeptical, I think, of the liberal media attacks on him, and I think I ended up helping Reagan somehow, that he wasn't – a lot of Republicans got credit for being early in turning on Nixon and seeing that he did do some things wrong, obviously with Watergate, but I think Reagan probably ended up helping himself by not going down that road.

BELL: No question about it. It left him viable with the Republican context. Now, Bill Rusher, remember he's the one who originally introduced me to the conservative movement, and actually he got me the job with Reagan because he was close to Governor Reagan at that time and Mrs. Reagan. And he got me the interview with Reagan's people, Jim Lake, Mike Deaver, Ed Meese.

And so I was hired as the first person who was going to be a full-time presidential oriented operative because Watergate was such a big thing and mixing politics with government, I asked that I be put on a different payroll than Sacramento's government. And I wound up I was being paid by the Republican State Committee. But I was, I had the free run. I could go in and out of the gubernatorial offices, write memos and work with Reagan's political aides. And I did that for the second half of 1974, his last six months as governor.

KRISTOL: And then '75, '76, he runs, right?

BELL: He runs. I went to Washington when Citizens for Reagan started as an exploratory committee in '75 under the campaign manager John Sears. Lyn Nofziger went to Washington, too. And Jim Lake was already there, and so we had a core team starting Citizens for Reagan in mid-1975. That's when the exploratory committee was filed. And then Reagan announced on November 20, 1975, in New York City.

KRISTOL: Right. The Statute of Liberty? No.

BELL: No, that was '80.

KRISTOL: That was the '80 campaign.

BELL: But Sears wanted him to announce in the Northeast. He wanted him to show that he wasn't afraid of being in the middle of the citadel of liberalism. It was a good contrarian approach for the Reagan campaign, which was essentially a challenge against a sitting Republican president.

KRISTOL: It's pretty amazing when you think about it. How many second thoughts were there about that? Were there moments in '75 when people close to Reagan or maybe Reagan himself said, "Ford is a Republican, he's not as conservative as we are, but he's a heck of a lot more conservative than the Democrats, he's vetoing stuff right and left that the Democratic Congress is passing, we're in such bad shape after Watergate, we can't afford a divisive primary, maybe you should step aside, Governor Reagan?"

BELL: Reagan – when Ford became President in August of 1974, it looked like Reagan was going to swing behind him for a while. For a couple of months, he was – he believed it was very important to have the party unified. But Ford never called him. Literally, never put in a telephone call to the governor of the biggest state. And he was very close, Ford was very close to Melvin Laird who was Nixon's Secretary of Defense. I think he was in the private sector at the time, he had been in the U.S. House of Representatives earlier. And Laird, I was told secondhand, that Laird had utter contempt for Ronald Reagan, like many Republican elites at the time did. And he said, "He's an actor, he's a light-weight, Jerry, you don't have to pay any attention to him whatsoever, don't even call him."

And then Ford picks Nelson Rockefeller as his own successor, and eventually somebody got around to mentioning to Ford "You might have a problem out in California in the nomination." And so he much too late, he finally reached out to Reagan and he offered him Secretary of Commerce. Yeah. Reagan turned it down on the spot because he knew that it was all, you know, political and phony. And so I think Ford, there's a good chance Ford could have kept Reagan out of the race if he had just treated him politely but he didn't.

KRISTOL: And the Rockefeller –

BELL: The Rockefeller thing made it clear where Ford was, where he was going.

KRISTOL: It's sort of amazing in retrospect. I guess, maybe at the time, it wasn't obvious, though, that the balance of power was moving in a conservative direction, and it seemed sensible to appoint Nelson Rockefeller as your VP. And sort of in retrospect, it seems like you've got a party that, well, I guess the party – I guess it just wasn't obvious after Watergate that the party was going to be moving in a conservative direction, right. Maybe –

BELL: Well, it's hard to picture the honeymoon that Ford had for the first month. He was, he made his own, he fried his own eggs in the kitchen and things like that. And many people were just so relieved that somebody had been able to replace Nixon that he had an incredible honeymoon and so he could do no wrong.

And so the whole assumption was you had to reach out to the Left because the Left had been the greatest enemies of Nixon. And so even though Nixon had been a fairly liberal president, nevertheless, the whole premise of Ford's succession was that you had to heal the country, you needed healing. And conservatives felt they could use some healing, too, and they weren't getting very much at the time. He was going to the Left on virtually every issue.

KRISTOL: And so let's talk a little bit about the Reagan campaign and him personally. So you got to know him, obviously, before he was President and when he was a little bit when he was Governor, I guess, but then really during the campaign, you were right there, right? I mean –

BELL: Yeah, yeah. I went through a lot of it. I became a controversial person myself because I got Reagan in trouble with a big decentralization plan in 1975, and he was attacked on it in '76, and it's a big, probably is a big reason why Reagan lost the New Hampshire primary by one percentage point and –

KRISTOL: You wanted to send money back to the states.

BELL: That's right, and New Hampshire didn't have a state income tax, so the Ford campaign hit on the idea of saying, well, if Reagan's decentralization happens, then New Hampshire will have to have an income tax. And they ran on that basis. I don't think it was a particularly devastating line of attack but Reagan, I had made a big mistake in making the plan too complex to easily describe or defend, and so Reagan had to kind of back off it.

And later in the '76 race, he made a comeback after losing the first three primaries by increasing margins. New Hampshire at that time, then Florida, then Illinois, he lost almost 3 to 2 in Illinois. And he started attacking the foreign policy starting in the Florida primary, he started attacking détente, he attacked Kissinger, he attacked the Panama Canal giveaway and he started to, from a low point, he started to get some traction on foreign policy.

KRISTOL: And came close.

BELL: Came close. Wound up winning the North Carolina primary, which he had already taken off from, to avoid election night in North Carolina because his advisors were so sure that he was going to lose there and he was going to go out to California to – he probably would have dropped out of the race or suspended his campaign within a week.

But then in mid-flight, Reagan found out that he had won the North Carolina primary. He didn't believe it at first. Charlie Black, a friend of mine who was Reagan's – one of Reagan's top people, I wasn't on the plane but Black told me that he had gotten word from the ground, it wasn't easy to get ground information in those days, but he didn't get information. "Governor, you won." And at first, Reagan didn't believe him, didn't believe that he actually won. He had just been ground down so much by the earlier defeats.

KRISTOL: And then Reagan went on and had some amazing victories later –

BELL: He won 12 primaries. I, because I had been somewhat discredited on the issues side, I was the research director but Sears let me go out to Texas, which turned out to be the second primary that Reagan won. And I was instructed to not replace anybody in the campaign but make a special effort to work on the crossover vote because Texas had a low turnout primary in the past, a Republican primary that was very low turnout.

And Sears decided that the key to winning Texas was to get people who would never vote at a Republican primary to cross over. They had open registration. They don't have party registration in Texas. So there wasn't any barrier to people crossing over. And the turnout, Ford lost to Reagan in Texas, even though he met his own vote goals. But Reagan won 100 out of 100 delegates in Texas and he got 70 percent of the vote because so many Democrats, Wallace, George Wallace Democrats crossed over and voted for Reagan in Texas. And that was a fantastic experience for me because it brought me out from the pits, I was basically operating the broom closet in Reagan headquarters because I had been kind of disgraced and –

KRISTOL: Because of this policy –

BELL: Sears let me go out and do some real elective politics, and that got me very interested in another whole aspect of politics and kind of led to my own elective efforts later.

KRISTOL: Talk about populism for a minute because you've written on that, and it's unusual for a conservative to raise that term and you were one of the first. It's less unusual now than it was 25 years ago but you raised it quite a long time ago and that was always a distinctive aspect of you as a conservative thinker, I would say, in addition to being an activist.

BELL: Yeah, I remember discussing that with your father. He didn't like the term populist because to him it connoted a kind of nativist, anti-Semitic overtone, which certainly was true of the first populist named movement, which was the populist movement in the US in the 1890s. So I can understand the concern he had about that.

But I believe populism is a system of thought that involves optimism about people's ability to handle their own affairs as opposed to the ability of a leech to handle their affairs for them. So the connotation I would put on populism is optimism about people and optimism about people as voters, as economic actors, as family members, that if you leave people in the position where they can have more of an appropriate influence on their own lives, they will do fine. And it's very consistent with Reagan, with Ronald Reagan's view of people.

KRISTOL: And consistent with, I think, a kind of Hayekian skepticism about experts and planning and all that stuff, too. Just a more common-sense way that, you know, the experts are right much less than they think they are. That's certainly come to a head under President Obama, I would say. But your *Populism and Elitism* book came out when?

BELL: 1992.

KRISTOL: But you'd been working on it a long time. And you and my father discussed it, I guess, in the late 70s when – weren't you at AEI for a year and I think you overlapped –

BELL: Yeah, I was there a little after that, after my second defeat. But I was at the Eagle Institute at Rutgers working on it earlier. I mean, it took forever to get the thing done and to realize what kind of a book it had to be.

KRISTOL: I hadn't realized he had argued with you about it. But he did write – I believe I should look this up – I think he wrote a piece defending Proposition 13 in the *Wall Street Journal* in 1978, which I'd say typically Republican and conservative –

BELL: It was almost unheard of when he defended it.

KRISTOL: Yeah, because it was kind of a crude instrument, it wasn't the right kind of tax cut. If you were an economist, you had other preferable forms of tax cutting, it was an initiative, which conservatives had been taught over decades to dislike. We like representative government, we don't like, you know, these populist kind of gimmicks that were introduced by the Left, really, by the Progressives in the first part of the 20th century.

And I think he used one of those pieces in the *Journal*, the phrase, that we may not love populism, there's sort of some downsides to it, but that we need sometimes to have a populist remedy. He paraphrased Madison who in the *Federalist* talks about "the Republican remedy to the diseases most incident to Republican government." I think that's the phrase. And he said, sometimes in the modern era, we need a populist remedy to the diseases incident to populist government, which is the welfare state and big government. And so maybe you influenced him to be somewhat earlier. He was somewhat friendlier to populism.

BELL: No, no. He didn't like the title.

KRISTOL: No, I understand but he –

BELL: Without him, the book would never have been able to be written. I mean, he got me my grants, and he encouraged people to look at this. And, you know, he couldn't have been more helpful to the ideas within it. It was really, I think, more rejection of the term *populism*.

KRISTOL: But even I remember he wrote that and I remember some friends, well, you shouldn't be endorsing populism. But also it's partly that is kind of a neoconservative thought. I guess you'd say you've got to adjust to the times. And, you know, you're in a modern mass democracy, and it's kind of silly to be so fastidious about the, well, we're not going to embrace initiatives, only the Left gets to have initiatives and referenda. You know, that's kind of ridiculous, right?

BELL: Yeah, your father was instrumental in the early supply-side movement. He got Jude Wanniski his first fellowship at AEI. Yes.

And in 1982, right after we were going through this horrible recession, and Bill Bradley introduced the Bradley-Gephardt Bill, which cut the top rate from 50 to 28 percent, I believe it would have been. Or no, it was a little higher with him. He had three rates, 14, 26, and 30. And we were saying well, how shall we respond, should Jack Kemp, this was in Jack Kemp's backyard. I'll never forget your father said, "Well, why don't we endorse Bradley-Gephardt?" And there was a stunned silence.

KRISTOL: Because it was a Democratic bill.

BELL: A Democratic, two liberals. And your father, he had that ability to just ask a very simple but contrarian question, and it pushed the supply-side movement off in an unexpected direction, and I wound up calling Bill Bradley and working with him on it, probably, in part, because of that whole conversation in Kemp's backyard as dusk was falling and your father just having this one – "Why don't we support Bradley Gephardt?" because it was better than the present system. He was absolutely right.

KRISTOL: And you worked on the tax reform effort?

BELL: I did, between '83 and '86, between '84 and '86, I virtually did nothing else and wound up becoming a friend and collaborator of Bill Bradley, the man who had defeated me back in '78. And when the Tax Reform Act of '86 passed in its Senate version, which cut the top rate to 27 percent, it later wound up being 28 after a conference with the House, it passed 97 to 3 in the U.S. Senate.

And Bill Bradley, which he recounted in some videotape for some historical stuff at the University of Virginia, he poured me a glass of champagne in his office and poured one for himself, and we toasted that successful bipartisan collaboration. That was May of 1986. I would say in terms of me having some positive impact on the policy of this country, that's when I peaked. Everything else has been a decline.

KRISTOL: It was a good peak, though.

BELL: It was a fun peak, and it also kept my hopes alive even when there were a lot of setbacks later on.

IV: Conservative Ideas and 2016 (1:13:43 – 1:30:47)

KRISTOL: So here we are after the 2014 election. You fell unfortunately a bit short in New Jersey, but an awfully good night for Republicans. You've always been a shrewd and often contrarian political analyst. So what's your, what's the state of play, what strengths, weaknesses, is 2014 as good a year as Republicans think? How worried, optimistic should we be about 2016, the state of the conservative movement? Everything.

BELL: Well, it was a great year, but I don't think we should overdo our optimism about 2016 for a very simple reason. When you have an off-year election, somebody is President and you're saying yes or no

to the way that President is handling things. There isn't really an idea of two different paths to the future. That is what a presidential year is about, particularly one that like 2016 is going to be a non-incumbent year when you have two nominees, the Democrat and Republican, and we're talking about two different pathways to the future. The 2012 campaign –

KRISTOL: So you buy the argument that presidential elections are pretty different from midterm elections –

BELL: Not because of the turnout. I disagree with the idea that the turnout is so different that that makes it two different Americas. That's nonsense. It's really about the nature of what the American people are being asked to do.

KRISTOL: It's not an up-or-down on the incumbent. And you also buy the argument, I think and this is something I think I learned from you a little bit, that the open-seat presidential elections are very different spirit, if I can put it that way, from the re-elects which are to some degree a referenda on the incumbent.

BELL: Yeah, they're a yes-or-no in one sense. But Mitt Romney, for example, could have made it much more of a two pathways election if he had had a specific program for the economy and for other things. He didn't. He was convinced, his advisors were convinced that all he had to do was say that Obama was unsuccessful in having a strong economy, which the American people agreed with. But he didn't feel he had to have an alternative path. I think this was fatal.

To me, the biggest moment in the 2012 election was not a speech by Obama or Romney, it was the speech by Bill Clinton at the Democrat Convention. And if you recall, he asked a question in the middle of the speech. It was a very well-delivered speech. It was seen by tens of millions of people and he said, "Why would we turn the economy over to the people who got us in trouble in the first place?"

And what was Mitt Romney's answer to that? None, there was no answer. He did not try to rebut that. No one on the Republican side did. And they had to if they had any hope of winning because voters remembered when the financial crisis started. It didn't start under Barack Obama. It started under George W. Bush by a margin of overwhelming, I can't remember if it was 60 or 67 percent. They blamed Bush more than Obama for the economic stagnation that we've been in for so many years. And you had to have an answer to that question Clinton asked.

KRISTOL: And the answer wasn't so much blaming Bush. It was having your own forward –

BELL: You had to have a narrative about what had happened, where did we go wrong, where would I not go down the path that Bush or Obama did, but I have a different path to the future. Romney made no attempt to do that. And in fact, the theme that he did run, I think, may have been actively counterproductive because it was based on the importance of entrepreneurs, job creators.

And I don't know how many people in the conservative movement have seen the movie *Horrible Bosses*. It was very successful, so successful that they've actually put out a sequel. And when people hear "Let business, they create the jobs, I know how to do that, I've done it at Bain Capital," they're thinking to themselves, I think, "He wants to help my boss." Most people don't like their boss that much. And if you hinge your –

KRISTOL: They don't want government to be on the side of the boss.

BELL: Exactly. And if you go to a focus group and ask typical voters, Democratic leaning or independents, where do you think, who do you blame for the fact that your wages aren't going up, you can't get a job, your kid's got a college degree and he can't get a job? They blame business. And there isn't any alternative thesis out there that says business is a bystander, too.

Now, I thought and I still think that monetary reform is the way to explain the peculiarity that we've had in recent years, particularly the stagnation, the worst, the slowest recovery in American history, the lack of private-sector job creation, no net full-time jobs compared to the trough of the recession. And it's an explanation of where Bush went wrong. But it wasn't offered in 2012. And unless we offer something different as a specific program toward the future, I think Hillary Clinton will be talking about the 1990s economy, which was a very good one, and we could be in trouble in November 2016.

KRISTOL: Do you buy the Republican, the line of some conservatives and Republicans that Hillary Clinton is overrated and not that strong a candidate?

BELL: Sure. But in the exit poll, they took a poll of her and all the prominent Republicans who were thinking of running for president, the office-holders, Chris Christie, Marco Rubio, Ted Cruz, Rand Paul. And she was – and they asked a very simple question, which I think was a good question from a pollster point-of-view, they asked, “Do you think X will make a good president?” Hillary was, I believe, in the low 40s.

KRISTOL: 43, I think. I looked at the number.

BELL: More people didn't think she would be a good president than did. But no Republican got out of the 20s. So that's where we are. That is the reality of where we are. People are not sure they've heard anything from this group of Republican candidates that tells them that they would be a good president. And that's a mountain that we've got to climb and we've got to climb it with credible, concrete, specific ideas.

KRISTOL: And especially economic growth.

BELL: I think economics –

KRISTOL: You think that's the key –

BELL: When the economy is stagnating, it's hard to pay that much attention to anything else. I do think foreign policy has hurt Obama quite a bit because the world seems to be falling apart and we seem to be a spectator. But if you don't have a credible answer to restore the kind of economy that Americans are used to, I don't think your candidacy is likely to be that viable.

KRISTOL: And are you reasonably optimistic that Republicans – do you think Republicans grasp this or do you think they're going to kind of coast along thinking it's enough to just be anti-Obamacare, which is fine, I'm anti-Obamacare and anti-Obama's foreign policy and –

BELL: Well, we're having this conversation two and a half weeks after the November 4th midterm elections and from everything I see and people I talk to, the Republicans are geniuses, they are brilliant. They wouldn't have won nine U.S. Senate seats and gained so many state legislators, as well House members, unless they absolutely know exactly what they're doing.

And so I think, at least for a while, it's going to be hard to convince a Republican leader that they have to do something more positive. So I think but that could be just an overlay of the election, and we haven't really heard the perspective presidential candidates whether they have specific ideas for the future. So maybe I'm a little overreacting the euphoria that we feel right at this particular moment.

KRISTOL: Right. And do you believe that that typically the positive, concrete agenda can come out of Congress or is that really a presidential candidate?

BELL: Well, I think it depends. I mean the supply-side movement came out of Jack Kemp who was a backbench Congressman and wasn't even on the Ways and Means Committee, wasn't even on the Tax

Writing Committee at the time, never was, actually. And he was kind of an amateur. He was an athlete. And you had his collaboration with Reagan – you had a quarterback and a movie star. Often, it's people from not just outside the presidency or the presidential race, but it's people from outside politics who can revitalize things. And we could be at such a moment. But I don't think there's any one rule about where the idea comes from or originates. But it does have to get into the presidential debate at some point for it to be transformative.

KRISTOL: And do you buy these arguments one often hears in Washington – it's got to be a Governor, Governors are better than Senators, or, conversely, Senators have national and foreign policy experience and Governors don't have that. Or do you think all that's overdone kind of?

BELL: Well, I think if everything else is equal, the governor thing has – it has a track record. I mean, more people have been elected to the presidency from governorships or being former governors than from the Senate or House.

But I don't think it matters all that much in a time when people feel that we've lost our way. I think it has to be from somebody who has a concrete idea of how to get into the future, of how to revitalize the American people, the American economy. And so I don't put too much stock in the Governor versus Senator thing.

I think governors, some of the governors I've heard talk as if what they did in their state is completely analogous of what they would have to do in the presidency. And I think that's a mistake because the presidency is a different office but it's also backward-looking. These people are talking about things that have already happened and you have to be completely future-oriented in your program or else people don't really – it's a credentialing thing. Reagan was helped by the fact that he had helped solve the welfare crisis in California. But it's only a credentialing thing. He couldn't run on having a welfare reform program federally – even though he did have one. It was you have to have a broader agenda and know what you're talking about in different areas that have very little to do with being a governor.

KRISTOL: Yeah, I know. I'm still on this point of yours, which I think is a good one. Often that governors win, but the governors who have won have not spent much time if you look at their typical speeches talking necessarily about what they did as governor. It's a credential. It's how you're doing, you governed a state.

BELL: Was this guy competent?

KRISTOL: But I mean if you think of Reagan, if you think of Clinton, the New Democrat agenda in '92, Bush even in 2000, compassionate conservatism –

BELL: He did, he did tort reform in Texas, and that wasn't a big issue when he won the presidency.

KRISTOL: Right. They each had a distinctive national vision. But in each case, let's say Reagan, Clinton and Bush, was a little bit orthogonal to the mainstream of their own party. It was a kind of a reformist – it was a change vision even within their party as well as, of course, against the incumbent party. So –

BELL: I think they were all, to develop that point, I think, they were all contrarians in their party context.

KRISTOL: Yeah. And I think, I mean, I like a lot of the governors now, but I do worry a little that they think it's – they were good governors and they want to be good presidents. But that's not, you know, that's not really an agenda, I guess.

Young versus old, do you have a view, you know, young reformer against the older Hillary Clinton, but on the other hand, the world is falling apart so people want experience. Or do you think all that stuff again is just fun dribble in the sense that it depends on the particular individual? I mean –

BELL: I think when foreign policy comes to the fore, people are more interested in an older president if they think foreign policy has a chance to be dominant as a big crisis. I once looked up the ages of the entering presidents, and the oldest presidents took office during the Cold War, Eisenhower, Reagan. Some young ones but on average, it was the oldest presidents in history.

KRISTOL: Right, right. I was talking with someone just the other day about – who was looking for analogies to what this race is like. And everyone agrees it's the opposite of the usual because the Democrats have the frontrunner, the prohibitive frontrunner. The Republicans have the wide-open field. And Democrats look like they'll nominate the second-place finisher from the previous competitive race and the Republicans have all the young –

BELL: Role reversal, isn't it?

KRISTOL: Yeah, so that's kind of interesting, but if you think of the Democratic races in '76 and '60, both of which you remember, the primary races, I guess, if you think those are – maybe those are decent analogies to the Republican race this year or the other party would have been in power for eight years and they had a pretty good chance to win but it wasn't foreordained –

BELL: It wasn't a sure thing in either case.

KRISTOL: They had good off-year elections in the preceding two years, Democrats in '58 and '74. Those were wide-open primaries. I mean, if you think about the flukiness of Carter won by, you know – I can't remember, you know he won some primary with 21 percent, and Udall had 20 or something. I mean, it wasn't as if – Republicans have forgotten what – I mean, really haven't experienced, I would almost say, what it's like to have a genuine multi-candidate wide-open race, which I think –

BELL: I think 2000 could have been but something happened between '98 and '99. I think it had to do with Clinton's impeachment. But all of the sudden, George W. Bush, instead of being one guy in the middle of the pack in the earlier polls, suddenly emerged as an overwhelming favorite.

KRISTOL: Right. But I think the Kennedy victory in '60 and the Carter victory in '76 – I was just thinking about this talking to a reporter, actually was just trying to think through, well, what are the dynamics of this kind of race?

And I kind of think both of those were wide open and could have gone which way, many credible candidates. Think of '60 – Kennedy, Humphrey, Johnson, Symington. I mean, you know, no reason one of them, any of them could have won, I mean, presumably. Carter in '76 – Udall, Bayh. I mean, Republicans are sort of out of the habit of, I think, having a race like that. I don't know which way that cuts really or whether it helps a particular candidate or kind of candidate.

BELL: Well, I think that in '60 before primaries had become dominant, Kennedy became the primary candidate. He won the first primaries. The other candidates were kind of staying out. It wasn't necessary to win that many primaries at the time. Keith Fauver had won a lot of primaries and didn't get nominated in the previous cycles.

So, but I think that winning the primaries even before the primaries obtained a majority of the delegates was quite important in an open situation that you're getting a mandate from specific voters. And so winning those first couple of races – Iowa, New Hampshire, South Carolina – that's going to determine the nominee, I think.

KRISTOL: And could a genuine outsider win? I mean someone who's not been –

BELL: Yes, yes, I think so because the political class is very unpopular. Congress, Republicans in Congress are rated even lower than Democrats in Congress as one example. And so there's a lack of faith, a lack of trust in the conventional elected politicians. So that sets up a situation where you could get somebody from outside politics doing fairly well.

Reagan and Kemp were hybrids in the sense that they were from another field, but they had already succeeded in politics and winning elections. But when the elected politicians are cracking up, when it doesn't seem like they have any real answers, they're just playing games, then a lot is going to depend on how these Republican elected officials who were thinking of running how they put together their campaigns.

KRISTOL: Something to look forward to over the next two years. Jeff, thanks a lot for joining me today, and thank you for joining us on CONVERSATIONS.

[END]