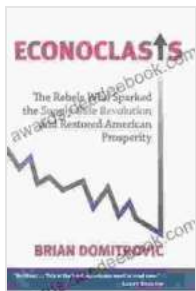# The Rebels Who Sparked the Supply Side Movement and Restored American Economic Greatness

The supply side movement of the 1970s and 1980s was a revolutionary approach to economics that helped restore American economic greatness. This article tells the story of the rebels who sparked this movement and their lasting impact on the country.

Econoclasts: The Rebels Who Sparked the Supply-Side Movement and Restored American Prosperity (Culture of Enterprise Book 3358) by Brian Domitrovic

★★★★☆ 4.2 out of 5

Language	: English
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Screen Reader	: Supported
Enhanced typesetting	: Enabled
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The Roots of the Supply Side Movement

The supply side movement emerged in response to the economic stagnation of the 1970s. The traditional Keynesian approach to economics, which focused on stimulating demand, had failed to revive the economy. Instead, it had led to high inflation and unemployment.

Supply side economists argued that the key to economic growth was to stimulate supply, not demand. They believed that cutting taxes and reducing regulation would encourage businesses to invest, hire more workers, and produce more goods and services.

The Rebels

The supply side movement was led by a group of renegade economists, including Arthur Laffer, Jude Wanniski, Robert Mundell, and Jack Kemp. These economists were willing to challenge the prevailing wisdom of the time and advocate for radical new policies.

Laffer was a young economist at the University of Chicago when he developed the Laffer Curve, which showed that tax cuts could actually lead to higher tax revenue. Wanniski was a journalist who popularized the supply side movement through his writings in The Wall Street Journal.

Mundell was a Nobel Prize-winning economist who developed the Mundell-Fleming model, which showed how exchange rates affect economic growth. Kemp was a Republican congressman who became a leading advocate for supply side policies in Congress.

The Reagan Revolution

The supply side movement gained traction in the late 1970s, when Ronald Reagan was elected president. Reagan adopted many of the supply side policies advocated by Laffer, Wanniski, Mundell, and Kemp.

Reagan's tax cuts, deregulation, and defense spending helped to stimulate economic growth in the 1980s. The unemployment rate fell from 10.8% in

1982 to 5.4% in 1989. The stock market soared, and new businesses were created.
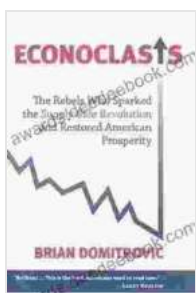
The Reagan Revolution, as it came to be known, was a turning point in American economic history. It marked the end of the Keynesian era and the beginning of a new era of free market economics.

The Legacy of the Supply Side Movement

The supply side movement has had a lasting impact on the American economy. Its policies have helped to create a more dynamic and prosperous economy.

The supply side movement has also had a profound impact on the Republican Party. The party has embraced supply side principles as its core economic philosophy.

The rebels who sparked the supply side movement are among the most influential economists of the 20th century. Their ideas have helped to change the course of American economic history.

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