DAWN OR DUSK FOR THE GOP?
The Republican party certainly looks a lot different than when it started. However, the GOP has also undergone a radical shift in more recent years, with former-President Trump inciting passion and anger from conservative supporters like no one else...

So where does the GOP stand now that Trump is gone and Biden is in the White House? And which Republican candidates stand a chance in the 2024 election? Publisher Trish Regan tackles the future of the Republican party with a rundown and forecast of the Right’s political realities and possibilities in the coming years.

Our Editor in Chief P.J. O’Rourke bravely volunteered to delve into Biden’s pork-stuffed “American Jobs Plan,” coming to the foregone conclusion that its creators need to seek another form of employment.

The hallowed halls of the Supreme Court have always tried to stand loftier than the muck of Congress or the White House... But vice president of the Cato Institute Ilya Shapiro writes that with partisan-led charges for court-packing and term limits, it seems the judicial branch won’t escape the injustice of politics.

Speaking of injustice, journalist and frequent American Consequences contributor Alice Lloyd details how progressive private-school parents push against the likes of critical race theory – meanwhile, their children’s education gets lost in the culture-war shuffle.

And another culture-war victim? What used to be America’s favorite pastime... Pro athletes have enough on their minds without having to sweat being political mascots. RealClearMarkets editor John Tamny explains that when it comes to the politicization of sports, there’s a glaring flag on the field.

Switching gears to investing, U.S. cannabis sales reached $15 billion in 2020, while industry employment could reach 300,000 jobs this year. In “This Ain’t Your Dad’s Weed Anymore,” commodities wizard Jay Caauwe explains how cannabis is a disruptive innovation ready to explode as a sector.

Along with NFTs, SPACs are one of those vague financial acronyms most of us don’t have a handle on – thankfully, finance expert Enrique Abeyta offers some much-needed clarification.

For Americans who want to grow their wealth at home, Executive Editor Kim Iskyan explains that it’s a sound strategy to invest abroad, as U.S. shares won’t outperform emerging markets elsewhere forever.

Finally, in this month’s Letter From the Editor, P.J. passed me the pen (don’t worry, he’ll resume writing it next issue), and I share my personal experience of the world reopening just as summer gets rolling.

Regards,
Laura Greaver
Managing Editor, American Consequences
It happened with little-to-no media fanfare…

But the first domino just fell in what may be the greatest retirement crisis in modern history.

And YOUR money may already be in jeopardy.

After a year of near-vertical gains, the markets are getting rattled by sudden bursts of volatility.

Yet millions of Americans are still piling into tiny, risky investments.

Inflation just hit its highest annual level since 2008.

But that hasn’t stopped the U.S. government from sending out another round of stimulus checks, worth more than $2 billion.

If you’re old enough to remember the dot-com bust of 2001… or the hyperinflation crisis of the 1970s… you probably see the signs:

America’s financial system is due for a reckoning.

And on June 23, the No. 1 Retirement Expert at Stansberry Research is coming forward to ensure you won’t be blindsided.

Dr. David Eifrig has spent nearly 40 years growing and protecting money.

He’s traded at Goldman Sachs… in London and Tokyo… started multiple businesses… studied molecular biology at Duke University and even earned a medical degree and became an eye surgeon…

Along the way, he’s been on the frontlines of some of the biggest bubbles, crises, and crashes of the 21st century… he was even on the trading desk during Black Monday in ’87.

But according to Dr. Eifrig, the coming crisis could be the most insidious – and devastating – of his 40-year career.

And it’s headed straight for American retirees.

Dr. Eifrig says,

In the past few months, the retirement situation in America has undergone a dramatic shift.

The pandemic – and subsequent recovery – accelerated a trend that was already chipping away at your hard-earned money.

And now I believe an entire generation is about to see their nest eggs depleted right at the moment they’re beginning to taste just how close or how good retirement is.

To help you understand exactly what’s happening – and how to protect your wealth, family, and future…

Dr. Eifrig is going on camera for an urgent retirement briefing on Wednesday, June 23 at 10 a.m. Eastern time.

It’s free to attend, but you must reserve your spot in advance.

Click here to learn more.
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American Consequences 5
LETTER FROM THE EDITOR

Editor in Chief P.J. O’Rourke handed over the pen to Managing Editor Laura Greaver for this month’s Letter From the Editor.

IS IT SAFE TO GET BACK IN THE WATER?

Look how far we’ve come, world...
This time last year, we were fearful, anxious, and about to experience the summer that wasn’t... Now, we’re ready to tear off our masks and revel in crowded cookouts, packed concerts, and water parks teeming with germs people. ‘Merica!

I remember last summer when our community pool opened, it felt like a small slice of normalcy in the abyss of weirdness and panic we’d been experiencing since the onslaught of the pandemic in March 2020...

And while yes, it was wonderful to be back, it was a strange experience: swim team canceled, masks had to be worn unless you were swimming, temperature checks at the front gate, and families had to sign up for three-hour increments at the pool, with tables and chairs being sprayed down with sanitizer in between sessions.

People timidly waved at each other from afar... Pool friends are hard enough to recognize a whole year later anyway. But add a mask and it makes almost everyone look like strangers.

But my family went, enjoying the sunshine and cool water, happy to be out of the house, using careful sunscreen application so as not to get mask tans.

Fast forward to this year... Our pool opened Memorial Day weekend and things were “back to normal,” packed to the gills with swimsuit-clad bodies everywhere and no restrictions (other than don’t come if you feel sick, but wasn’t that a good rule of thumb pre-COVID anyway?).

Swim team resumed, with my son joining the masses of kids in the swim lanes, limbs splashing through the water like a frenzied school of feeding fish. Everyone seemed giddy with excitement to be back, and for the nightmare to be over...

CLICK HERE TO READ THE WEB VERSION
But is it really over? *Is it safe to get back in the water?*

As incredible as it seems, getting the COVID-19 vaccine has become as political as wearing a mask... Getting the shot (or not) seems to imply you’re picking a side. Roughly 50% of the U.S. population has been vaccinated thus far, and seemingly any adult who wants it can get it.

I received the vaccine a few months ago at a mass vaccination site, thousands of us herded through roped-off lanes comparable to the ride lines at Disney. I’ve since ditched my mask at the grocery store, but I find many are still wearing them... which is fine – *you do you and I’ll do me.*

In April, after 388 days of being home, my kids’ school finally opened for in-person teaching. Those 13 months were a struggle – two parents juggling remote work with two kids being schooled at home, our Internet straining to keep up with all the laptops and streaming. I mourned the loss of their social interactions and sports seasons.

But my one son, who often got distracted at school, found online learning easier to follow, and blossomed academically this past school year.

Indeed, as I wrote in this Silver Linings piece last May, there was some good to be found in the world slowing down... Lockdowns allowed my family more together time and a breather from our usual chaos. However, I understand our situation was “easy” compared with many – we kept our jobs and no one got sick.

As incredible as it seems, getting the COVID-19 vaccine has become as political as wearing a mask... Getting the shot (or not) seems to imply you’re picking a side.

It’s truly difficult to wrap my head around the millions dead worldwide from this virus.

And many of us, myself included, were hoping for a line in the sand... a moment the world could rejoice that “the pandemic was over.” But the conflicting CDC guidance, varying mask mandates and school policies, and new virus strains have made that tricky.

We were being told that vaccinated people should keep wearing masks. Then we were told, the very next day – “It’s over, take them off!” No wonder folks were a bit suspicious about trusting the ever-evolving guidance.

In the meantime, planes are packed and airports are bustling... Cruise lines are running again... Restaurants and bars are back to full capacity.

In my house, school just wrapped for summer vacation. We’ve got camps lined up and vacations scheduled. I even just bought July concert tickets.

I’m embracing the world reopening. My toes are already dipped in the water... And I’m ready for that cannonball jump.
This tells you just about everything you need to know about the state of affairs in America today...

Just since the beginning of the pandemic, the richest billionaires have added more than $1 trillion to their wealth.

The Big Con runs far deeper than you can imagine. And I’m stepping forward to DO something about it.

I actually QUIT a lucrative career on Wall Street to come forward with this message. And I have little doubt that what I say here will turn me into public enemy No. 1 across the entire financial industry.

But the effects of the Big Con are going to be devastating for those who don’t take action.

I can’t be sure how long my message will stay online, for reasons you’ll understand when you see it.

Please look now while you can.
Re: Eat the Rich

PJ, I’ve been reading the magazine since inception. It is enlightening, educational and always has a good dollop of humor thrown in.

You may recall that you came to Wisconsin to speak at the Bar Convention when I was its President. We haven’t had an in person convention in two years (apparently, the Bar Association is trying to protect us all from each other’s germs). You are a breath of fresh air in an otherwise heavy woke/politically correct atmosphere. And your writers/contributors are the best.

Live a long life (is spite of your hard early years), keep your shit together and, most importantly, keep writing with the light hearted clarity and insightfulness we have come to appreciate over these many years.

By the way, I went back and re-read the Chapter in your Parliament of Whores book on the Farm Policy last year in light of the many farmers I represent that were dying on the vine. Still the same bureaucracy, but worse. Have to say that most farmers in Wisconsin are white European descended types, apparently recently moved to the back of the line for government relief. I imagine the poor Farm Service Agency agents (most look the same as their farmers) out trying to give the largesse away to almost non-existent classes of ethnically/alt. gendered farmers here in the Dairy State the current Administration have prioritized for government help. – Paul S.

P. J. O’Rourke Comment: Paul, it is a delight to hear from you. And thank you for your compliments and kind wishes. I vividly remember that Wisconsin Bar Association meeting. It was one of the best and sharpest audiences I’ve ever spoken to, and receptive to my making fun of Big Government even though the members of the Wisconsin Bar span the political spectrum.

I also remember the meeting because it was held at what had been, from 1968 to 1981, the Playboy Club Resort at Lake Geneva, Wisconsin. I’d brought my 15-year-old son along on the trip. He read the brochure about the resort’s history. Then – though the place had been fully “de-Hefnerized” more than 20 years before he was born – I watched my son happily drifting into daydreams of a lost paradise as he wandered the grounds.

Paul, I’m going to get in touch with you personally about that Farm Policy matter. I belong to a small East Coast organization devoted to the preservation of agriculture and land conservation. The organization’s main activity is managing a trust fund set up in the 19th century to support worthy students who want to go to Ag. School. Our main problem? Finding students who want to go to Ag. School.

Dear P.J.: I often skip over American Consequences and go on to the next email. This morning I saw your name in the title, so how could I NOT open it up?
I am 86 years old and have been puzzled by economics my entire life. I took a course some 60 years ago hoping for some understanding of what makes our world go around. I was sorely disappointed to find that there is no consensus on this question. Economists are students of the economy just as I am! They have as many questions as they have answers, and seemingly no two agree!

So I am writing to tell you that I enjoyed your message this morning and I look forward to hearing from you again. Your books are timeless! I haven’t read them all, of course, but I might live long enough to do so. (Oh, yes, you have written “a couple.”)

I encourage everyone to tune into American Consequences! – Pat W.

P. J. O’Rourke Comment: Heartfelt thanks, Pat. To be told that I’ve written something that interests you is the best of all compliments. I’m a bit younger than you – though I’m catching up fast – and I find that one of the advantages of age is that I no longer care very much whether people “like” or “don’t like” what I write. But if I’ve gotten someone interested in what I’m writing, then I feel real satisfaction.

But back to the subject of economics... It’s so complex, and yet it’s so simple. Adam Smith certainly understood that complexity. The Wealth of Nations is a thousand pages long. But Smith could put it all in one sentence, too. In a lecture he delivered to a learned society in Edinburgh in 1755, Smith said, “Little else is requisite to carry a state to the highest degree of opulence from the lowest barbarism, but peace, easy taxes, and a tolerable administration of justice.”

Re: Beware, Overpaid CEOs... Here Comes Kamikaze Capital

CEO comp bashing is ubiquitous yet nothing ever happens. Kim Iskyan puts up some good points in pay – performance comparisons then predictably loses me with some pure and unabashed Marxism: “... workers – you know, the folks actually creating value.”

I wanted to finish the piece to get some more of Kim’s acerbic wit but I also knew a few more gems like the above would be forthcoming.

How can someone not drunk on doctrine (aka Lenin’s useful idiot) actually believe such a simplistic trope? Workers may participate in value creation, but they are certainly not its entire, nor even major source. Many don’t create value at all outside the strict “value-added” criterion, like the vast majority of necessary but wholly fungible bookkeepers, cleaners etc. The human automatons at Foxconn are in no way responsible.
for Apple’s enterprise value. Yes, the exceptional person may provide a morale boost, thus raising general productivity. We hope they get promoted.

CEOs are, of course, often value killers, having only the goal of short-term equity prices in mind to the exclusion of everything else. How about, for example, a federally mandated 10-year escrow on all non-cash comp for corporations above a certain enterprise value? Why is this idea never discussed? I get escrowed regularly on my generally worthless penny-stock option grants so the mechanisms exist. – Matt L.

I’m not a socialist. I’m a conservative republican. But I detest CEO greed. Publicly shame the CEOs – for sure. But if you start preaching socialism, you will lose me and millions of others. – J.C.

Kim Iskyan Response: Matt and J.C., thank you for your thoughtful comments. I’m no fan of socialism – living in the former Soviet Union for 12 years, I had a front-row seat to the devastation it wreaks – but in the case of CEO pay (and how workers are treated), I think we’re missing a critical middle ground.

Matt, you remark that workers don’t account for all, or even most, of the value created by a firm – but CEOs don’t either, by your reckoning (I hope I’m not twisting your words here). And JC, you don’t like CEO greed but are allergic to the scent of socialism.

Yes, most workers are fungible, as you point out, Matt – but without them, the burgers wouldn’t be flipped, the iPhones wouldn’t be put together, the robots making the Fords wouldn’t be turned on... and so on. And for all of their ills, CEOs do play an important role in shepherding the rest of everyone. But I think we can agree that there’s a fundamental unfairness to the way things work now.

Even if we put aside that angle... I think it’s high time that shareholders rattle the cages of CEOs. In my mind, the only reason to pay someone as exorbitantly as so many CEOs are paid is if there is truly no one else on Earth available (at practically any price) to perform the job. And that’s obviously not the case, particularly for lousy CEOs who could be easily replaced by a pet rock. Is there no one else around interested in – and plenty capable of – being the CEO of AT&T? Of course there is. And they’d likely do a better job, since they could hardly do a worse job than the present guy.

Re: John Boehner Book Review

P.J., Some flavors are too strong for the hoi polloi, but Limburger & all the other stinky cheeses are a wonderful accompaniment to flavorful beer. Oh yeah, I get a kick out of Boehner, too (despite being a Left-leaning Independent). Unfortunately, the Trump Republican Party gives me only Democrats to vote for. I hope the voter suppression mania is strongly repudiated by the voters in 2022 so that the Republicans will be forced to reject Trumpism. – Clarke K.

P. J. O’Rourke Comment: Clarke, your note is a testament to how much a Left-leaning Independent and a Right-leaning Libertarian
can agree upon. Trump, to start with. I don’t like him. And Limburger cheese? I love it. But a note of caution here. When my wife and I were starting a family, we decided, on principle, that our children should be spared the deadly bland and/or sickly sweet food that’s usually dished out to toddlers. They should develop a broad palate and eat what the grown-ups eat (mashed up a bit and cut to be bite-sized as needed, of course). This worked fine with most cuisine. But perhaps I carried the principle too far when I gave our three-year-old a bit of Limburger. She responded with a projectile vomit.

Which brings me, metaphorically, to the subject of keeping voters down. I oppose voter suppression. The principle of democracy is best served by a system where it is easy, simple, and convenient for everyone who is legally entitled to vote to do so. The votes may not go to the best cause or candidate, but, in a democracy, voters have the right to be wrong. (And the wrong can be corrected in the next election.) On the other hand, I’m in favor of a certain “giving-Limburger-to-toddlers” self-restraint in exercising that democratic principle. If I don’t understand the issues or know anything about the candidates, I should feel free – in fact, I should feel obligated – to not vote.

Re: Just Because

Hello Trish Regan, I think this newsletter & magazine are wonderful. I quit Facebook years ago, & Twitter a month ago. I used to get most of my news from Twitter, & your newsletter helps to keep me informed. Also, I watch your show on Rumble. I think you are very intelligent & beautiful. Keep up the great work! – David F.

Trish Regan Comment: David – wonderful! I’m so glad to have you on the team with me. The social media landscape is tough – I agree!

Re: My Firsthand Experience Being Shadow Banned

Trish, Once again you are hitting on the critical issues. We need to starve the Facebook, Google, and Twitter monsters. Who is truly pulling their strings? I’m not a conspiracy theorist, but why do these companies’ political agendas align? Why are none of these three champions of liberty and freedom of speech?

What’s missing from the conversation is the high level look at everything going on in America today and developing the cohesive awareness of what it means. To me it means that Communists, either collectively or independently, have staged a successful coup. We are experiencing the cultural revolution that put Mao and the Communist Party in charge in China. Tell me I’m crazy, but the evidence is clear. We should be looking at the big picture here and now.

Thanks for a great article today. I’m your biggest fan. – Bruce C.

Trish Regan Comment: Dear Bruce – wonderful to hear from you! I do not disagree – there’s something deliberate going on via a communist takeover of America. It has me quite worried about the future. Thanks for reaching out.
THE BALONEY AMERICAN JOBS PLAN

A CHARCUTERIE OF OPPORTUNITY REDUCED TO A PORK SANDWICH AMERICA CAN'T STOMACH
The Biden administration’s $6.25 trillion “American Jobs Plan” promises...

Oh, what doesn’t it promise?

... reliable transportation, safe water, affordable housing, healthy schools, clean electricity, broadband for all, five golden rings, four calling birds, three French hens, two turtle doves, and a partridge in a pear tree.

I may be slightly misquoting the last part. But not by much.

This article would be much shorter if I made a list of what the American Jobs Plan is not vowing to accomplish. In fact, I might be able to write the piece in three words...

Make pigs fly.

No. Strike that. We’d have to put wings on a whole bunch of swine if all the pork that Biden proposes is going to get off the ground.

But one thing in the American Jobs Plan that’s certain to come true is the promise that your head will explode if you try to read it.

Go to the “Briefing Room” at whitehouse.gov and click on “FACT SHEET: The American Jobs Plan.” Here is an outline of the spending agenda presumably simplified to the point where even Democratic members of Congress can comprehend it. And this – the condensed, dumbed-down, EZ-reading version – is 27 pages long.

Although it is not, in fact, easy reading. Sample prose style:

... the President’s plan will use smart, coordinated infrastructure permitting to expedite federal decisions while prioritizing stakeholder engagement, community consultation, and maximizing equity, health, and environmental benefits.

The White House needs to quit getting its junior staff from Harvard and Yale and start hiring people who are better educated.

The Fact Sheet is, however, illuminating. You need to go no farther than its second sentence to discover that the American Jobs Plan is not only squandering in its expense and ridiculous in its expanse, but also wrong and bad:

This is the moment to reimagine and rebuild a new economy.

Such moments have come before. There was the moment when Lenin nationalized all business and industry in the U.S.S.R., the moment when Stalin collectivized Soviet agriculture, the moment Hitler decided to pay off the German national debt by conquering Europe, the moment Mao announced his “Great Leap Forward.” Not to mention the moments of reimagining a new economy in Mussolini’s Italy, Kim Il-sung’s North Korea, Castro’s Cuba, Pol Pot’s Cambodia, etc.

The idea that a government can “rebuild” an economy (versus the idea that, at best, a
government can provide conditions in which an economy builds itself) is a serious and complex proposition – too much so to be considered here.

But economic facts are economic facts no matter what any White House “Fact Sheet” proclaims. And we divorce ourselves from facts at our peril.

The idea that a government can “reimagine” a “new” economy is a foolish and stupid proposition. Try going to the person to whom you’re married and telling him or her you’re “reimagining a new spouse.” What fun!

Speaking of which, there are the remaining 26.5 pages of hogwash about letting every governmental pig out of every programmatic sty to cause an immense pork stampede trampling the nation on its way to feed at the taxation trough.

A scolding lament is made:

Public domestic investment as a share of the economy has fallen by more than 40% since the 1960s.

Has it occurred to any idiot at the White House that this might be a good thing? Over the past 60 years, while government control over the economy was falling by more than 40%, the economy was growing by more than 575%. Coincidence? Would Biden like to see the -40% and +575% figures reversed?

I hope not... I don’t think Joe Biden is an evil man, just a blockhead.

America’s economy is already in brisk recovery, though this is apparently news to Biden, who claims the American Jobs Plan will “revitalize manufacturing, invest in basic research and science, shore up supply chains,” and otherwise do what private enterprise has always done better than government can.

Most of the economic health issues that the American Jobs Plan addresses are issues of robust health. Biden is a doctor telling us we’re too trim and fit and need to start drinking, smoking, and overeating and getting our blood pressure, blood sugar, and cholesterol up.

Speaking of which, there are the remaining 26.5 pages of hogwash about letting every governmental pig out of every programmatic sty to cause an immense pork stampede trampling the nation on its way to feed at the taxation trough.

Biden seems to want an economy that’s frail and sickly. The American Jobs Plan might do the trick. One of its top bullet points is...

Build, preserve, and retrofit more than two million homes and commercial buildings...

There are commercial buildings sitting empty in nearly every shopping mall in America. And, as for those homes, has Biden ever been inside a public housing project? Sorry about the elevator being out of order again. And mind the stairs... Urine, empty crack vials, and expended 9mm Glock cartridges can make for slippery footing.
Meanwhile who’s going to be pounding the two million nails? According to the Associated General Contractors of America trade organization, 81% of construction firms are having trouble finding enough people to hire.

Perhaps the American Jobs Plan (“AJP”) can create unemployment sufficient to supply the employees the construction industry will need. The AJP seems intent on trying. Another top bullet point in the Fact Sheet states...

...the plan will require that goods and materials are made in America and shipped on U.S.-flag, U.S.-crewed vessels.

But I digress… Which is understandable. It’s easy to get distracted during the mind-numbing trudge through the AJP Fact Sheet. I wish I could present you with an organized and logical analysis of the American Jobs Plan, but that would require some organization and logic in the plan itself. It doesn’t have any.

There goes the $3.1 trillion import sector of the U.S. economy. And there goes the $2.5 trillion export sector too. Because the entire U.S. Merchant Marine consists of exactly 115 cargo ships engaged in foreign trade (out of more than 90,000 worldwide).

Only five of the U.S. ships are tankers. But the American Jobs Plan will...

Fix highways, rebuild bridges, upgrade ports, airports and transit systems.

So maybe we can send our oil and natural gas to Europe and Asia in soccer-mom SUVs, pontoon party boats, airline overhead luggage bins, and trolley cars.

And don’t worry about getting fired, because the American Jobs Plan creates “good-paying union jobs.” The phrase is repeated with slight variations ad infinitum in the AJP Fact Sheet. Never mind that only 6.3% of private sector workers are unionized.

Screw the private sector. The AJP is all about the public sector, and 34.8% of public employees are unionized.

Incidentally, those unionized public employees are in an interesting position when negotiating with their “bosses,” who are elected officials desperate for the votes of that 34.8% to get themselves reelected. In any other business, this would be called extortion...

Also incidentally, 3.6 million of those unionized public employees are members of teacher unions. And every one of them should be picketing the White House to protest Biden’s lousy grammar. That’s “well-paying union jobs,” Joe, you dunce.

But I digress… Which is understandable. It’s easy to get distracted during the mind-numbing trudge through the AJP Fact Sheet. I wish I could present you with an organized and logical analysis of the American Jobs Plan, but that would require some organization and logic in the plan itself. It doesn’t have any. It’s just a dump – excuse me,
a recycling center – of used-up and worn-out ideas from the New Deal, the Square Deal, the Great Society, etc. We thought these notions had rotted away 40 years ago during the Reagan era, but it turns out that the Left/liberal mind is even less biodegradable than the Styrofoam it resembles.

The best I can do is walk you through the junk heap, pointing out pieces of trash that are particularly hazardous to the environment – the environment, that is, of common sense and practicality.

It won’t be a pleasant stroll...

The plan targets 40% of the benefits of climate and clean infrastructure investment to disadvantaged communities.

How’s that going to work? Will 40% of the better weather of Palm Beach be shipped to Detroit? Will the slum-dwellers of the South Bronx have to take a subway to Manhattan to do 40% of their littering on Park Avenue?

... it will... expand transit and rail into new communities.

The built, preserved, and retrofitted home you’re getting may turn out to be in a noisy part of town, with the train station on your patio.

... makes substantial investments in... our care economy, starting by creating new and better jobs for caregiving workers.

Which would require new and better people to care for. Let’s toss the crabby old folks out of the memory-care units and replace them with cheerful young couples who haven’t forgotten where the toilet is.

... ensure other nations won’t gain a competitive edge by becoming tax havens.

By invading the Cayman Islands, Bermuda, Monaco, and Liechtenstein? I’m sure American troops will enjoy this more than they enjoyed Afghanistan and Iraq.

... deliver infrastructure Americans can trust, because it will be resilient to floods, fires, storms...

What is “resilient to” supposed to mean? Are we getting rubber roads and phone poles that will bounce right back after the hurricane?

... make sure fewer families mourn the loss of a loved one to road crashes.

A federal program to increase our dislike of parents, siblings, and progeny so that we won’t feel so bad when they’re killed in a car wreck?

... fund state and local “vision zero” plans... to reduce crashes and fatalities, especially for cyclists and pedestrians.

Though I don’t understand how riding a bicycle blindfolded or walking the dog with your eyes closed will fix this.

... build a national network of 500,000 EV [electric vehicle] chargers by 2030...

And, knowing how government works, you’ll have to drive to a congressional district with a Democratic incumbent to find one.
Broadband is the new electricity.
Try plugging your toaster into it.

And, channeling Gyro Gearloose from Donald Duck comic books, the Fact Sheet proposes...

... an investment in 15 decarbonized hydrogen demonstration projects in distressed communities...

As if the train station on your patio weren’t bad enough, the Hindenburg is tethered to your backyard flagpole.

But the AJP isn’t done with its “there goes the neighborhood” projects...

For decades, exclusionary zoning laws – like minimum lot sizes, mandatory parking requirements, and prohibitions on multifamily housing – have inflated housing and construction costs and locked families out of areas with more opportunities.

Those “exclusionary zoning laws” pretty much describe the White House, which sits on 18.7 acres of “areas with more opportunities” in thriving downtown Washington, D.C. Looks like a great spot for a trailer park to me.

Meanwhile the AJP is...

... advancing environmental justice through a new Civilian Climate Corps...

GREETING: You are hereby ordered, for induction into the Civilian Climate Corps, to turn zoo animals loose on tourists in New York.
Kids will be hoping for student deferments – or maybe not...

Funds also will be provided to improve our school kitchens, so they can be used to better prepare nutritious meals and go green by reducing or eliminating the use of paper plates and other disposable materials.

(Raw broccoli in cupped hands and sips from the drinking fountain for lunch.)

But plenty of fresh air...

In classrooms with poor ventilation... student absences are 10% to 20% higher.

Open the f***ing window.

If the kids play hooky that won’t be a problem either. There will be an...

... expanded tax credit to encourage businesses to build child care facilities at places of work.

I work at home. My “places of work” is a child-care facility and has been since we had our first child in 1997. Can I get a tax deduction for every time I’ve closed my laptop and squashed Cheerios or a gummy bear into my keyboard?

Finally, there is – despite very stiff competition – the winner of the Fact Sheet “Well, Duh” award:

Research shows that increasing the pay of direct care workers greatly enhances workers’ financial security

Had enough? Me too. I could go on... But you’d want to kill me, and I’d want to let you.

There is a Yiddish proverb: “Man plans. God laughs.” We’d better laugh the American Jobs Plan out of the House (and the Senate). It’s either laugh or cry.

SPECIAL THANKS

To Randal O’Toole and Chris Edwards, distinguished scholars at the Cato Institute, for the generous help they gave me in my attempt to understand the American Jobs Plan. They have written prolifically and perspicaciously about what’s wrong with this mad scheme. If you want a more intelligent and detailed critique of the AJP than I am able to provide, you’ll find their work readily available on the Cato at Liberty blog and The Antiplanner (Dedicated to the sunset of government planning) website. And additional thanks, of course, to the Cato Institute itself – that best of free minds and free markets think tank.
It’s time to acknowledge the seismic movement that is occurring with cannabis right now in America... Not just from the recreational side of the house, but also based on cannabis’ value due to its medicinal benefits... this country’s openness (finally) to rewriting a targeted and harmful drug policy and moving toward social equity... and by recognizing that industries will be built around agricultural tech and the commodifying of hemp.

What we are seeing is a massive asset class developing around broad-scale plant innovation, designed to disrupt certain corporate legacy processes. As a society, we stand poised to benefit and build around this ancient cultivar.

THIS AIN'T YOUR DAD'S WEED ANYMORE...
For the uninitiated, hemp and marijuana refer to the same species of plant, *Cannabis sativa*. In the United States, marijuana is defined as any Cannabis sativa plant that has greater than 0.3% THC, or tetrahydrocannabinol, the primary psychoactive compound in cannabis (the stuff that gets you high). Hemp plants are defined as any cannabis plant that has 0.3% or less THC. You can think of it as marijuana and hemp having a common pool of genetic variations.

The 2018 Farm Bill changed federal policy regarding hemp, including the removal of hemp from the Controlled Substances Act and the consideration of hemp as an agricultural product. But it was not until January 2021 that the U.S. Department of Agriculture announced its final federal regulations for hemp. And it has not been without widespread criticism from business and state lawmakers.

Some of these final measures have been softened, further illustrating that as this nascent industry continues to evolve within the guardrails and legal framework it’s being given, there is still more to learn about the plant.

So how is it that it took until 2018 for a Farm Bill to describe hemp as an agricultural product? One of my partners at cannabis consulting firm Supercritical, Sparky Rose, rightly posits that 25 years from now, America will ask itself an honest question: “What the hell were we thinking with cannabis prohibition?”

Much has been written about the vast social disruption that occurred under Harry Anslinger and how he almost single-handedly created the campaign against cannabis as head of the Federal Bureau of Narcotics, a role he held from 1930 until 1962.

Concern about the rising use of marijuana and research linking its use with crime and other social problems created pressure on the federal government to act. Rather than promoting federal legislation, the Federal

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**COMMODITY**

A basic physical asset used in commerce that is interchangeable with other goods of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers.

**DISRUPTIVE INNOVATION**

A process by which a product or service initially takes root in simple applications at the bottom of a market and generally is less expensive and more accessible. Acceptance drives the moves upmarket, eventually displacing established competitors. Disruptive innovations are NOT breakthrough technologies that make good products better – rather they are innovations that make products and services more accessible and affordable, thereby making them available to a larger population.
Bureau of Narcotics strongly encouraged state governments to accept responsibility for control of the problem by adopting the Uniform State Narcotic Drug Act, and thereby sealed the fate of the non-narcotic hemp plant.

As difficult as passing drug laws can be, enforcing them effectively, consistently, and fairly has proven to be virtually impossible. Yet it is these incongruities that had the effect of making more inroads possible, as “wiggle room” around research and development specific to hemp started to unfold. By keeping the recreational and industrial sides of the same house separate, science was able to focus on the plant as a commodity and input for applications that can, at the very least, augment the current manufacturing of commercial goods, packaging, nutraceuticals, textiles, and biofuel.

According to Marijuana Business Daily’s Annual Marijuana Business Factbook, U.S. medical and adult-use cannabis sales reached at least $15 billion in 2020, an almost 40% increase from 2019. It also predicts industry employment could reach almost 300,000 full-time jobs this year, a 50% increase from 2019.

To put those figures in perspective, the number of jobs in the cannabis industry would be about the same as the beverage industry, an industry which has certainly sat up and taken notice of cannabis... as seen by the number of crossovers into the cannabis-beverage and edibles lines. This job creation is thankfully not all plant touching or dispensary operations. These jobs are in industries that will help determine the future of how cannabis is perceived, bought, and sold.

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ONE WORD: PLASTICS

There has been a lot more in the print and broadcast world recently about the efforts to reduce the reliance on fossil fuels, especially when they go toward the creation of single-use plastic.

And if you thought that tracking down the global culprits would be a fool’s errand, it is easily discoverable that just 20 firms are responsible for more than 55% of the world’s single-use plastics. It’s the usual assortment of state-owned and multinational corporations dabbling in oil, gas, and chemicals. And this report, the first ever of its kind, from the Plastic Waste Makers Index also points out that Australia leads the list of countries generating the most single-use plastic waste on a per-capita basis, ahead of the United States, South Korea, and Britain.

Single-use plastics are made almost exclusively from fossil fuels, driving the climate crisis... And because they’re some of the hardest items to recycle, they end up creating global waste mountains. Just 10% to 15% of single-use plastic is recycled globally each year. The same properties that make plastics so useful today, like durability and resistance to degradation, also make them nearly impossible for nature to completely break down.

But across boardrooms and heard loud and clear in shareholder meetings, emphasis on SRI (socially responsible investing) and ESG (environmental, social, and corporate governance) is the driver of discussion. Much of that discourse puts particular emphasis on the Earth’s source of water. Our oceans undergo a daily onslaught of plastic pollution...
that harms marine life of all kinds, from zooplankton and sea turtles to whales and dolphins. An estimated 17.6 billion pounds of plastic enters the marine environment every year – roughly the equivalent of dumping a garbage truck full of plastic into the oceans every minute.

Plastic has been found in every corner of the world and has turned up in our drinking water, beer, salt, honey, and more. The problem is too massive for recycling alone to solve. A meager 9% of all plastic waste ever generated has been recycled. Meanwhile, plastic production is projected to quadruple between 2014 and 2050, far outpacing recycling and resulting in more plastic in our oceans. It’s these sobering facts that have us looking for solutions.

With $226 billion in assets, New York’s pension fund is dropping many of its fossil fuel stocks in the next five years and will sell its shares in companies that contribute to global warming by 2040. The EU and its directive are adamant about this cause, by stating that where sustainable alternatives are easily available and affordable, single-use plastic products will be banned beginning in July 2021.

Canada is also taking a stand... Plastic is now considered toxic under Canada’s primary environmental law, the Canadian Environmental Protection Act. The decision, which comes despite months of lobbying by Canada’s $28 billion plastics industry, paves the way for a proposed ban on some single-use items. About 3.3 million metric tons of plastic is discarded in Canada each year, and less than 10% (about 305,000 metric tons) is recycled. The remainder goes to landfills, is incinerated, or leaks into rivers, lakes, and oceans, according to a 2019 study commissioned by Environment and Climate Change Canada.

And hats off to the countries and companies looking to provide solutions (as tentative or fragile as those measures may be). Yes, there already exists “hemp plastic.” But as the name suggests, there is still plastic incorporated, and in some instances, only 10% of plant matter is even involved in the process... So questions around the biodegradability and sustainability remain.

The other problem with traditional biodegradable plastics to solve is cost. Past biodegradable polymers were far too expensive to create widespread consumer demand. To succeed, solutions also need to be affordable. Meanwhile, in the cannabis industry, every kilo of dried flower comes with eight kilos of plant waste. To comply with regulations, this waste must be destroyed. For many cannabis producers, this means incineration or mixing with their waste chemicals before sending it all to a landfill.
The good news is there are the diamond-in-the-rough startups that emphasize the entire plant and have developed agricultural and bioscience technologies to innovate and compliantly compete. One such group is the London, Ontario-based Truly Green Plastic (“TGP”). It takes hemp biomass waste (the used fiber or pulp), introduces a proprietary bacteria and fermentation process, and generates a polymer that is 100% biodegradable, food-safe, and capable of replacing single-use plastics.

Tarek Moharram is the CEO of TGP, and like many innovative introductions, the idea behind the process came as Tarek was pondering one of life’s great mysteries.

At first, it was a simple idea... Why don’t dog-waste bags have the capacity to break down in a landfill based on contact with their organic contents? I soon realized that the products on the market at the time were over-engineered in that they could do much more than hold dog waste and, as a result, took much longer than needed to break down. Many of the so-called ‘biodegradable’ options required either limited-availability industrial composting plants or significant access to oxygen and sunlight to break the product down. Unfortunately, that is not possible when buried under layer upon layer of other types of landfill waste. I built a team of experts and challenged them to make a polymer that would naturally break down based on contact with organic matter within less than a year and leave no harmful residual material behind.

Sure sounds like disruptive innovation to me...

Or consider the New Zealand firm BioLumic. It has developed a series of ultraviolet-light “recipes” to allow the plant (and not just cannabis) to reach its full genetic expression. Through photobiology, engineering, and data science, these recipes improve yields, have demonstrated increases in cannabinoid profiles, and offer a more robust growing cycle.

BioLumic’s processes originally focused on tomatoes and soybeans, and it was while running trials in hemp for CBD that it found across-the-board improvements for both hemp and marijuana strains. The bonus was that these recipes also trigger a UV response, which makes plants more resistant to disease and pathogens. The process is clean, green, and GMO-free.

And here in the U.S., there is bio365, a company with applications also beyond just cannabis. Bio365 produces a living soil that increases the bioavailability of nutrients while reducing the need for external chemical inputs and fertilizers. Using a high-temperature, super-low-ash biochar, this grow medium can claim a remarkably high surface area, super-high porosity, low ash, and carbon...
CANNABIS: DISRUPTIVE INNOVATION

While many of these technologies are being introduced by startup and pre-revenue companies, the astute investor will be able to identify those that have met their milestones, have a reasonable valuation, demonstrate scalability, and are positioned well to attract takeover attention. And we know that many seasoned investors are always on the hunt for the next Uber, Airbnb, Amazon, or Zoom. (Hint: It’s cannabis.)

It took decades for the U.S. to recognize cannabis for its medical efficacy and commercial applications, and much work still remains. Sadly, years were wasted as Anslinger and the Federal Bureau of Narcotics resorted to fear tactics, misinformation, and appeals to xenophobic and racist sentiments. And the irony is that when Harry Anslinger – drug czar and author of *Marijuana, Assassin of Youth* – died in 1975, it’s reported he did so with morphine in his system.

Both BioLumic and bio365 bring to the market innovative and disruptive applications meant to challenge the existing operators in agriculture and bioscience. Improved and predictable yields lead to better distribution practices and lower costs while keeping within the definition of disruptive innovation.

THIS IS THE FUTURE

When considering companies like those mentioned here, it does not take long to see how the innovation is disruptive, not only to cannabis production and manufacturing, but also to existing technologies.

The challenge is that this is an industry that’s still federally prohibited... And companies are trying to develop a product class that can operate with a less-than-cohesive set of rules, which is the case with hemp.

So who are the winners so far as this product class unfolds? Here in Chicago, the city where colleges have put together a Cannabis Advisory Committee to help schools develop curricula around cannabis and hemp. These classes are built around restorative justice in cannabis, urban agronomy in hemp, and cannabis as a CPG. The students of today will lead the industry of tomorrow... And the opportunities far exceed plant touching or dispensary work.

Opportunities also exist for investors as they key in on ESG- and SRI-focused companies.

Jay Caauwe is a well-traveled Chicagoan that still resides within three blocks of where he was born. Before cofounding Supercritical LLC, a cannabis and hemp advisory and management solutions firm, Jay was drawn by the allure of open outcry, beginning at the Chicago Board of Trade in 1983. Working through the ranks, he became a floor trader at CME Group in 1987, trading stock index futures and options. He left the trading floor in 2004 to join the Chicago Board Options Exchange, where he oversaw the exchange’s global business development effort for the CBOE’s futures products based on the VIX Index.
For the first time since COVID-19 hit headlines last year... a **brand-new fear** has investors terrified.

In fact, according to Bank of America, this is now an even bigger threat to killing this historic bull market than the virus ever was.

Maybe you’ve started to hear rumors about what’s going on...

But the real story is far scarier – and far worse – than anyone in the mainstream media is talking about.

Find out what’s really going on, and the best way to protect yourself immediately, [right here](#).
THE PRIVATE SCHOOL PANIC

WHAT A FUN CULTURE WAR FOR THE WORLD TO WAKE UP TO!

By Alice Lloyd
Recently, for the first time in a long time, I went to an actual party... It was a mild May evening, a hotel patio teeming with people I knew only vaguely (if at all), and the group was unmasked except for the wait staff. This contrast lent the event an edge of postlapsarian feudalism. But it also meant that while all could see our hostess’ expression sour when the bartender she’d hired announced there would be no champagne, only “Argentinian Brut,” said bartender was free to smirk as widely as he wanted behind his KN95.

It was the kind of party where I never actually met the banker birthday boy officially being feted – and where, as the evening and the Argentinian Brut flowed on, I found myself increasingly the confidante of closeted conservatarians. Publicly doctrinaire liberals were itching to confess their private patriotisms and secret suspicions about “cancel culture,” almost as though they’d been muzzled for months.

I’m in training to become a psychotherapist, and I spent years as a staff writer at the nation’s preeminent conservative weekly... This is what happens to me at parties. More so than in the unmuzzled prelapsarian past, though, I heard secondhand fretting about the great private-school “awakening.” (As fate would have it, I was a private-school humanities teacher before the writing stint.) Everywhere, I learned – yes, even, or perhaps especially, on patios with open bars – parents are aghast at the Lefty social-justice programming their expensively educated children regurgitate with purity of heart and unimpeachable but-my-teacher-says-so authority.

At the 2016 Republican National Convention in Cleveland, Right-wing pollster and Kevin McCarthy roomie Frank Luntz taught me to ask everyone I meet some version of the same core question – What do you care most about? What keeps you up at night? What issue deserves more attention than it’s getting? For the semi-inebriated urban professionals at this event I tagged along to, there was one answer: the woke contagion afflicting our nation’s private schools!

CRITICAL RACE FURY

First there was talk of the father, somebody’s colleague, who pulled his daughter out of the Riverdale Country School over the reputedly unthinking anti-Trumpism she, at age 13, quoted over dinner and attributed to a social studies assignment. “He’s the worst president ever,” the teen is said to have declared. Her father purportedly fumed back, “Worse than the antebellum anti-abolitionists, worse than Andrew Johnson, worse than that rank anti-Semite Birth of a Nation fan Woodrow Wilson?!” Her blank stare at these historical names was the last straw...
PRIVATE SCHOOL

(Riverdale, for the uninitiated, is one of three prestigious K-12 country day schools in a ritzy section of the Bronx, generally characterized by the presence of those three schools, but – notably here – it’s not even the Leftiest of them: That distinction goes to its neighbor Fieldston, aka “the Ethical Cultural School,” where parent-teacher conflicts tend to take on a more radical flavor.)

I learned of another family, helplessly terrified to hear their third-grader spout off facts about Native American agricultural methods’ categorical superiority. That might actually be true, but I bit my tongue and longed for a mask to hide my out-of-practice poker face.

Anyway, the concerned father up and sent her to a rigid Roman Catholic boarding school – run by actual nuns, my narrator emphasized – all of which, to my thinking, lumps him in with last year’s COVID-triggered anti-togetherness trend of parents sending their kids to boarding schools as soon as they resumed in-person classes. But then I learned of another family, too young for the convent option, but helplessly terrified to hear their third-grader spout off facts about Native American agricultural methods’ categorical superiority. That might actually be true, but I bit my tongue and longed for a mask to hide my out-of-practice poker face.

These aren’t isolated incidents of pent-up parental paranoia... A spate of recent tabloid stories – nearly all of them citing the awokened school’s tuition costs in the top paragraph – tell of parents’ pushback against the perceived trend that prestigious private schools have become too intently (and, per some, disingenuously) focused on combatting racism since last summer’s protests popularized the anti-racist ideologies of activist-writers like Ibram Kendi (How to Be an Antiracist) and Robin DiAngelo (White Fragility).

HOW TO BE AN ANTI-ANTI-RACIST

At New York’s historically progressive – but, in recent decades, simply “elite” – Dalton School, the headmaster resigned in the wake of parents’ protests. “Every class this year has had an obsessive focus on race and identity,” an anonymous letter read. (The headmaster had also controversially delayed Dalton’s in-person reopening, a decision which left high-paying parents no choice but to listen in on classes and compile grievances.) A math teacher at the Grace Church School blew the whistle on his school’s system of “indoctrination” and was asked not to resume his teaching duties. A father at the all-girls Brearley School on the Upper East Side sent a letter to 650 parent households decrying the cancerous anti-racism policies that include training for parents and “color healing” sessions and described the school’s attempts to brainwash their daughters, who should be learning to think for themselves. He announced his daughter, who is 12, would be leaving Brearley at the end of the year.

Andrew Gutmann, author of the now infamous Brearley letter, was also at a party of
his own the night before our interview. Talk turned to the woke panic at private schools, but at his party, unlike mine, Gutmann said everybody at least agreed that you have to teach about the history of racism in America and that diversity is important (I think I need a new crowd...). “My view is diversity of thought is more important than diversity of skin color,” he then qualified.

Gutmann’s letter to Brearley concerns his decision to remove his daughter from the school in response to the trappings of their racial awakening – anti-racist trainings for parents, weekly diversity assemblies for students, and updates to the curriculum to reflect these trends – which, in his view, discourage deep, meaningful engagement with important topics. He wasn’t surprised, he tells me, when he stopped receiving the school’s e-mail updates. Most recently, his daughter was asked not to participate in weekly diversity assemblies, on the grounds that the school’s media privacy policy forbids recounting Brearley’s goings-on to the press.

Although its most controversial section denies the existence of systemic racism, a central tenet of anti-racist ideology, Gutmann’s letter wasn’t about race, he says, “It was about freedom of thought and open discussion.” He’s received around 1,000 supportive messages since his letter published in former New York Times opinion columnist Bari Weiss’ newsletter and received favorable coverage in the New York Post, where Gutmann also recently published an op-ed. Much of the fan mail came after he appeared on Tucker Carlson’s Fox News show. “This is an intellectual movement,” he tells me, of his newfound following. “This isn’t just rich people complaining.”

The richest private-school parents, in fact, are the most afraid of speaking out. They’re afraid they’ll lose face or fall out of favor with their child’s school – whose loyalty they know they’ll need come college admissions season. “These Goldman Sachs guys are deathly afraid of losing their jobs,” says Gutmann. (He runs his family’s chemical business.)

The richest private-school parents, in fact, are the most afraid of speaking out. They’re afraid they’ll lose face or fall out of favor with their child’s school – whose loyalty they know they’ll need come college admissions season.

What Gutmann claims as his fundamental argument is hard to refute: “Everything should be talked about,” he says. Actually addressing the core problem – “Why are there racial discrepancies in schools?” – ought to fall to a robust history curriculum, he argues. And he certainly has a point... Consider the unequal distribution of the GI Bill, or the enforcement of neighborhood segregation by mortgage lenders – these are historical facts. “But people are scared to death to have any actual conversations about race.”

The same fear he sees among his peers and fellow Brearley parents animated the school’s embrace of anti-racist teaching, in Gutmann’s view. “They go hire a consulting firm to do
mandatory training... They go in, they change the curriculum, they go placate whoever they think is watching, and say, ‘OK, we’re done. We’ve done what we can here.’” And who, he wants to know, does that really help?

Speaking of which, Gutmann’s not sure where to send prospective donors and those among his hundreds of fans who say they want to get involved in the burgeoning anti-anti-racist cause. He’s not formally aligned with any fundraising groups – like Parents Defending Education, which focuses on public schools, or the Foundation Against Intolerance & Racism, which was founded by another fed-up private-school dad. Gutmann recently floated the idea of starting a new school during one of his many press appearances – a podcast – and liked how it felt to say it aloud. He’ll be exploring it further, he tells me, before the public attention span flits to a new national crisis.

“I’m not opposed to people learning about critical race theory. Where I’m opposed is when it’s mandated – and taught at the exclusion of all else.”

For now, though, there’s no avoiding this one. White House Press Secretary Jen Psaki recently had to address it from her podium in the West Wing. (The White House, if you wondered, is in favor.)

“I think the K-to-12 stuff is sort of the sexy thing right now,” admits Nicole Neily, president and founder of Parents Defending Education. She’s not kidding. It’s such a hot cause – read: well-funded campaign – that a public relations firm somehow found out I was working on a related story the very same day I started reporting it. (And Parents Defending Education doesn’t even cover private schools!) One of their consultants had me on the phone with Neily within hours.

Campus free speech, on the other hand, is kind of dead... “I actually reached a point in working in higher ed where it struck me that a lot of these problems seem to have started a lot earlier,” says Neily, whose last gig was a similar effort aimed at promoting the value of viewpoint diversity on university campuses. She hasn’t changed her tune on the free speech front, though. “I’m not opposed to people learning about critical race theory,” she says. “Where I’m opposed is when it’s mandated – and taught at the exclusion of all else.”

Critical race theory itself is a school of thought that originated in legal scholarship in the 1970s and has developed in many directions since. (The term “systemic racism,” in reference to an oppressive racial hierarchy embedded in society, also finds its origins there.) Apart from keywords in common, what of its influence leaches into grade school classrooms and local school board meetings little resembles its complex, nuanced, provocative academic roots. Often the decisions that send disturbed parents to Neily’s tip line seem to her to be the consequence of declining local newspaper coverage of school systems...

A school outside of Austin claimed they couldn’t afford a crossing guard, but managed to sign an expensive contract...
with a racial equity consultant – that shouldn’t happen.

Plenty of the complaints are pure rants, too – or stem from fear and anxiety stoked by lockdowns and intensified by administrators’ own paranoid secrecy. In the Rockwood School District in Missouri, for example, an administrator, probably exhausted by prying parents, e-mailed teachers instructing them to remove the anti-racist curriculum from its online platform while continuing to teach it. “People feel disenfranchised,” Neily says, seeming to adopt the terms of the movement. “That’s not necessarily the case – but when you hear anecdotes like that, it plays to a lot of people’s worst fears.”

When I ask whether parents should be afraid of activist-inflected lesson plans, Neily says, “That’s much less of a problem than the school board passing a policy, like, *We will now mandate affinity groups.*” No such policy exists, she then clarified – not that she’s heard of, anyway. But should one arise, the tip line’s always open.

**THE EQUITABLE EXIT**

Critics at public and private schools alike are disturbed by purported trends like racial affinity groups sorting student discussions of race by skin color, handouts and prompts that lead students to determine their relative “privilege” based on their race, and the removal of canonical classics to make room for a more racially inclusive reading list. The school of thought that animates these practices also promotes ideas like the importance of *equity* – which typically means that fairness requires everyone arrive at the same level of status regardless of their starting point – as opposed to *equality* – which insists that everyone have the same opportunities to pursue status regardless of their starting point. Of course, both are guiding ideals, neither of them straightforwardly achievable.

In practice, “equity” typically refers to changes in admissions procedures and other student rankings to avoid the appearance of racial sorting. Reforms to private-school admissions parameters leave competitively-minded parents to worry that their child’s expensive education is hemorrhaging prestige points. At public schools, though, the stakes are somewhat different: The Volokh Conspiracy,

“Look. I’m cool with people wanting to send their kids to ‘Social Justice Country Day’ – but don’t do it to my kid against my will with my tax dollars in my public school system.”

Eugene Volokh’s blog at *Reason*, reported on a policy in Contra Costa, California whereby students were to be readmitted to school for in-person classroom learning based on their race. The least privileged, by Contra Costa’s count, would be first.

“Look. I’m cool with people wanting to send their kids to ‘Social Justice Country Day’ – but don’t do it to my kid against my will with my tax dollars in my public school system,” Neily says. When Parents Defending Education posts tabloid articles about the battles over anti-racist curricula
breaking out at private schools on their Facebook page, most of the comments are pretty unsympathetic... “Well maybe you take your child and your $30,000 elsewhere,” Neily paraphrases. What these public-school parents would rightly scoff at if they knew... is that most of the private schools' parents’ protests these days actually cost closer to $60,000 per year.

Plus, the contracts that private-school parents sign when they enroll their kids in the first place typically include a clause declaring their support for the principles of diversity and inclusion, Neily’s colleague Asra Nomani points out. The anti-racist pledge that spurred Gutmann's letter, for instance, amplified and added new language – dismantling systemic racism – to the boiler-plate lingo that schools like Brearley already use, and that parents like him already signed.

Nomani is a former Wall Street Journal foreign correspondent and Georgetown professor, and she’s also the author of fiercely independent books on feminism and Islam. Her work was informed in part by her being both a single mother and a Muslim – which made her the enemy of conservatives in her faith tradition and the target of death threats. Undaunted, she led an investigation into her friend and Journal colleague Danny Pearl’s kidnapping and murder by Islamists. In describing the spirit she brings to her work, she’s called herself an “overambitious child of immigrants.”

More self-aware than some parents I’ve met, she readily admits she’s approached her son’s education in the Fairfax County school system with the same uncommon dedication and doggedness she brought to her work. So, when he tested into Alexandria’s Thomas Jefferson High School – a STEM-focused (science, technology, engineering, and math) magnet school, routinely ranked as one of the best public schools in the country – she dove into the PTA and, naturally, took over the newsletter. When, in June 2020, the school announced new admissions and advanced placement reforms in the interest of “equity,” Nomani couldn’t help but notice. The Islamists she encountered in her reporting use the same terms to justify relegating women to the back of mosques.

In an uneasy challenge to its equity score, Thomas Jefferson High School already skews majority and minority, but most students are Asian and, according to Nomani, most are the children of immigrants if not immigrants themselves. When the Black Lives Matter movement and discussions of intersectional racism appeared in coursework while students were home during the pandemic, Nomani doubted the moral sincerity behind these topics’ sudden inclusion in the curriculum. She and other concerned parents organized into a group called “Coalition for TJ” and soon learned that what worried them was underway all over the country.

Nomani taught and studied cross-cultural communications, and she reads most of the consultant-led anti-racist curricula cropping up in schools as a reductive race-based treatment of cultural difference. “I’m what’s now called a person of color, a Brown Muslim immigrant. I check all these different boxes. I’m liberal and a Democrat, and I disagree with the idea that we can create a new
Back when I was a teacher myself, coming on 10 years ago, I had a positive experience teaching and learning the very same sorts of diversity curricula that we’d now attribute to the dreaded contagion.

I say it was positive – although “productive” or “educational” would be more politic descriptors (note: no one’s holding a gun to my head as I write this) – because, in the case of the New York City private school where I happened to be, the Calhoun School on the Upper West Side, the program was thoughtfully executed in concert with parents and teachers alike. It seemed, to me, a natural extension of the life of the school.

Back when I was a teacher myself, coming on 10 years ago, I had a positive experience teaching and learning the very same sorts of diversity curricula that we’d now attribute to the dreaded contagion.

And my memories have a way of disarming the anti-wokesters’ best bogeymen. For instance, I recall that when faculty met up after separating into voluntary – but encouraged – racial affinity groups, we found that both sharing circles had ended up using the group therapy format to talk more openly about how unbearable the upcoming annual gala auction was going to be than we would ordinarily, at lunch or over coffee. (Solidarity didn’t break along black-and-white racial lines that day, in other words. But then I’m not fully convinced it ever truly does...)

It also helped that the Calhoun School – no relation to the slavery-loving senator – was a few years ahead of the curve. There was none of last year’s rush to respond to a trending topic before getting left in every
Diversity education shouldn’t begin in any serious depth before children’s understanding of the world beyond their immediate experience has developed to comprehend higher-level precepts like equality. I don’t like some of the glib language around social justice and diversity. But I think when you can allow a space where it’s non-threatening for kids to talk about difficult things, it actually makes living together better, not worse.

In contrast to the gradual and in-house implementation at Calhoun, a lot of the common complaints today concern sudden changes to curriculum or the intrusions of outside consultants – forces that, understandably, seem to threaten a school’s cultural equilibrium in a way that discourages discussion. And, crucially, diversity education shouldn’t begin in any serious depth before children’s understanding of the world beyond their immediate experience has developed to comprehend higher-level precepts like equality. (A child’s self-centered early sense of what’s fair or unfair doesn’t count.) “Getting into the theoretical aspects of race theory, or very complex issues around white privilege, is not something that kids at a young age should try to grapple with,” as Nelson put it. “It doesn’t surprise me that there would be pushback.”

What began as pushback has piled up into a full-blown panic... Tense partisanship and leering tabloid coverage have turned the idea of systemic racism and the lesson plans that address it into the latest terrifying problem facing the nation – just when we thought peace and normalcy were upon us. But, when you think about it, it’s not really a new way to talk about race. And I don’t mean that it’s been around a while in academia, though it has. I mean it’s remarkably consistent with the morality of Huck Finn, for instance. In order to sell books and

other private schools’ systemically racist dust. Plus, then head of school Steve Nelson, who – disclosure – was my first call for this piece, habitually encouraged dissent and previewed the diversity program for parents before debuting it with students. (Among those who supported it were the two white male conservative Calhoun dads who happened to be chairing the board of trustees at the time.) When he found out I went to Dartmouth, Nelson announced he’d carried on a correspondence for years with English professor Jeffrey Hart, the founding faculty advisor of the Dartmouth Review and a book critic for National Review. To his credit, Nelson, when he told me this, had no way of knowing that I’d be impressed instead of horrified, as most of Hart’s colleagues were by his Right-wing views.

Nelson and I talked for hours about Calhoun’s anti-racist curriculum, mostly confirming what I remembered: that what Calhoun taught very closely resembled the wokeness we’re hearing about now. And why didn’t it go horribly awry? To begin with, “The idea some parents might have that those kinds of discussions actually estrange kids from one another is simply wrong,” Nelson said, adding...
Tense partisanship and leering tabloid coverage have turned the idea of systemic racism and the lesson plans that address it into the latest terrifying problem facing the nation – just when we thought peace and normalcy were upon us.

She doesn’t oppose the school’s overhaul of its humanities reading lists and announced equity-aimed admission reforms – both moves that spurred intense backlash from parents. And she’s quick to point out that she hasn’t worked there since 2018, when she left after 15 years as an art teacher – years which crystallized her perspective on the internal tensions that work against these schools’ earnest efforts at awokening. “That entitled attitude of parents predates the George Floyd murder,” she says. “A lot of these parents also went to Brentwood themselves or to similar schools, so they balk at the changes.”

Of course, schools aim to be forward-looking for a reason. “They’re supposed to keep up with the times and educate young people for the future, the world they’re inheriting,” she says. Savage sees these private schools struggling with controversy as victims of their own attempt to serve two masters. “They’re
trying to adapt,” she says, “but not doing it very gracefully.” And their own history is stacked against them... The school, like the neighborhood surrounding it, was established in the 1970s by white Angelenos fleeing the newly integrated areas in central LA. Savage explains, “To then go in, you know, 40 years later and try to retrofit diversity, equity, and inclusion into a school that was founded on exclusion is difficult to do.”

From Savage’s point of view, it looks like mostly meaningless lip service – and too little too late – as she recalls the days when Black and Hispanic students, who were typically on scholarships, sought refuge in her classroom and the creative outlet it offered amid a highly competitive culture where they were often derided as affirmative action admits and told they should “be grateful” to be there. Whereas Savage found herself pressured by parents to hand out A’s to the celebrated, high-achieving, Ivy-bound students who viewed art classes as an afterthought and rarely darkened her classroom door.

A chief culprit in the woke wars, in other words, is the interfering parent. “I don’t have a lot of sympathy for those parents,” Savage wants to clarify. “For a lot of parents, private schools are about their own ego identification. Kids become an extension of that. Imagine being the child of that parent? What an empty, sad world to live in.” As the poet wrote,

_They eff you up, your mom and dad, they may not mean to, but they do..._

All the players in this saga carry their own cursed inheritance. But of all these accounts, it’s the Riverdale anecdote I heard at the party that stands out... It was by far the mildest “woke” offense I’ve heard anyone attempt to add to this category – and easily the most extreme overreaction. Somewhere in my extended web of acquaintance is a 13-year-old girl who was sent to a convent school for the crime of telling her father that, per her teacher, Trump’s the worst president ever.

What truly amazes is his reaction’s near certainty to backfire. Nothing stokes a teenager’s appetite for free-thinking rebellion quite like life in an actual nunnery – but that’s probably a good thing. (Or so they teach me in developmental psych class.) It makes me oddly hopeful, too, to consider how ridiculous these adults must look to the children in their charge. If enough kids come out of these at times self-contradictory and now embattled curricula thinking for themselves about the complexity of our manmade problems, convinced of nothing but each other’s immutable humanity – and fallibility and susceptibility to faddish freak-outs and all other manners of foolishness – then, well, that’s an education.

_Alice Lloyd_ is a writer and reporter in Washington, D.C., covering culture, politics, and the weirdness in between. Her work has been featured in the _New York Times_, the _Washington Post_, the _Boston Globe_, and the _Weekly Standard_.

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WE'RE WATCHING TWITTER, SO YOU DON'T HAVE TO

Catturd™
@catturd2

Biden taking prewritten questions.

vs

Biden taking a real question.

John W. Rich (Fake Tech Exec)
@Cokedupsions

My valet just asked for a tip after retrieving my Tesla (luxury)

"Invest in stocks," I said, chuckling

He keyed the shit out of my car

Thomas Sowell
@ThomasSowell

Some people seem to think that, if life is not fair, then the answer is to turn more of the nation's resources over to politicians — who will, of course, then spend these resources in ways that increase the politicians' chances of getting reelected.

ri
@nycsadgirl

I deleted all of my investing apps because I want to make money the old fashioned way — marrying rich.

Alex Cohen
@anothercohen

People on Twitter will find literally anything to get outraged over.

You could tweet, "I love the smell of fresh air" and someone would reply with, “you tweeted this without considering the 1% of the population who suffers from anosmia”

Sven Heinrich
@NornhmanTrader

Lumber is one hell of a crypto chart.

Max Weiss
@maxthegirl - Jun 16
People really don't understand how popular Hillary Clinton is.

Stephen L. Miller
@redsteeze

Oh I think they do.

Douglas A. Boneparth
@dougboneparth

For 3 Bitcoin, you can become a permanent resident of El Salvador.

For 3 Dogecoin, you can become a permanent resident of your parents' basement.
WHEN WE POLITICIZE SPORTS, WE INSULT ATHLETIC GENIUS

JUST LET THEM PLAY
Perhaps less discussed was why Brady viewed Gronk’s return as so important. That he has great hands, is 6’6”, and weighs 282 pounds is but a small part of the bigger Gronk story. What Brady really needed was Gronk’s mind. (Yes, you read that right.)

According to Bill Belichick, Gronk’s former head coach, the position of tight end is “probably after quarterback, the hardest position to play” in the modern NFL. When it’s remembered that pretty much everyone who plays in the NFL is physically large and fast, the differentiator is brains. In Belichick’s words, “Rob is a versatile athlete, but he’s also a versatile guy mentally.” Most who play tight end at the NFL level can’t live up to their physical prowess because they’re thinking too much. But, as Belichick claims, that’s not the case with Rob. A football savant, football’s intensely cerebral nature doesn’t slow his own game down.

When Rob Gronkowski signed on with World Wrestling Entertainment (“WWE”) in 2017, more than a few outside of football nodded their heads in knowing fashion. What an appropriate next step for the then-retired NFL tight end... As the modern personification of a “dumb jock,” someone seemingly as shallow in thought as “Gronk” would be a perfect fit for the WWE’s mindless, rather escapist entertainment.

Yet it seems Gronk had the last laugh... In February of 2021, he was back on the football field hoisting yet another Super Bowl trophy after having been lured back to the NFL by longtime New England Patriots teammate Tom Brady. Brady had signed with the Tampa Bay Buccaneers after the 2020 NFL season, and he deemed a rested Gronkowski necessary if his newly adopted team was going to contend for the Super Bowl.

“No, I started out majoring in basket weaving but it was way too difficult. So I changed my major to journalism.”

Joe Namath
It’s rare for football and brains to come up in the same sentence, but you can’t separate the two. What’s happening out on NFL and (increasingly) collegiate fields is artistry born of freakish athletic skills combined with otherworldly knowledge about the game itself. Where it becomes really striking is when the quarterback position is considered.

When asked about what it’s like to be quarterback, Super-Bowl-winning head coach Mike Holmgren likened learning the position to an English-speaking person learning Chinese... with a major twist.

In Holmgren’s words...

“Imagine trying to learn something as difficult as an entire system of plays, and taking the knowledge and making decisions on what to call and where to throw, all within split seconds, and doing it with people running at you trying to knock your ass off.”

So what does the complicated nature of football have to do with politics? In an ideal world, as little as athletes would like it to...

In a more rational world, the phone-book-sized memorization of plays required to merely get on a collegiate or NFL field would be enough to protect the players from expectations of partisanship. These individuals are being asked to fill their minds with so much information, all the while being in top shape, and all the while risking their bodies with each play, so let’s not burden them with politics and policy, too.

Yet with Colin Kaepernick’s famous refusal to stand for the national anthem ahead of preseason games back in 2016, the expectation is increasingly that NFL players will bone up on much more than playbooks. They must have opinions... They must be activists.

And it’s not just football. As this is being written, the Major League Baseball All-Star Game is being moved from Atlanta to Denver. Atlanta’s alleged offense was simply it being a city in Georgia, a state that had recently tightened up its voting rules in ways that will render them still more lax than those on the books in, for instance, New York and Delaware. Looking ahead to July 13, it’s a safe bet that the players skilled enough to earn a spot in the All-Star Game will face all manner of questions unrelated to baseball, but very much related to the politics behind the game’s movement to the Mile High City. And they better have the right, well-rehearsed, media-friendly answers. If not, watch out. The PC and “cancel” police will be out in full force.

The question again is, why? Why should we expect professional baseball players to...
have social and political opinions? And even assuming they do, why should we care? The previous question shouldn’t be construed as an insult to baseball players, nor is it an implied paraphrase of Fox News host Laura Ingraham a la “shut up and swing.”

It’s instead a comment about what difficult jobs professional baseball players have. They’re doing what few can do, and a major reason they’re doing it is because they understand the game in ways well beyond instinct. As George Will long ago put it about baseball’s cerebral nature in his classic 1990 book *Men at Work*...

“I do not deny that extraordinary (literally: not ordinary) physical ability and natural talent are prerequisites for playing baseball at the major league level. But neither do I believe that those gifts are sufficient. The history of baseball is littered with failures by players who thought their natural physical endowments would be sufficient.”

Will made the point about baseball players that Belichick made about Gronk and other football savants with minds sufficient to play for him... Physical skills are nowhere near enough in football or baseball.

**MINDING THE GAME**

Take Kyle Schwarber, a star for the Chicago Cubs in their 2016 run to the World Series title. It would in some ways be hard to find a player more everyman than Schwarber, including that he attended Middletown High School in Ohio, with Middletown being the locale of J.D. Vance’s *Hillbilly Elegy*. Interviews with Schwarber perhaps don’t give the impression of someone deep in thought, but such an observation misses the point in the way that assumptions about Gronk have long missed the point.

When it comes to baseball, Schwarber’s knowledge is much more than extensive. Put another way, when Kyle Hart (a former teammate of Schwarber’s at the University of Indiana) was asked about Schwarber’s intelligence, he noted that while Schwarber was “not going to get into macroeconomics and get an A,” when “you get on the baseball field, that kid might as well be Albert Einstein.”

Will made the point about baseball players that Belichick made about Gronk and other football savants with minds sufficient to play for him... Physical skills are nowhere near enough in football or baseball.

In baseball, much like Gronk in football, Schwarber is showcasing intensely unique genius. While there’s little doubt that Gronk and Schwarber would be caught tongue-tied if asked to talk public policy on Fox, CNN, and MSNBC, so would the smug pundits on those cable channels have deer-in-headlights stares if they were expected to knowledgeably discuss the intricacies of football and baseball with these masters of two incredibly brainy games.

What’s obnoxious is that no one asks members of the pundit class to swim outside
Since sports are escapism, the view from certain quarters seems to be that athletes should keep politics, and “woke” politics in particular, off the field and off the court. Also, Republicans buy shoes, too, don’t you know? Why offend potential customers with political commentary?

Arguably the better case for athletes, along with entertainers and CEOs, steering clear of politics is that it’s asking too much of them. As the title of this piece makes plain in a narrower sense, we insult the genius of athletes when we expect them to be political theorists and partisans in addition to showcasing their unique brilliance in their chosen profession. In other words, we’re asking too much of athletes when we expect them to be political.

Since sports are escapism, the view from certain quarters seems to be that athletes should keep politics, and “woke” politics in particular, off the field and off the court.

EVERYONE BUYS SNEAKERS

This truth is arguably most notable in basketball. Probably because there are so many black players on NBA rosters, the expectation is that the players will shill for the Democratic Party while playing basketball. How could they not? As President Biden explained it to voters in the 2020 presidential election, “You ain’t black” if you vote for the other guy. But why?
The expectation that black NBA players would pull the lever for Biden just because of the color of their skin brought to mind the 1990 race between Republican Jesse Helms and Democrat Harvey Gantt for one of North Carolina’s U.S. Senate seats.

By 1990, Michael Jordan was the biggest star in the NBA, and a global brand unto himself. Very shamefully, the expectation was that Jordan had to weigh in on the election, mostly because he was a North Carolina native, and a former national champion UNC Tar Heel. This was when he famously quipped that “Republicans wear sneakers, too,” but it’s sad that it even came to that. Really, why was Jordan expected to have an opinion on a Senate race at the same time that he was the world’s best basketball player and easily one of the world’s greatest brand builders? Wasn’t that enough?

Apparently not... Supposedly to be true to his race, Jordan would have to comment on Gantt versus Helms. Even former President Barack Obama weighed in on Jordan’s quietude years later in the 2020 ESPN documentary about Jordan’s last year with the Chicago Bulls, The Last Dance. Obama expressed light disappointment that Jordan didn’t come out in favor of Gantt way back when. Obama insulted his hero.

Indeed, not asked of Obama was why Jordan, assuming he had a political bent, would have automatically been for Gantt. Obama’s reasoning seemed to be that Jordan’s knowledge of politics and policy was so surface that it would have to be a given whom he would support. You see, Ganttt was black and also a Democrat. Get it? Black people supposedly always vote based on color and party without regard to the thinking of those running. Wow!

Worse, Obama’s dismay similarly implied that Jordan had the time to bone up on North Carolina politics at the same that he was playing basketball at a level that it had never been played. Translated for those who need it, Obama’s disappointment signaled an all-too-common belief about athletes in general (and basketball players in particular) that it’s all instinct... as opposed to genius born of endless studying. Yes, how very offensive, and how very untrue about basketball players.

As San Antonio Spurs assistant coach Becky Hammon once said about Jordan, the best thing about him “was his mind for the game.” Hopefully readers have started to detect a pattern here. The greats in sports are that way because they’re very talented in addition to being very smart.

Jordan was the smartest basketball player in the world. Once the late Kobe Bryant made the NBA, he too studied endlessly. As former Sports Illustrated basketball writer Lee Jenkins explained about Bryant entering the league, “He asked a hundred questions, of teammates but also opponents. He once asked Michael Jordan at a stoppage about the release angle on his fadeaway.”

**A FOUL POLICY**

In modern times, LeBron James sits at the
top of the NBA heap, and he does so because of his incomparable basketball mind. As the Wall Street Journal’s Ben Cohen wrote in a 2019 piece, James “has a photographic memory,” he “knows the other team’s plays,” and “he can see into the future.” In the words of longtime NBA announcer Marv Albert, “Yes!”

It’s important to note that for a time, James wasn’t at the top of the heap. It was Golden State Warriors’ Steph Curry. Joyous about the formerly great rivalry between Curry’s Warriors and James’ Cavaliers was what James felt put the Warriors up top. It was – you guessed it – the “collective intelligence” of Curry, Kevin Durant, Klay Thompson, and Draymond Green that made the Warriors so formidable. Athleticism on the NBA level is a given... It’s the intelligence of players that takes them and their teams to the next level.

Underlying such demands on athletes is the view that their color automatically defines their views – views seemingly easy to develop since sports are so, you know, instinctual...

Presently James is the world’s smartest basketball player, and he also wears his politics (Joe Biden) on his sleeve. What’s unknown is if he felt he had a choice in the matter.

To be clear, this is not meant to insult James... It’s instead meant to cast aspersions on a modern political culture in the U.S. that demands athletes have strong opinions on matters unrelated to their unique brilliance. It’s again very insulting to the players. Why isn’t it enough that James be the most intelligent basketball player in the world? Why is it demanded that he have other opinions... about presidential politics, about George Floyd, about China?

Politics in sports is not the problem, nor really is “woke” the problem. In a country founded on freedom and skepticism about politicians, how insulting for Democrats or Republicans outside of sports to expect that athletes, just because they’re athletes, shut up and do whatever it is they do on the field or court.

Much more insulting, however, is the view that athletes must be political, and if they’re black, they must be Democrats and “woke” – regardless of what they really feel about politics and policy, assuming anything at all. Underlying such demands on athletes is the view that their color automatically defines their views – views seemingly easy to develop since sports are so, you know, instinctual...

Talk about racist. Yes, when we demand that athletes be political, we thoroughly insult their genius.

The former 12-term congressman, Air Force surgeon, and presidential candidate reveals how to “opt out” of our bankrupt and increasingly socialist system. This is a really powerful and potentially lucrative idea.

Check it out here...
A crowd of thousands erupted in cheers as the former president of the United States, Donald J. Trump, took to the stage in Greenville, North Carolina earlier this month. It was his first big public appearance outside of the state of Florida, and he was speaking to an eager crowd of MAGA supporters.

“We’re going to win North Carolina’s all-important U.S. Senate race,” he promised, “And we’re going to lay the groundwork for making sure that Republicans once again carry the great state of North Carolina…”

And then came a subtle hint...

“In a year that I very much look forward to: 2024.”

The year 2024 will be here sooner than you think... And the Republican Party is in the middle of some serious soul-searching as
By Trish Regan

The Future of the Republican Party

American Consequences 51

may not have liked some of his statements per se, but they liked his policies.

In the era of soaring populism on both sides, that need for solid, meaningful policies is growing increasingly apparent.

If Trump chooses to run again (and that’s still a big IF), it will be almost impossible for any other candidate to run. Love him or hate him, at present, there is no one in the Republican field with his level of star power.
That said, as 2020 proved, star power isn’t everything... In fact, star power ultimately may have been the Right’s downfall.

As we know, Biden managed to campaign entirely from his basement and still win. That’s in part because Americans were feeling exhausted... exhausted by the nonstop coverage, exhausted by Trump’s ability to effectively suck all the oxygen out of the room with his constant attention-seeking comments, and exhausted by the media’s hatred of all things Trump.

In the era of soaring populism on both sides, that need for solid, meaningful policies is growing increasingly apparent.

As a result, many people who consider themselves Republican or Independent voted for Biden. Not because they believed in his policies, but because Biden represented a way to counter the negativity and sensationalism of politics that people had grown so sick and tired of.

The only problem? Americans assumed they were voting for a candidate who would effectively keep the economic status quo...

**A ‘REVOLUTIONARY’ PRESIDENT BIDEN**

In fact, Americans seemed to have no idea they were getting a quasi-socialist (in the Bernie Sanders and FDR vein) who aims to remake America through a redistribution of wealth. Indeed, immediately following his first joint address to Congress, President Biden made a beeline over to Sanders, signaling his support for the senator’s socialist policies.

Biden is attempting to model himself after FDR... Early in his presidency, he invited liberal historians to the White House for a discussion about how liberal he might be able to really get... and how history might treat him should he be successful. The historians (naturally) applauded his efforts and encouraged the president to pursue a radically liberal economic agenda.

Though it’s still early in the Biden term, Joe Biden’s policies have proven, in many ways, to be far more populist and extreme than Trump’s...

While Trump was (and is) certainly extreme on the personality front, Biden has shown a form of extremism on the policy front through his insistence on an estimated $6 trillion in stimulus spending (which is likely to be reduced thanks to pushback from the GOP and some key Dems). He’s also shown his extremism on taxes, through...

- His desire to raise corporate taxes worldwide to a minimum of 15%,
- His effort to raise individual income taxes on those he deems “high earners,” and through
- His hope to double capital-gains taxes, thereby destroying accumulated stock market wealth for many Americans.

What’s even more revolutionary is his push for reparations and a social rewrite of American history. In addition, Biden is
hoping to reinstate the Iran deal, which many security experts believe would dismantle the balance of power in the Middle East, putting our Israel and Saudi Arabia allies at a disadvantage.

As for China? Hopefully Biden’s administration will follow through on its commitment to understanding the origins of coronavirus... though many Americans are currently questioning why on Earth his administration dismantled the state department’s investigation into the Wuhan lab. According to recent reports, the investigation was initially suspended because the state department feared the exposure of U.S. funding for the Wuhan Institute of Virology.

Also of great importance to many Americans – regardless of party – is the development of more transparent trade relations with China. Most U.S. folks would agree that it is not in our best interest to allow China to effectively steal our intellectual property any longer... nor can we allow China to thumb its nose at the standards put in place by the World Trade Organization. It’s unclear whether Biden is committed to fighting back against China in a meaningful way.

Biden notoriously told Trump in a 2019 presidential debate...

China is going to eat our lunch? Come on, man. I mean, they’re not bad folks, but they’re not competition for us. They can’t even figure out how to deal with the fact that they have this great division between the China Sea and the mountains in the east, I mean the west. They can’t figure out how they’re going to deal with the corruption that exists within the system.

At the time, Biden’s comments were viewed as naïve by some, given that China is the world’s second-largest economy and may soon overtake the U.S. to become the largest economy in the world.

Meanwhile, Americans are increasingly aware that we need to do something about these cyberattacks and the vulnerability of our grid. (If you haven’t yet read my story on the threat of an EMP attack, please do so here. Also, listen to my podcast interview with the head of the EMP Task Force, Dr. Peter Pry.)

Most U.S. folks would agree that it is not in our best interest to allow China to effectively steal our intellectual property any longer... nor can we allow China to thumb its nose at the standards put in place by the World Trade Organization.

There’s a lot of serious policy that needs to be accomplished, but at present, Biden seems more intent on restructuring the economy to create a kind of “equality of outcome.” As I’ve often said, our goal should be to create equality of opportunity – not outcome... But in a socialist utopia, which I believe Biden is striving for, outcomes are more highly valued.

It’s a big-government-versus-small-government dilemma... And the problem for Americans right now is that the “nice
of the pandemic and recorded a lower death rate than California, despite having a larger percentage of elderly people. And while Governor Andrew Cuomo made the unforgivable error of sending people with COVID-19 into nursing homes for recovery, DeSantis was wise to ensure that these measures were not enacted in Florida.

Importantly, Florida was able to reopen schools... thereby saving a generation of children in the state from falling behind. Consider this: In Chicago, Illinois, kids STILL aren’t back in school full-time thanks to massively powerful teachers’ unions.

In sum, Governor DeSantis will have a heck of a record to point to... He’s also comfortable in front of TV cameras (alas, a prerequisite for politicians these days) and has managed to maintain the support of the Trump community without being labeled as a total crazy person by the media.

Yet, that is... Of course, that’s probably coming if he becomes serious about a presidential bid. Nonetheless, a phenomenal record can’t be disputed. And at present, I’d put DeSantis’ record up against any other Democrat politician’s, including President Joe Biden’s.

The other potential contender is former Secretary of State Mike Pompeo. His challenge, however, will be a lack of record... While he may ultimately be proven right on his concerns about Wuhan, as well as his policies with the Middle East, he’s more vulnerable to attacks from the Left, having been part of the Trump administration.
Former Vice President Mike Pence is in the same boat. At a fundraising event in Manchester, New Hampshire, earlier this month, he tried to straddle the line... perhaps placating those who support Trump while also stressing his independence from the president. He told the Republican attendees about the January 6 Capitol siege:

President Trump and I have spoken many times since we left office. I don’t know if we’ll ever see eye to eye about that day, but I will always be proud what we accomplished for the American people over the last four years.

Pence, like Pompeo, doesn’t have a personal, executive record with which he can fight back against the media’s attacks... thereby making it more challenging for him to run against Biden (or possibly even Kamala Harris).

Other contenders include Senators Ted Cruz and Marco Rubio. Cruz will have his own set of challenges – challenges that were evident in the 2016 primary. He doesn’t quite have the likability of Pompeo or Pence, nor the larger-than-life personality of Trump. Most importantly, he does not have the record of DeSantis. And on the policy front, his approach may not be conservative enough. Consider his tax proposal in 2016, for example... Cruz advocated for a European-style value-added tax. And then, of course, there was the whole Cancun thing...

Senator Rubio also struggles with the problem of being a senator and not a governor – and therefore not having the role of an executive. There’s additionally the risk of over-exposure for the Rubio, Cruz, Pence, Pompeo crowd.

If Republicans are looking for fresh blood, they’d be more likely to turn to a governor like DeSantis, or even Chris Sununu in New Hampshire. Sununu, like DeSantis, has managed to thread the needle between being pro-Trump while not quite yet gaining the ire of the media. New Hampshire itself has kept its unemployment rate lower than the rest of the nation and had a decent-enough success rate in coping with the pandemic.

Other contenders include Senators Ted Cruz and Marco Rubio. Cruz will have his own set of challenges – challenges that were evident in the 2016 primary. He doesn’t quite have the likability of Pompeo or Pence, nor the larger-than-life personality of Trump.

Though Sununu has taken some hits for his failure to keep coronavirus out of nursing homes, all in all, most residents on both sides of the political aisle seem pleased with his performance. The state isn’t the political powerhouse of Florida, which leaves him at a disadvantage, but a role for Sununu in the presidential field should not be discounted.

Senator Rand Paul might also throw his hat in the ring... And in many ways, Paul’s message of less government could really resonate at this particular moment in time. He has proven himself to be a rising star through his relentless determination to get at the truth.
A UNITED FRONT

Most importantly, whoever the nominee, the GOP needs to focus on crafting a united message against high taxes and big government. The reality is America’s standard of living and way of life is very much at stake. If there’s no reasonable counterweight to the socialist-style economic proposals from the Left, then we risk four more years of the Biden/Harris administration.

Republicans would be smart, at this moment in time, to focus less on internal bickering and Trump (hint Congresswoman Liz Cheney and Senator Mitt Romney), and instead on the need for having a united message that embraces some of the most important policy aspects of the Trump movement – including lower taxes, actual borders (complete with a more transparent, less bureaucratic immigration program... the “red carpet” for those we want and need, as Trump himself once said), and less regulation.

The Biden administration has been quite explicit in its desire to put wealth redistribution ahead of actual economic growth. This is why it’s so critical that Republicans – and independents who care about prosperity – focus on the policy goals needed to secure a brighter economic future for all. To do this, it means being committed to a set of ideals and embracing the best economic policy initiatives of the Trump administration.

Whoever the candidate is in 2024, the infighting will need to stop for the health of the party and the country.
An unstoppable force is taking over our country’s financial markets.

And if you have any money in stocks right now, you could soon see the effects in your retirement account.

Stocks have soared over 70% since last year’s crash.

It’s been one of the greatest rallies in American history!

But according to Dr. Steve Sjuggerud, a far more dramatic financial event is on the horizon.

And it could blindside millions of Americans in 2021.

CLICK HERE to hear exactly what he’s predicting, and what it means for your money in the coming months...

WARNING: What Dr. Sjuggerud has to say is controversial... and not at all what you’ll hear from the mainstream press. But for the time being, you can view the presentation right here.
BLANK CHECKS & FULL IMAGINATIONS

By Enrique Abeyta
I began my full-time career on Wall Street at Lehman Brothers in August 1995.

Two years earlier, I spent the summer working for Lehman on the powerful fixed-income syndicate desk.

When I started, Lehman was known as a fixed-income powerhouse. It was the only place I wanted to work. I imagined it being like the coolest fraternity on campus.

As part of our training at the firm, though, new hires were required to do a “rotation program” where we would sit on a number of other trading desks. The idea was that the team running those trading desks would get to meet us, and then both groups could decide whether it would be a good fit (similar to rushing a fraternity).

For my rotations, I chose corporate fixed-income, syndicate fixed-income, internal proprietary trading (basically the company’s internal hedge fund), and private-equity placement.

The last one intrigued me the most...

A smart, aggressive investment banker named Peter Ax ran the desk. My time working rotation on this desk opened my eyes to the big opportunity in venture investing and investing in private companies.

This was back in the earliest days of the Internet. Household names like Google’s parent Alphabet (GOOGL) and Facebook (FB) didn’t even exist yet... But Lehman’s private-equity placement desk already had an impressive two-decade track record of
generating massive returns by investing in nascent companies with incredible growth potential.

These businesses weren’t publicly traded, which meant this market wasn’t transparent. I had to work hard to find these opportunities... and they weren’t available to most retail investors.

Each of the deals took a ton of work. There were no public filings, analyst reports, or any of the usual paperwork you would have with a publicly traded stock.

But that’s exactly why they had such incredible upside potential... and also why I was so interested.

It’s basically impossible for the average investor, most of whom don’t have the access, the time, or the skillset to go out and do the deep research on hundreds of ideas to identify the best private investments.

Despite my initial plans to join the prestigious fixed-income desk, I ended up joining the private-equity desk, where I stayed for a couple of years. Peter eventually moved on to start a chain of laundromats of all things... and with my mentor gone, I decided to move into the hedge fund side of the business.

Still, my interest in private equity never went away... And over the years, I continued to look for these kinds of opportunities. My last hedge fund, Falcon Edge Capital, was particularly active in this market and eventually invested more than $500 million into them.

In fact, the area interested me so much that I eventually went on to start my own heavy metal and tattoo digital media and e-commerce company, Project M.

Investing in these private companies can present a huge moneymaking opportunity. However, it’s basically impossible for the average investor, most of whom don’t have the access, the time, or the skillset to go out and do the deep research on hundreds of ideas to identify the best private investments.

Remember, with no publicly available information on any of these companies, the process is extremely tricky and time-consuming.

But what if I told you that you can partner with some of the best investors in the world to get in on the ground floor of these kinds of opportunities?

They’ll go out and find these opportunities... they invest their own money alongside you... and best of all, when you invest, you have the option to decide whether you like the deal they’re making... or you get your money back.

I know that sounds too good to be true, but this type of investment exists... and this little-known corner of the market is getting bigger every day.

I’m talking about special purpose acquisition companies (SPACs). SPACs have been around for decades. Their earliest predecessors were called “blank-check companies.”

These were pools of money that were raised for the purpose of eventually acquiring
another company. In short, it was a way for these companies to collect money from investors with no idea how exactly they would spend the funds.

They began to proliferate in the 1980s but did so in the shady “penny stock” area of the capital markets. It became a big business in the go-go ‘80s – the decade of the cutthroat Gordon Gekko from the iconic film *Wall Street*. In fact, from 1988 through the third quarter of 1989, an incredible 70% of penny stocks went public through blank-check companies.

Often, these businesses were merely fronts for unscrupulous brokers to go out and defraud investors. They would often invest in non-viable (or even fake) private businesses and then use their high-pressure tactics to push the price higher and dump them on unwitting investors. (Think of films like *Boiler Room* or *The Wolf of Wall Street* and you’ll get the picture.)

In 1990, the U.S. Securities and Exchange Commission (“SEC”) began to respond, beginning with the Penny Stock Reform Act (PSRA), which clamped down on these blank-check offerings.

But in 1992, the SEC really put its foot down when it stipulated that money raised in this structure would have to be put in escrow until the company identified its investment. It also ruled that the majority of the money raised had to be used for the acquisition. Most important, investors would have the option to vote on whether to participate. These were put out in SEC Rule 419 and legitimized the once-seedy world of SPACs.

One of the first big investors to take advantage of these new regulations was GKN Securities Chairman David Nussbaum. He saw an opportunity to use this structure to do “reverse mergers” with private companies that might not otherwise have access to the capital required for a traditional initial public offering (“IPO”) process.

Technically, Nussbaum created companies that weren’t subject to Rule 419... but he abided by the rules and created the first real institutionally investable SPAC vehicles.

The tech bubble put a damper on the creation of more SPACs, as virtually any company that wanted to go public did so via an IPO. But the collapse that followed created another opportunity.

The SEC added additional regulations in 2003, which paved the way for large banks like Citibank, Deutsche Bank, and Credit Suisse to get involved.

The tremendous growth in the issuance of SPAC stocks over the past decade represents a great opportunity for investors.

Over the past few years alone, we’ve started to see legendary investors like Bill Ackman, Mario Gabelli, Peter Thiel, and Howard
A team of investors form a business – let’s call it Really Smart Acquisition Corporation ("RSAC") – designed to raise capital to take a private company public. But RSAC can’t tell you what company it wants to take public. It might not even know yet.

RSAC’s management goes out and raises a pool of money, telling investors, “We’re going to go out and find a great investment idea for this money.”

The process of raising money is similar to an ordinary IPO process. The underwriter (a brokerage or bank) raises the funds by selling common stocks (i.e., regular shares of ownership in the company).

But unlike a normal IPO, instead of buying shares in a restaurant chain or e-commerce company, for example, you own a share of RSAC’s pool of money.

In the meantime, RSAC will hold the money in an account while management – known as the “sponsor” – goes out and looks for a deal.

The sponsor goes out and looks at hundreds of transactions to try to find the best investment. It will usually specify a particular industry or geographic area for its target business or assets. Sponsors may not be prohibited from investing in any industry or location, but they typically stick to what they know best.

Our hypothetical Really Smart Acquisition Company is what’s better known as a SPAC. And certain SPACs make for fantastic opportunities for individual investors...

The graphic on the right shows the various sectors for SPACs over the past few years. As you can
see, most of the money raised has been focused on technology, media, and telecom ("TMT"), consumer, and general-opportunity SPACs...

Legally, the sponsor can’t have a specified target already identified, otherwise it has to disclose that information in the registration statement.

Again, these are experienced groups of managers who conduct a massive amount of research and due diligence to identify and decide on an investment opportunity.

While they’re looking for a deal, the company makes regular periodic SEC filings – just like any other publicly listed company.

Once the sponsors identify a company or asset to invest in, they formalize the legal documents around a potential acquisition and then announce the deal. The sponsors typically have a couple of years to identify an investment, though they often find one much sooner than that.

(If they don’t find one in that time frame, they go through a process to return the money to investors. In this case, you usually get most of your money back – typically 90% to 95% of your original investment. The portion you don’t get back is due to expenses the company incurs through the years to operate, conduct financial filings, etc. This happens rarely – only two out of 68 SPACs liquidated in 2020.)

This is what makes SPACs a uniquely fantastic deal for investors: If you own shares of the SPAC, you basically get a free look at the investment... and if you don’t like it, you get your money back.

Once management finds its target, the owners of the common shares can vote on whether to participate in the deal. If you vote “yes,” you’ll own shares in the new company once the transaction is completed. (The ensuing process of transforming into an operating company is called a “de-SPAC transaction” and typically takes three to five months.)

If you vote “no,” you’ll get your original $10-per-unit investment back... even if every other owner votes “yes.”

This is what makes SPACs a uniquely fantastic deal for investors: If you own shares of the SPAC, you basically get a free...
look at the investment... and if you don’t like it, you get your money back.

Nothing else like this exists in any other public market.

SPACs are growing in popularity because they’re an attractive alternative to IPOs or direct listings for a number of reasons. That’s why over the past several months alone, we’ve seen well-known private companies going public via SPAC.

In fact, since 2012, the SPAC market has grown from 1% of all dollars raised in U.S. IPOs to nearly half this year, according to Dealogic. Over that period, the average SPAC has risen more than seven-fold in size, while the average IPO has shrunk by almost 25% (See above chart).

Participating in a SPAC comes with several benefits for all of the involved parties – the sponsors, companies, and investors. Let’s take a look at each...

**WHY SPONSORS LIKE SPACS**

**They’re quicker**

Compared with taking an operating company public via an IPO, which involves going through years of financial results, SPACs have none. SPACs are going to buy something, but at the outset they don’t own anything. This means the process takes weeks rather than months. (I laughed when I saw tech writer Byrne Hobart call them “the Vegas wedding chapel of liquidity events.”)

**They’re more flexible**

While the sponsors will lay out some initial guidelines, they have broad flexibility in the business in which they will ultimately invest. This allows them to be opportunistic and take advantage of changes in the market or the opportunity.

**They’re lucrative**

The sponsors aren’t doing this for free. When
a SPAC is formed, the sponsors will purchase “founder shares” for a nominal amount (say, $25,000). These are often registered as “Class B” or “Class F” shares.

Though the situation varies from company to company, the founders typically end up owning 20% of the business. This is called the “promote,” and it lines up with the private-equity-fund structure, where they get to keep 20% of any profits they produce.

**They open doors down the road**

If sponsors do a good job (and make money for investors), it increases their ability to go out and launch other SPACs in the future. This gives these entrepreneurs an opportunity to create a private-equity-like structure.

Rather than raising one big fund to do a number of deals, though, they raise individual funds (the SPAC) for each deal. This is why sponsors are increasingly launching multiple SPACs... a trend that’s likely to continue.

**WHY COMPANIES LIKE SPACS**

**They’re much easier than a traditional IPO**

A business combination between a private company and a SPAC is a complicated process that requires extensive due diligence and legal and regulatory requirements. But it’s a lot less of a hassle than doing an IPO, which involves a road show, negotiations, and plenty of red tape.

A typical IPO process may stretch out for 12 to 18 months, while a SPAC deal could close in less than six months. This means more time for the company to manage the business and grow value.

**They offer access to more capital**

One of the motivations to do a SPAC transaction is for a company to have a publicly traded vehicle. Another equally important benefit is access to more capital. Typically, the majority of the pool of capital that the SPAC raised is then kept at the new operating company to fund future operations and growth.

**They can partner with proven management teams**

By selling a company to a SPAC, the entrepreneur can benefit from the sponsor’s experience and network. The SPAC sponsor is typically locked up from selling shares for at least a year, and usually remains a significant investor. Just like with venture-capital or private-equity funds, entrepreneurs can benefit from this relationship.

A business combination between a private company and a SPAC is a complicated process that requires extensive due diligence and legal and regulatory requirements. But it’s a lot less of a hassle than doing an IPO, which involves a road show, negotiations, and plenty of red tape.

**WHY YOU SHOULD LIKE SPACS**

**You get a free look at a potentially great investment**

As I mentioned earlier, once a transaction is
announced, you can vote to not participate and get your money back. This is a “free option.” If the deal looks good, you can participate and make money as the company grows. If you don’t like the deal, you simply get your money back.

**You can partner with proven management teams**

Venture-capital and private-equity funds are typically closed to retail investors as a result of regulatory constraints. Ownership in a SPAC allows investors to partner with top investment professionals and benefit from their skills. SPAC sponsors also typically have a significant amount of capital invested alongside the investors, so they’re even more motivated.

**You’re protected**

The SPAC is registered with the SEC and subject to extensive regulation. At this point, many well-established provisions exist in the typical SPAC that serve to protect investors’ interests. Today, SPACs are well-regulated investment vehicles, just like other publicly traded stocks.

The gross proceeds among SPACs over the past 12 months has exceeded all of the money from 2013 through 2019 combined, with online gambling business DraftKings (DKNG), men’s wellness firm Hims, and electric-vehicle charging network ChargePoint choosing to go public via SPAC.

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**THE DEATH OF THE TRADITIONAL IPO**

Last year was abuzz with many long-awaited “unicorns” finally going public.

Ride-sharing firms Uber (UBER) and Lyft (LYFT), plant-based food producer Beyond Meat (BYND), and exercise-equipment company Peloton (PTON) all hit the public markets last year.

Home-rental company Airbnb, delivery firms Postmates and Instacart, and online trading platform Robinhood expected to make their public debuts in 2020. But when the COVID-19 pandemic caused the U.S. stock market to crater this past winter, these companies decided to indefinitely postpone their IPOs.

However, the uncertainties in the market didn’t even faze the SPAC market...

Over the past few years, the market for these IPOs and number of SPACs has grown dramatically. From 2015 through mid-2021, more than 750 SPAC IPOs raised approximately $230 billion.

SPACs are becoming an increasing percentage of the IPO market. Last year, SPACs represented 27% of all IPOs and 23% of the capital raised. Over the past three years, they made up 20% of the entire IPO market.

At the time, 2019 was the biggest year ever for the industry, with 59 SPACs raising $13.6 billion... But 2020 broke many records in the red-hot SPAC market... And 2021 has blown both years out of the water, with 330 SPACs and $105 billion of cash ready to deploy.
The gross proceeds among SPACs over the past 12 months has exceeded all of the money from 2013 through 2019 combined, with online gambling business DraftKings (DKNG), men’s wellness firm Hims, and electric-vehicle charging network ChargePoint choosing to go public via SPAC. (See below chart.)

Today, SPACs present a better opportunity than ever before, for five reasons...

1. **Market Legitimacy**

   SPACs have a shady history, but they’ve come a long way from those early days. Today, SPACs are a well-regulated and increasingly liquid area of the market. It has drawn in more and more qualified investors, regulators, brokers, lawyers, and others. It’s now a fully developed, institutional-class sector, making it perfectly safe for investors.

2. **Quality of Sponsors**

   Far from being sponsored by small penny-stock brokerages on Long Island, the group of sponsors is an impressive group of institutions at this point. In addition to Ackman, it includes investment bank Goldman Sachs (GS), Mario Gabelli, private-equity giant TPG Capital, Daniel Loeb’s Third Point Management hedge fund, and Howard Marks’ Oaktree Capital Management hedge fund.

   Earlier this year, Barron’s shared the story of famed Honeywell (HON) CEO David Cote’s experience with SPACs. Cote ran the industrial conglomerate for 15 years from 2002 to 2017 and was consistently regarded as one of the best CEOs in the world.

   Cote recounted how someone approached him with the idea of doing a SPAC and he was completely unfamiliar with them. After doing some research, he saw an opportunity. The president and COO of Goldman Sachs approached him and the two teamed up to raise nearly $700 million for industrial acquisitions.

   This doesn’t mean every sponsor will do a great deal or make money... But the quality is
the IPO market to sell shares and generate profits for their investors.

With the decline in smaller IPOs, this path is becoming more difficult for most companies looking to go public.

Instead, private-equity firms are increasingly turning to SPACs as a way to monetize their investments and send the companies in their portfolio to their next growth phase.

Lack of Investor Knowledge

While SPACs have existed for decades, their popularity has only picked in the past 10 years. This means that the majority of investors lack a deep knowledge of the SPAC market. This is true on Wall Street, but especially true for retail investors. SPACs are also uniquely challenging from a research perspective.

When a SPAC initially goes public, there is no financial information available as to what the SPAC is going to (or might) eventually invest in. No research is available for investors to make decisions about the investment.

When the SPAC announces the investment, it releases a great deal of information, including historical financials and future projections. And because SPACs go to market much quicker than IPOs, investment banks have a relatively short time frame to produce said research.

They’ll eventually cover the stocks, but there’s a window of time where a dearth of information exists. Given the complexity of the structure and the process, many opportunities emerge during this time.

Availability of Investments

When I began my career on Wall Street, many small and mid-tier investment banks like Alex Brown, Hambrecht & Quist, Montgomery Securities, and others existed. These firms specialized in taking small-cap companies public. Larger brokerage firms and banks eventually bought and absorbed every one of them.

Today, big banks like Goldman have no interest in small deals. This makes sense – those deals won’t move the needle for a blue-chip investment bank that generates nearly $40 billion in annual revenues... But it leaves a big hole for smaller companies to raise capital and go public.

The average SPAC is sitting on hundreds of millions of dollars of uninvested capital that it can now look to deploy, and these experienced investors will likely be able to deploy that capital with great returns.

Additionally, we’ve seen an explosion in private-equity investing like never before. Private-equity and venture-capital assets have grown more than 10-fold over the past decade.

Many of these firms see great opportunities in smaller and mid-sized firms, but they also have limits on how long they can hold their investments. Historically, they would go to...
For instance, during the height of the pandemic in early 2020, many SPACs traded at 5%, 10%, or even bigger discounts to their cash held in trust.

This means you could buy $1 worth of U.S. Treasury securities (where the SPACs typically hold their cash) for $0.93 and get the warrant and the huge upside for free.

It was a short window, but an incredible opportunity... and one that doesn’t exist in the traditional IPO market.

**Recent Market Volatility**

With the recent pandemic-related global economic crisis, the opportunity for SPAC investments became much better...

Remember, at the core, SPACs are experienced and sophisticated teams of investors with large pools of uninvested capital. You as an investor have the opportunity to partner with them and get a free look at their potential to deploy that capital.

With the heightened market volatility, thousands of viable and vibrant businesses suddenly found themselves in desperate need of capital.

The average SPAC is sitting on hundreds of millions of dollars of uninvested capital that it can now look to deploy, and these experienced investors will likely be able to deploy that capital with great returns.

This might be the best opportunity they’ve ever seen...

The powerful combination of an experienced group of deep-pocketed investors, a target-rich environment, and the recent market crash means this could be the best time in history for individuals to invest in SPACs.

Investors who bought shares of Virgin Galactic, DraftKings, and Hyliion at the outset had the chance for quick, multibagger returns. Virgin Galactic rose 270% five months after its SPAC took it public. DraftKings soared 500% in nine months. And Hyliion rose 420% in less than three months.

The good news is, you haven’t missed a thing.

With world-class investors like Ackman still on the search for a target – and big names like Goldman joining the party – the incredible returns from the recent resurgence of SPACs are just getting started...

That’s why my business partner Whitney Tilson and I just put out a brand-new presentation detailing the massive opportunity in the SPAC market. In it, we share details on the No. 1 SPAC to buy right now. But you have to act quickly... The opportunity could be gone in a matter of days. Watch it right here.

**Enrique Abeyta** graduated cum laude from the University of Pennsylvania’s Wharton School of Business. In addition to raising more than $2 billion in assets during his time on Wall Street, Enrique’s impressive track record includes strongly outperforming the S&P 500 Index over a decade and serving as co-founder and CEO of digital media and e-commerce company Project M Group.
INVEST ABROAD TO MAXIMIZE PROFITS
It’s a common investing pitfall... Folks often focus their investments on the country where they live.

In fact, the average American investor holds a little more than three-quarters of his portfolio in stocks listed on U.S. exchanges. American stocks, though, account for only about half of total global stock market capitalization (that is, the value of all the world’s stock markets put together).

That means that most Americans are “overweight” U.S. stocks – they own more American stocks than an allocation based on market capitalization would suggest.

This tendency for investors to favor stocks in their domestic market is called “home-country bias.” For Americans, this seems like a logical choice... The U.S. is a big and powerful country, and the world’s largest economy, so it should indeed make up a good portion of anyone’s portfolio.

But perhaps surprisingly, whether they live in the U.S., Germany, or Singapore, investors all over the world are “overweight” their home country.

These days, investors in Japan put about 55% of their money in Japan-listed stocks – although Japan accounts for only about 8% of the world’s total stock market capitalization. And Australians put 66% of their money into their domestic stock market – which is just 2% of the world’s market capitalization.

Those data don’t even include real estate... For many people, buying a home is their single largest investment, and it’s nearly always a “home country” purchase. The same is true of most folks who buy real estate for investment purposes. So including real estate, the actual concentration of investors’ assets in their local markets is actually much higher.

If your home country struggles to grow – or, worse yet, undergoes a serious crash – you just may be stuck in a bad situation.

Whether you’re a tycoon making big financial moves, or a wage-earner trying to buy a home to live in, what happens to your country, happens to you.

Now I’m not calling for a massive market crash here in the United States, but certainly many of the ingredients have already been mixed together... high government debt, low interest rates with no inflation, an aging population, and a speculative bubble.

But here’s the key... The modern financial system has given you a way to protect yourself. Many folks think of the stock market and other investments as a way to get rich without working. And sure, that’s part of it. But perhaps more important is the ability to spread your assets around all parts of the economy, and the world, to earn safer returns and protect your wealth from changes to one single sector, economy, or currency.

A century ago, a miner’s entire fortune rose and fell with the mining industry. Today,
workers in, say, health care, can set themselves up to gain from technology, energy, and global industries.

That’s what we’re going to do today.

**THE RISKS OF ‘STAYING HOME’ WITH YOUR PORTFOLIO**

I get it... If you’re going to be living in the same place for a long time, maybe forever, it might make sense to have most (or all) of your assets in that country. If you live and work in the U.S., what’s wrong with holding all of your assets in American stocks, bonds, and dollars?

Here’s the thing... You’re putting all of your eggs in the same basket. What if the banking sector goes bust? What if your home currency massively devalues? What if the real estate market crashes or the government starts searching for ways to plug a massive budget deficit, and your assets are all in that country?

That might sound more like something that would happen in an emerging market like Russia or Indonesia – not the U.S. But it was barely a year ago that the U.S. stock market fell an emerging-markets-like 34% in about a month. In April 2020, the U.S. unemployment rate exploded by more than 10 percentage points, as nearly 16 million people lost their jobs due to the COVID-19 panic. The U.S. economy shrank by one-third in the second quarter last year.

Currently, the U.S. dollar is the world’s reserve currency. But looking forward, unprecedented spending by the U.S. government, and debt issuance from the Federal Reserve, will increasingly call into question the status of the U.S. dollar.

As of March 1, just over three-quarters of all dollars that have ever been printed were created over the previous year. The federal deficit is forecast to hit 15% of U.S. gross domestic product (“GDP”) in 2021 – the biggest deficit since World War II. That compares with a deficit of just 2.4% of GDP as recently as 2015.

None of this means that the U.S. economy, the U.S. dollar, or U.S. stock markets are headed for a collapse tomorrow... or even anytime soon.

But for your portfolio, “staying at home” by investing in what you know means taking on a lot more risk than you might realize. The United States won’t forever be the dominant power that it has been over the past decades. It only makes sense to hedge your bets by putting some of your investments in other markets.

And in the evolving post-COVID-19 world of hugely divergent economic growth and prospects, it’s more important than ever to look away from home – and outside the scope of what you know from immediate, first-hand experience – for the most attractive investment opportunities.

Of course, there are reasons people stay home. And some of them make sense. But we can find ways to get abroad and stay smart...

**THE COMFORT OF HOME**

Sometimes, it makes sense to invest in something that you don’t know that well.
That’s heresy to an entire generation of investors who came of age following legendary investor Peter Lynch’s advice to “invest in what you know.”

From his perch as the portfolio manager of Fidelity Investment’s Magellan Fund – for years the world’s largest mutual fund – Lynch urged regular investors to apply insight they gleaned from their professional or personal experience to their stock investment decisions.

Investing in what you see with your own eyes and experience in your regular day, as Lynch suggests, has some advantages... The steelworker might note an increase in shifts at his plant, the fast-food diner might spot long lines outside one particular chain, and the parent might know which big-box stores have the fullest parking lot.

This philosophy promotes sticking to the familiar and comfortable. And that’s how most people choose investments... in other words, what they know.

Lynch’s advice echoes that of legendary investor Warren Buffett, who warns investors to “never invest in a business you cannot understand.” It’s a lot easier to understand a business that you have direct experience with... that’s conducted in a language you understand... and is run by people who come from a similar culture.

What’s more, investors tend to be more optimistic about their local economies and markets than foreign investors. Investors tend to trust companies – that the interests of management are aligned with those of small shareholders, and that corporate governance will be sound – inside their borders, more than they do companies outside their own country. And by staying local, investors face less trouble come tax time, and much less foreign-currency risk.

Many investors are wary of foreign markets anyway. It’s one thing to invest in a company based in your country whose products you see every day. It’s something else entirely to put your money into a company or market that’s on the other side of the world, in a place you’ve never been... and take a leap of faith that you won’t be ripped off.

But for your portfolio, “staying at home” by investing in what you know means taking on a lot more risk than you might realize... Sometimes, it makes sense to invest in something that you don’t know that well.

If your home base is relatively affluent and stable, the volatility – that is, sharp price swings – of less developed markets might be unfamiliar. Getting enough information to make an informed investment decision – to at least come close to the standards of Lynch and Buffett – might feel impossible.

However, we can simplify things...

First of all, investing in a foreign company is not so different from buying domestic stocks. Business is business, the world over. If you invest in profitable businesses that delight customers and grow responsibly, you’ll generally do well. Research shows that the
concepts of valuation and profitability apply in all markets.

And many top emerging market stocks are actually very familiar to most investors in the U.S. Think Taiwan Semiconductor, whose computer chips power many of our devices, gadgets and electronics... or South Korean electronics giant Samsung.

Those are products you use and know. Doesn’t it make sense to have some investment in them?

As far as tax issues and stock selection, we can use index funds to take care of the tricky issues. And if you are concerned about political stability, we solve that problem by diversifying across countries.

What may be more vital, though, is that today looks like the ideal time to put some capital into emerging markets...

**PERFORMANCE TRAVELS AROUND THE GLOBE**

Different economies and markets outperform at different times. Investing in a range of geographical markets can boost your returns.

Take Japan, for example... The Japanese stock market index was at approximately the same level in 1987 as it was in 2020. Today, the country’s index trades well below the all-time high it hit in December 1989. (By contrast, the S&P 500 Index is around seven times higher than its 1987 levels.) Japanese investors who “stayed at home” over the past several decades have missed out in a big way.

Of course, a well-performing market can continue to rise, as evidenced by the historic bull run of the S&P 500 (more on that in a moment)... just like a poorly performing one can suck wind for a long time. Just ask investors in Japan how that felt.

But at some point, mean reversion kicks in – that’s when the pendulum swings back... when extreme movements, one way or the other, tend to reverse and trend toward a long-term average.

In market terms, that means that after a period of rising prices, a well-performing market tends to deliver average or poor returns. And markets that have been long-term laggards will – all else equal – get their time in the sun again.

Diversification is not only a smart way to insulate your portfolio against the damage of a few eggs in your basket being broken... It also helps improve your portfolio’s performance.

While U.S. stocks have soared over the past decade – and more – those in emerging markets have massively underperformed, as shown in the table below...

<table>
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<th>One Year</th>
<th>Three Years</th>
<th>Five Years</th>
<th>10 Years</th>
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<td>U.S. market</td>
<td>51.2%</td>
<td>68.2%</td>
<td>125.6%</td>
<td>271.8%</td>
</tr>
<tr>
<td>Emerging markets</td>
<td>49.8%</td>
<td>26.0%</td>
<td>73.1%</td>
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</table>

Note: Performance data is cumulative. As of April 30, 2021. Source: Vanguard
Over the past year (as of April 30), both U.S. and emerging markets are up around 50%. That huge jump follows the global market correction as the severity of the coronavirus rose to the front of investors’ minds.

But looking to three-, five- and 10-year performance, you see a huge divergence. American markets have boomed, while emerging markets – the biggest of which include China, Taiwan, South Korea, and India – have dramatically underperformed.

Over the past five years, U.S. markets – represented above by a broad index of nearly 4,000 traded stocks – have risen a total of 125.6%... while emerging markets are up 73.1%. And over the past decade, American stocks are up 271.8% – compared with just 36.5% for emerging markets.

And now – after an extended run of strong performance – U.S. markets are more highly valued than emerging markets. Two of the most widely used ways to gauge how “expensive” a market is are the price-to-earnings (P/E) ratio, which compares the share price to the company’s earnings per share... and the price-to-book (P/B) ratio, which reflects the value of a company’s assets minus the value of its liabilities, per share.

And right now, emerging markets sport a P/E of 18, compared with 29 for the all-U.S. stock index... That means U.S. stocks are 61% more expensive. Emerging market stocks trade at a P/B of 2.3, compared with 3.9 for the U.S. – a 70% premium for American stocks.

Admittedly, valuation and the “cheapness” of a stock or market make up only one part of the story. Cheap stocks can remain that way for a long time. And sometimes, an asset is cheap for a reason.

It makes sense for higher-risk emerging markets to be at least somewhat cheaper than U.S. markets... But that doesn’t mean you should avoid emerging markets entirely. Right now, the premium of U.S. markets is close to all-time highs – far higher than warranted. And the pattern of mean reversion argues that emerging markets are due to outperform U.S. stocks in the coming years.

That doesn’t suggest you should go crazy. No matter what, it’s probably a good idea to keep your portfolio’s exposure to emerging markets relatively limited – say, somewhere between 5% and 15%, depending on your risk appetite... when you’ll be needing your investment capital... and your overall time horizon. It’s also an argument for a well-diversified approach to investing in emerging markets.

What we’re looking for is a way to diversify outside U.S. markets... to capture the valuation discount of emerging markets... and to benefit from mean reversion as American stocks eventually slow down and shares in emerging markets play catch-up.

There are lots of ways to do this. And what I recommend today is the iShares MSCI Emerging Markets ex China Fund (Nasdaq: EMXC). EMXC is a broadly diversified exchange-traded fund (“ETF”) listed on the Nasdaq stock exchange. While it holds foreign stocks,
EMXC GEOGRAPHIC EXPOSURE

This fund is easy to buy and sell.

This emerging markets fund holds nearly 600 stocks across 13 countries. Its biggest geographic exposures are Taiwan (at 23.1%) and South Korea (21.6%). Taiwan and South Korea are two of the most dynamic economies on Earth... In many ways, these two markets look a lot more like developed markets than emerging ones.

For example, in terms of economic output per capita, both South Korea (at just under $32,000) and Taiwan (at $31,000) are higher than Portugal ($23,000), even though Portugal is considered a developed market. Still, they don’t meet all of index-maker MSCI’s requirements to be classified as developed markets, so they’re still considered emerging markets from an investment perspective.

As you’ll see in the chart to the left, the rest of the countries represented in the EMXC portfolio are more traditional emerging markets, including India, Brazil, South Africa, and Russia. These are all markets that offer tremendous opportunity – but also come with more risks than South Korea or Taiwan.

Next, let’s look at EMXC’s individual stock holdings...

Its two biggest are Taiwan Semiconductor and Samsung... We mentioned both earlier.

Taiwan Semiconductor manufactures more than half of the world’s semiconductors, which are a critical ingredient in everything from electronics to computers to smartphones.

Samsung, the second-biggest position, makes a wide variety of electronics for consumers and industrial customers alike – most famously, cellphones.

As the table below shows, other individual holdings make up 2% or less of the total fund...

EMXC TOP HOLDINGS

<table>
<thead>
<tr>
<th>Stock</th>
<th>Country</th>
<th>Sector</th>
<th>Percent Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taiwan Semiconductor</td>
<td>Taiwan</td>
<td>Information Technology</td>
<td>10%</td>
</tr>
<tr>
<td>Samsung Electronics</td>
<td>South Korea</td>
<td>Information Technology</td>
<td>6.7%</td>
</tr>
<tr>
<td>Naspers</td>
<td>South Africa</td>
<td>Consumer Discretionary</td>
<td>2.0%</td>
</tr>
<tr>
<td>Reliance Industries</td>
<td>India</td>
<td>Energy</td>
<td>1.5%</td>
</tr>
<tr>
<td>Vale do Rio Doce</td>
<td>Brazil</td>
<td>Materials</td>
<td>1.5%</td>
</tr>
</tbody>
</table>
WHAT ABOUT CHINA?

Now, one obvious question that I’m guessing is at the tip of your tongue: Why are we buying a fund that explicitly excludes China? Just to be clear... I believe China is an attractive market that is worthy of some allocation in your portfolio.

But I’m more focused on diversification. In broad emerging markets funds, China’s mainland and Hong Kong exchanges make up around 35% to 40% of the holdings... and that allocation could rise to nearly 50% in coming years, as the number of Chinese shares that are included by MSCI rises. That’s a heavy allocation to a single country in an index.

What’s more, the Chinese economy is the world’s second-largest, after the U.S. – and the aggregate size of its stock markets are closing in those in the U.S., too. Increasingly, China’s economy and markets are rapidly shifting to look a lot more like those in the developed world – and soon it will be a stretch to refer to China as an emerging market at all.

For all those reasons, I think China deserves its own separate allocation to your portfolio, as a China-focused fund or via a small collection of stocks. (My colleagues Steve Sjuggerud and Brian Tycangco have a newsletter dedicated to China and other emerging markets... click here to learn about a subscription.)

But for our purposes here, I’d prefer an emerging market fund that isn’t overshadowed by China... and EMXC – whose ticker means emerging markets excluding China – fits the bill.

It makes a lot of sense to diversify outside of your home market. And that’s still true if your assets are heavily concentrated in the U.S...

A LITTLE DIVERSIFICATION GOES A LONG WAY

A lot of people are wary of investing in faraway markets. But you should also be more wary each time you put another dollar into the same markets that define your entire portfolio, home value, and income stream.

It makes a lot of sense to diversify outside of your home market. And that’s still true if your assets are heavily concentrated in the U.S... even if you never have plans to leave the home of the stars and stripes.

Mean reversion alone suggests that it’s a good idea to put some money in other markets – because U.S. shares won’t continue to hugely outperform other markets (and emerging markets in particular) forever.

And finally, we can do it simply as a smart bet on a group of countries in our normal brokerage account. A small investment here can help us sleep well at night... while also setting us up for big potential gains.

In addition to writing for American Consequences, Kim Iskyan also works with Dr. David “Doc” Eifrig on Retirement Millionaire, a monthly advisory in which Doc and Kim share investing recommendations and tips on how to retire wealthy. You can learn more about Retirement Millionaire here.
ON JUDICIAL APPOINTMENTS...

IS JOE JUST BIDEN HIS TIME?
The most lasting impact of the incredible roller coaster that was the Trump administration is on the judiciary. His tax cuts are being reversed – raising taxes is infrastructure? – and the new administration hasn’t met a regulatory reform it won’t rescind... but federal judges are for life. Long after we learn (or not) what actually happened on January 6, or find out whether The Donald will ever return to Twitter, the youthful originalists our 45th president put on the bench will still be granting writs.

But that’s one of the least surprising things about the last four years because judicial appointments tend to be every president’s biggest legacy, at least in domestic affairs. That’s why now is a good time to look at President Joe Biden’s terrible, horrible, no good, very bad record of judicial battles, and his initial actions as chief executive, to see what this presidency portends in this key area. Although ol’ Scranton Joe presents himself as a glad-handing moderate, on judges he’s been a bare-knuckle partisan. The only Republican Supreme Court nominees he voted for during a Senate career that began in 1973 were those confirmed unanimously – plus David Souter, who was confirmed 90-9. He even voted against John Roberts, whom half of the Senate Democrats voted for, and joined the attempted filibuster of Samuel Alito.
Biden actually chaired the Judiciary Committee during the Robert Bork and Clarence Thomas sagas. His sustained attacks on the former contributed as much to Bork’s defeat as Ted Kennedy’s demagoguery, while he attacked the latter for being too protective of individual rights and made his hearings into what Thomas called a “high-tech lynching” – and two years ago called Anita Hill to apologize for not doing more for her cause.

Then, as the clock wound down on the George H.W. Bush presidency, Biden gave a speech urging him not to fill any high court vacancies arising before the 1992 election. He would awkwardly walk back that speech in 2016, leading to debate over the “Biden rule.”

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Biden also pledged to put a black woman on the Supreme Court, which rather narrows the pool of plausible candidates because there are exactly four black, female federal circuit judges, the youngest of whom is pushing 70. That’s no doubt why his first three circuit nominees (and four of six total) are black women, notably Ketanji Brown Jackson, a 50-year-old federal judge who was just promoted to Attorney General Merrick Garland’s old seat on the D.C. Circuit – basically the judiciary’s AAA level.

Further, of Biden’s judicial nominations so far, there’s not a single white man. That too shouldn’t be surprising, because Democratic presidents have long focused on “diversity” (even if it wasn’t always called that). As Jimmy Carter said in 1978, “If I didn’t have to get Senate confirmation of appointees, I could tell you flatly that 12% of my judicial appointments would be black and 3% would be Spanish-speaking, and 40% would be women, and so forth.” Seeing how Barack Obama was foiled in his attempt to appoint more racial minorities by American Bar Association (“ABA”) warnings that many candidates weren’t qualified, Biden ended the group’s pre-screening role.

One underreported benefit of ending ABA pre-screening is the freedom to nominate more public defenders, criminal-defense attorneys, JAGs, and other lawyers with nontraditional backgrounds, a long-overdue move. Indeed, a byproduct of Democrats’ delicate search for both diversity and quality is that many appointees (of all skin tones) have been either prosecutors or corporate lawyers – not exactly the progressive avatars that the party’s base demands.

Moreover, given that the legal profession has a leftward tilt, Democratic presidents have more room for error than their Republican
counterparts, with or without ABA approval. They can afford to focus on identity rather than ideology. The reason President Trump didn’t appoint many black female judges wasn’t misogyny or racism, but that there just aren’t many black female judges who want “deconstruction of the administrative state.”

The lower courts are where the action is – the Supreme Court hears fewer than 70 cases a year, compared with the 50,000 that don’t make it to the big show. Every four-year term, the president gives life tenure to about a fifth of all federal judges, while Trump’s 234 put him at more than a quarter. Then-Senate Majority Leader Mitch McConnell’s confirmation machine left only 46 vacancies by Inauguration Day. Even after the first batch of Biden confirmations, that’s now grown to about 80, with nearly 30 announced future vacancies (including judges who will retire upon their successors’ confirmation).

That’s still significantly fewer opportunities than Trump had at this point, so Biden will be hard-pressed to match his immediate predecessor – who was second all-time for a single term after Carter, for whom Congress created scores of new judgeships to shake him out of his malaise for not having any Supreme Court vacancies.

In short, Biden’s judicial impact will be less than one may normally expect, and much less than his erstwhile running mate. When Obama took office, only one of the 13 federal circuits had a majority of Democratic-appointed judges. When he left, nine did. Trump flipped three of them back and got 54 circuit judges confirmed overall, just one fewer than what Obama did in two terms. Biden is unlikely to flip any circuits, not because of the 50-50 Senate but because there are only 26 Republican-appointed circuit judges eligible to take senior status (basically retirement at full salary), and these are clustered on courts that have either D majorities already or hopeless R skews.

Of course, the big battle will come when 82-year-old Justice Stephen Breyer retires to avoid Justice Ruth Bader Ginsburg’s fate of being replaced by someone with a different cut to his black robe. If Trump hadn’t pissed away both Georgia Senate seats (and thus the GOP majority) with his post-election fofaraw, Breyer would likely be staying on through next year’s midterms. Now he doesn’t have that excuse – and a progressive chorus has been calling on our oldest sitting justice to retire even before our oldest-serving president was inaugurated. The Democrats’ tie-breaking majority also ensures that we won’t have the first Supreme Court nominee facing a Senate controlled by the opposite party since... Clarence Thomas.

Past the Breyer vacancy – mark my words: this or next summer – it’s unclear when the next chance to name a judicial high priest will arise. The next-oldest justices are Thomas (72) and Alito (71), who won’t willingly depart during a Democratic administration. After
that comes Sonia Sotomayor (66), but she has only served 11 years and surely feels an obligation to hold up the Court’s left wing.

There’s something unseemly here. Why do we care so much about when octogenarian lawyers decide to devote themselves to golf? Well, the decisions of our legal oracle matter – and those pronouncements increasingly turn on the party of the president who nominated the justice.

Modern confirmation battles are all a logical response to political incentives given judges’ divergence of opinion and novel expansive role. When judges act as super-legislators, the media and the public want to scrutinize their ideology.

That’s why people are concerned about the views of judicial nominees and why there are more protests outside the Supreme Court than Congress. Only when we fix that dynamic – when the Court returns power back to the states and the people and forces Congress to legislate on the remaining truly national issues – will we stop debating whether and when justices should retire.

But in the meantime, we have a new presidential commission to tinker around the edges. Even before his inauguration, Biden faced calls to “rebalance” the Supreme Court, with Democratic elites questioning the legitimacy of all six Republican-appointed justices for various reasons. However, the new president was one of the few candidates against court-packing during the primaries – Bernie Sanders was another – recognizing that adding seats for political reasons would just lead to Republicans doing the same at their next opportunity.

But then Biden stayed coy on the issue during the general, not wanting to alienate either activists or swing voters. Saying that the judiciary was “out of whack,” he ultimately proposed a commission to study possible reforms. That August body was announced in April and in May, it held its first public meeting which consisted of a recitation of its areas of focus: (1) the genesis of the reform debate, (2) the Court’s role in our constitutional system, including judicial review and jurisdictional scope, (3) the justices’ length of service and turnover, (4)
the Court’s size and membership, and (5) the process of case selection and review.

There are three striking things about this commission: It’s big (36 members), progressive (about a 3-to-1 ratio), and academic (all but four are professors, plus two retired judges who teach part-time). Its size will make hearings unwieldy, not to mention the difficulty of trying to write a report by super-committee. Its ideological skew won’t give the group credibility with Republicans, though the media will use the presence of the token non-progressives to paint any recommendations as bipartisan. And its recruitment from the faculty lounge will make it easier to dismiss its work as ivory-tower pontification.

The commission’s membership and its order to “closely study measures to improve the federal judiciary” does nothing to dispel the perception that such presidential actions are little more than kicking cans down the road. The administration undoubtedly hopes that these issues will be less salient when the eventual report comes out – six months after the first public meeting, so by Thanksgiving – with congressional action possible only on technocratic suggestions like adding lower-court judgeships. The Senate won’t eliminate the legislative filibuster to radically restructure the judiciary.

Coincidentally, earlier in the week that the commission was announced, Justice Breyer cautioned against court-packing (as Justice Ginsburg had). The Court’s “authority, like the rule of law, depends on trust, a trust that the Court is guided by legal principle, not politics,” Breyer said at Harvard Law School. “Structural alteration motivated by the perception of political influence can only feed that perception, further eroding that trust.”

Indeed, the Court is the most respected government institution other than police and the military, so questions of legitimacy principally arise when the justices rule in ways that disagree with progressive orthodoxy. To quote a brief filed by Democratic Senator Sheldon Whitehouse in last year’s Second Amendment case, “Perhaps the Court can heal itself before the public demands it be ‘restructured in order to reduce the influence of politics.’”

Commission Co-Chairman Bob Bauer, who was counsel to the Biden campaign and President Obama’s White House, is against court-packing, but he’ll have a hard time reining in that kind of impulse. Even if he builds consensus over something like term limits – which could eliminate the morbid health watches we now have as justices age – that wouldn’t fix the underlying reason why we argue about the Supreme Court.

All these “reform” proposals boil down to rearranging deck chairs on the ship of state,
There are no easy ways to dissolve the toxic cloud that has descended over our judicial debates. I’m interested in the commission’s work, but I doubt it’ll produce anything novel or improve the functioning of the Supreme Court.

In the end, the slew of legislative and regulatory priorities Democrats have after four years of frustration may mean that, even as Biden fills what vacancies arise, judges become a back-burner issue. But a lot will depend on court rulings we see in response to those policy initiatives, as well as what controversy the Supreme Court stirs up with its term-ending decisions at the end of the month. Reform pressure may dissipate if the justices don’t make too many waves, which would certainly be Chief Justice Roberts’s preference. But he’s no longer the median vote – Brett Kavanaugh is now the man in the middle.

But even if the justices manage to tread gingerly on Philadelphia’s ban of Catholic Social Services from foster/adoption programs for not placing kids with same-sex couples and California’s forced nonprofit-donor disclosures, next term already has cases about abortion and guns, with affirmative action possibly joining them.

There’s just no way to keep the Court out of our political discourse – which brings us back to Joe Biden’s judicial temperament.

Ilya Shapiro is a vice president of the Cato Institute, director of the Robert A. Levy Center for Constitutional Studies at the Cato Institute, and author of Supreme Disorder: Judicial Nominations and the Politics of America’s Highest Court. He’s also been P.J. O’Rourke’s pro bono lawyer in five Supreme Court cases – and worth every penny.
Check out our magazine archive...
The mainstream media isn't telling you everything, and we've got the full story.
Kim Iskyan is an Executive Editor for American Consequences. Kim is one of the most experienced and well-traveled financial writers in the world today. From covering Iran’s emerging stock market... to landing in Ukraine in the middle of a war... to booking a flight to Thailand as soon as martial law was declared – Kim has been there and helped investors figure out the risks and the opportunities in these “blown out” markets.

American Consequences is edited by P.J. O’Rourke, author of 19 books including Eat The Rich and How the Hell Did This Happen: The Election of 2016. P.J. cut his teeth as an editor in chief of the National Lampoon and a foreign affairs correspondent for Rolling Stone. He’s since written for The Weekly Standard... The Atlantic... and many other magazines. P.J. is the H. L. Mencken fellow at the Cato Institute, a member of the editorial board of World Affairs and a regular panelist on NPR’s Wait... Wait... Don’t Tell Me. He lives with his family in rural New England, as far away from the things he writes about as he can get.

Trish Regan, Publisher for American Consequences, is one of America’s brightest and most recognized conservative economic thought leaders. An award-winning journalist, Trish is the host of American Consequences Podcast with Trish Regan, a weekly radio show dedicated to economic and political truth, as well as a columnist for several publications.

This article would be much shorter if I made a list of what the American Jobs Plan is not vowing to accomplish. In fact, I might be able to write the piece in three words...

Make pigs fly.

P.J. O’Rourke
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