



# STUDY GUIDE

## JFK: DEMOCRAT OR REPUBLICAN?

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**KEY TERMS:** mainstream policies affirmative action  
profits red lines NRA

<b>NOTE-TAKING COLUMN:</b> Complete this section <i>during</i> the video. Include definitions and key terms.	<b>CUE COLUMN:</b> Complete this section <i>after</i> the video.
<p>In what year were President Kennedy's views considered 'mainstream' by the Democratic Party?</p> <p>What happened when President Kennedy responded to the Cuban Missile Crisis with the threat of military action?</p> <p>How did President Kennedy characterize Japan's post-WWII use of abortion as a means of population control?</p>	<p>Why wouldn't President Kennedy be accepted and supported as a Democrat today?</p> <p>How do President Kennedy's policy positions compare to that of the Republican Party?</p>

## DISCUSSION & REVIEW QUESTIONS:

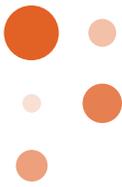
- Towards the beginning of the video, Mr. Elder explains that, “When he was elected president in 1960, Kennedy’s views were considered mainstream in the Democratic Party. But while the Kennedy name is still revered by Democrats today, the policies he espoused are not.” Why do you think that President Kennedy is still so popular and well-liked amongst Democrats even though his views and policies would be considered ‘conservative’ by most on the left today?
- Later in the video, Mr. Elder asks, “Ronald Reagan, America’s 40th President, who was a Democrat much of his life, famously said, “I didn’t leave the Democratic Party. The party left me.” So, if Kennedy were alive now, which party would he belong to?” What do you think President Reagan meant by his famous line about the party leaving him? How would you answer Mr. Elder’s query regarding which party President Kennedy would belong to today? Explain.
- Mr. Elder goes on to share with us, “JFK disliked the idea of using racial preferences and quotas to make up for historic racism and discrimination. Today, affirmative action is Democratic Party orthodoxy, but Kennedy thought such policies were counterproductive.” Do you think that the purpose of affirmative action is to make up for historical injustices? Why or why not? What do you think Mr. Elder means by characterizing affirmative action as ‘Democratic Party orthodoxy?’ Explain. Why do you think that President Kennedy believed making racial preferences and quotas statutory would be counterproductive? Explain.
- Mr. Elder also points out that, “JFK believed, as Ronald Reagan did, in peace through strength, not strength through peace. In his inaugural address, Kennedy made the case for a strong U.S. military. He saw this as the only way to deter America’s enemies. ‘Only when our arms are sufficient beyond doubt,’ he said, ‘can we be certain beyond doubt that they will never be employed.’” Why do you think that these two great presidents believed that the ‘peace through strength’ doctrine was a much better one than the ‘strength through peace’ one? Why do you think that today’s progressives would disagree? Explain.
- Mr. Elder concludes the video by stating, “Today, if a Democrat advocated the positions on race, taxes, foreign policy, guns, and abortion that our 35th President once did, he wouldn’t be a Democrat. He’d belong to that other party.” Why do you think that the Democratic Party has moved so far away from the policies it advocated so strongly for less than a lifetime ago? Do you think that John F. Kennedy, if he were alive and held the same views now as he did then, could be elected president and be so well revered? Why or why not?

## EXTEND THE LEARNING:

### CASE STUDY: Revenue Act of 1964

INSTRUCTIONS: Read the article “John F. Kennedy and Ronald Reagan Proved Tax Cuts Work,” then answer the questions that follow.

- What did Michael Harrington estimate the economic condition of the nation to be in the early 1960's? What was Senator Kennedy's campaign slogan? What did the CEA professors advise President Kennedy to do? Who was C. Douglas Dillon, and what did he advise President Kennedy to do? What was Dillon's reasoning for his advise? Which campaign promise did President Kennedy posthumously fulfill?
- Do you think that the Revenue Act of 1964 (also known as the Tax Reduction Act) should be considered a 'conservative' measure? Why or why not? Do you think that such a bill could pass through congress in bi-partisan fashion today? Why or why not? Do you think that this legacy of President Kennedy is valid support for the notion that he was at least moderately conservative (especially compared to the leftists of today)? Explain.
- What conclusions can you draw from the fact that President Kennedy ended up taking the advice of his Republican advisor, and that later President Reagan, also a Republican, followed the same ideas to bring about great economic prosperity to the country?



# QUIZ

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1. If Kennedy were alive now, which party would he belong to?
  - a. Democrat
  - b. Republican
  - c. Independent
  - d. It's impossible to know.
  
2. Kennedy thought policies like affirmative action were \_\_\_\_\_.
  - a. progressive
  - b. forward-thinking
  - c. counterproductive
  - d. old-fashioned
  
3. In his inaugural address, Kennedy made the case for \_\_\_\_\_.
  - a. isolationism
  - b. a strong U.S. military
  - c. illegal immigration
  - d. pacifism
  
4. Kennedy was one of eight U.S. presidents who was a lifetime member of the NRA.
  - a. True
  - b. False
  
5. Which of Kennedy's views would be considered mainstream to today's Democratic Party?
  - a. Taxes
  - b. Foreign Policy
  - c. Abortion
  - d. None of the above.



# QUIZ - ANSWER KEY

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<http://time.com/4511870/john-f-kennedy-and-ronald-reagan-tax-policy/>

# John F. Kennedy and Ronald Reagan Proved Tax Cuts Work

Lawrence Kudlow and Brian Domitrovic

Sep 29, 2016

Ideas

*Lawrence Kudlow and Brian Domitrovic are the authors of JFK and the Reagan Revolution: A Secret History of American Prosperity*

“Drive out Detroit’s East Jefferson Avenue... the main thoroughfare to the well-kept suburb of Grosse Pointe, and in one five-mile stretch you see: More than 50 abandoned stores, lunch counters, barber shops and other small retail businesses—A line of patient applicants for relief shuffling toward the double doors of the ancient, castle-like Public Welfare Department Building—A neighborhood movie house hinting at its efforts to double as a cheap hotel with the announcement: ‘New Policy—now Open All Night’—A half-empty workers’ parking lot just west of Chrysler Corp.’s main Chrysler division plant—A corner pawn shop with a disconsolate sign over its loan window that notes unapologetically: ‘No Funds for Loans Until Next Week.’”

A newspaper account of 2010? No—1958. There was a major recession in 1957-58, one about as severe, in terms of the drop in economic output, as the Great Recession of 2008-9. The 1958 recession was different in that it was nothing new. There had been a recession in 1949-50, another in 1953-54, and there would come another in 1960-61. Four recessions in eleven years—a dubious feat that has happened only twice since World War II. The other time was from 1970-81, the era of stagflation between the eras of the two foremost post-World War II presidents, John F. Kennedy and Ronald Reagan.

That the 1950s were not years of consistently expansive, ever-blooming prosperity is a surprise to many Americans. We are given to think that the first full decade after World War II was phenomenal economically, perhaps the greatest era of prosperity that there ever was. According to popular lore, in the 1950s jobs were abundant, they paid well, they were for life, you could raise a big family, afford a new suburban house, several cars, and then some. This was true for some who worked for the big firms, but the consistency of recessions meant that structural unemployment—those still without a job at the peak of an economic expansion—rose remorselessly in the 1950s. Social researcher Michael Harrington estimated by the early 1960s, about a third of the nation’s 180 million inhabitants lived in conditions of chronic joblessness if not poverty.

When Kennedy ran for president in 1960, his most prominent campaign slogan was his pledge to “get this country moving again.” That summer, both political parties specified in their platforms and pre-convention statements that the national rate of economic growth had to double to a long-term rate of 5% per year.

The Democrat Kennedy was lucky that the Republicans nominated the incumbent Vice President, Richard Nixon, to head their ticket. Nixon was in no mood to concede the point that American economic performance was substandard, because he had been #2 in the Dwight Eisenhower administration, the caretaker of the status quo, over the last eight years. As the election hit the stretch run in October 1960, unemployment swelled as the latest recession reached its most intense phase. Kennedy won the vote by a slim margin and prepared to face the problem in office: how was the nation to shake its pattern of constant recessions and a slow rate of economic growth?

Kennedy was not sure what to do, initially. He had little experience in economic policy and more of an intuitive grasp of economics than any gained from study or business affairs. Therefore, he chose to load up on economic-policy advice, to hear out the range of views of what might be done to “get this country moving again,” and then make his choice. He convened three “task forces” of experts during the presidential transition, stacked his Council of Economic (CEA) advisers with Keynesian professors from the top universities, and named a Wall Street Republican by the name of C. Douglas Dillon his Treasury secretary.

In his first year in office, Kennedy chose to give the CEA professors a whack at the ball. They recommended a huge panel of new spending initiatives, a slew of additional post offices, national-park programs, hospital-construction projects, veterans benefits, and other things that pushed budget expenditures up by 15% in two years in the name of escaping recession and building a foundation for growth. However, in the recovery year of 1961, growth totaled only 2.6%, barely above the long-term average. In the previous recovery year, of 1959, growth had been 7%.

In early 1962, Kennedy realized something was wrong with his program. The signs were coming from all directions. He was having trouble with business leaders. The most notorious case was that of U.S. Steel chief Roger Blough, who assured Kennedy of his company’s commitment to making decisions corporately with labor and then showed no compunction in waltzing into the Oval Office and handing the president a memo saying that workers would get no share of a major product-price increase. Kennedy got to hear Wall Street wags speaking of a “Kennedy market,” namely a stock market that wavered in early 1962, had a one-day drop in May in point terms the worst since 1929, and hit a low in June nearly 30% below the peak of six months before. And he was attracting a slew of unsolicited outside advice, from businesspeople in America and policy makers globally who were suggesting that he reconsider the course of his economic policy. This outside advice generally settled on two points, which Kennedy would make explicit in his famous Yale commencement address of June 1962: the government should run a “high” (Kennedy’s term) monetary policy that kept the dollar strong, along with a “loose” fiscal policy focused on domestic economic expansion.

Given that his spending had proved a flop on this latter score, Kennedy turned to his Treasury secretary, Dillon, who had a plan to cut income tax rates across-the-board, from 20% to 30% apiece. The astronomically high tax rates of the time—the top rate of the income tax was an incredible 91%—was the reason, Dillon assured the president, that the

nation could not shake the economic slows. As soon as people started doing well, given such high progressive tax rates, their earnings hit the tax structure, and severe disincentives to work and invest kicked in.

That summer, Kennedy adopted the plan and put the full force of his persuasive powers into getting a big tax-rate cut through Congress. In September 1963, the bill passed the House. It was under consideration by the Senate when Kennedy was assassinated that November. That shocking event moved the Senate and the new president, Lyndon Johnson, alike to push through Kennedy's bill as a memorial to the slain leader. In February 1964, the Kennedy tax-rate cut won Congressional approval and became law. As Kennedy's tax-rate-cut, strong dollar economic policy was being articulated and then implemented in the latter half of the presidency, the nation embarked upon an eight-and-a-half year, uninterrupted run of growth at just over 5% per year. Rarely have campaign promises, especially one so bold as to double the long-term rate of economic growth, been so comprehensively fulfilled.

Kennedy's legacy was forgotten in the 1970s, when four consecutive presidents (beginning with Kennedy's own successor Lyndon Johnson) countenanced tax-rate increases and abrogating the dollar's longstanding link to gold. The result was stagflation—nil-to-negative economic growth in the context of unheard-of increases in prices. One figure held fast to the Kennedy model: Ronald Reagan. When Reagan endorsed New York Rep. Jack Kemp's big tax-rate-cut plan in 1977, he gave Kennedy credit for hatching the idea. As president in the 1980s, Reagan said repeatedly that his own tax cuts were taken from the Kennedy model. And also like Kennedy, Reagan stayed away from name-calling, snark, and demonization, using the art of persuasion to get tax-cut opponents to come over to his side. Reagan's method worked stupendously, as had Kennedy's. The major tax-rate cut of 1986, which took the top income tax rate down to a five-decade low of 28%, passed the Senate 97-3, as the nation enjoyed a long run of growth comfortably over 4% per year.

The Kennedy-Reagan policy mix of tax-rate cuts in the context of a strong dollar remains untried in the 21st century, a now nearly 16-year period of unprecedented economic sluggishness. The two greatest political figures of the last 60 years gave us the model we need today, to set our great nation back in its natural groove of growth again.