



The Big Casino

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As we enter the summer of 2024, there seems to be a lingering unease and dissatisfaction in the country. Inflation has eased statistically, but its effects are still widely felt, especially by those on the lower end of the economic spectrum. This spring saw the most widespread campus unrest since the social upheaval of the late 1960s. While we have shaken off most of the effects of Covid – kids have returned to school, brick-and-mortar retailers have largely recovered, travel has rebounded – remote and hybrid work continue to linger, upending the daily rhythms of most cities.

For almost two decades public opinion polls have consistently shown a clear majority of Americans think the country is on the “wrong track.” But since the onset of Covid, that pessimism has increased, surveys now routinely reporting Americans by a 3-to-1 margin think we are tracking wrong. As the Senior Political Columnist at Politico, Jonathan Martin, has put it, there is a pervasive “sourness” in the country that we cannot seem to shake.

To top it all off, the conviction of former President Trump likely portends a wild stretch run for the presidential campaign that could aggravate our national discomfort even further. The old proverb says, “May you live in interesting times.” But given events of recent years many of us might now prefer to live in a more boring period of history.

Political Environment

We are just over five months away from the country's seventh presidential rematch, but its first since 1956. As has been the case for nearly a decade now, our politics revolve around Trump. Like him or not, he seems to be at the center of almost every political and policy conversation. College English majors will remember Shakespeare's line from Julius Caesar: “Why man, he doth bestride the narrow world / Like a Colossus, and

we petty men / Walk under his huge legs and peep about.”

As we noted above, the “right track/wrong track” results from polls reveal a dark mood among the electorate, a simple data point that explains why voters have opposed the party in power in 10 of the past 12 elections. Empirical and anecdotal evidence suggests this fall could make it 11 out of 13. But will voters oppose the incumbent president or the former president, a quasi-incumbent who seems to dominate the news daily? Pundits are [struggling](#) to analyze how voters will act in the fall considering both candidates are so unpopular. Surveys routinely put their favorable/unfavorable ratings in the range of -15 to -20. Biden

suffers the worst approval ratings since President Carter, and Trump has been rejected by a clear majority of voters twice already. This has led at least one observer to label the presidential campaign the “Not It” election. Both major campaigns will continue to work to make the electorate focus on the other candidate, to be “not it.”

Clinton White House veteran Doug Sosnik recently noted that in nominating Biden for a second term, the Democratic Party elites made a determined calculation that it was less risky to stick with the president than to wage what could have been a volatile primary contest. In short, the “establishment” is betting on the fact that Trump has yet to win more than 46% of the votes in any contest and that his ceiling of support will help facilitate a Biden win. More broadly, we are all by now familiar with the political conundrum that is Trump. His ability to inspire his fervent base is only matched by his ability to alienate the rest of the electorate. Trump enthusiasts will argue that he is making inroads with some traditional Democratic constituencies and that upends this calculus. But, for any converts he is picking up among ethnic groups and working-class Americans who previously supported Democrats, there is an argument to be made that he is equally losing the moderate suburban Republicans uncomfortable with his bellicose public persona. As John Harris, the Editor-in-Chief at Politico has put it: “Trump's only path to victory is a coalition that includes many Republicans and independents who find him deplorable but think a second Biden term would be even more so.”

The fact remains that since his surprise win in 2016, Trump's electoral appeal has led to a general Republican underperformance in each election cycle. For the fall, Senate Republicans seem guaranteed of at least 50 seats, but there is a bona fide question as to what effect he will have on the down-ballot races. As Senate races now precisely track the presidential ballot, this question could be crucial in the Democratic-held Senate seats (e.g., Ohio, Montana) where stout Democratic candidates are thus far outpacing Biden's efforts. In the House, any undertow drag on Republicans could doom GOP efforts and lead to Democrats electing Speaker Jeffries.

The biggest wild card in a presidential contest full of them remains the candidacy of Robert F. Kennedy, Jr. Underscoring how hotly contested the race is, both major candidates have been simultaneously reaching out to him while also subtly working to undermine his efforts. How the Kennedy effort affects the major candidates is a subject of vast disagreement among politicos. For now, there is one key fact that limits his impact: he is on the ballot in but seven states, only one of which – Michigan – is likely to prove pivotal in the outcome. His campaign currently claims enough signatures to qualify in nine additional states, including the swing state of Nevada. But until he has a broader presence at the ballot box in more of the six key swing states – Arizona, Georgia, Michigan, Nevada, Pennsylvania, and Wisconsin – his impact on the selection of the next chief executive is largely limited.

Legislative Agenda

Congress has to date passed 29 bills that the president has signed into law in 2024, nine of which named post offices. While this puts federal government on pace to surpass the 35 bills enacted in 2023, the historically low trickle through the legislative pipeline is certain to continue throughout 2024. As we have written previously, this low output of new federal statutes can be either a positive or negative depending on your political philosophy.

For all intents and purposes, both houses of Congress lack functioning majorities. The plight of House Republicans is well chronicled in the Washington political press, but increasingly the Senate Democrats struggle to run the floor day to day. This trend will accelerate through the summer as a bloc of Republicans, energized by the conviction of Trump, moves to slow business further coupled with newly registered Independent Joe Manchin insisting on bipartisan support for Biden Administration nominees.

It is true that bipartisan coalitions have come together for a handful of high-profile measures in the last several years. The CHIPS Act, debt ceiling extension, foreign aid spending, FAA reauthorization, and several other efforts have succeeded despite the tart atmosphere on the Hill. To their credit Senate Republicans have led the way on bipartisan efforts, despite the best efforts of Trump and the more aggressive wing of House conservatives. However, as we move deeper into election season, this trend is unlikely to continue.

Speaker Johnson continues to progress down the learning curve now having held the office for almost eight months. Give him credit for perseverance and riding hard on a dysfunctional majority that includes such a rambunctious right wing. His challenges remain many: a restive right wing, retiring chairmen whose legacy ambitions may not coincide with Republican aims, and a stop-start schedule that impedes chances to build legislative momentum on the floor.

As for notable legislation, the agenda for Congress for the balance of the year is limited and largely defined: FY25 spending bills, the annual defense authorization measure, and Farm Bill reauthorization. Other items simmer on the backburner and have some small potential to boil over – a federal privacy framework, extension of expiring health provisions (mostly Medicare and Medicaid), and efforts to fence in artificial intelligence applications. But a cold, clearheaded analysis argues Congress is unlikely to act on these efforts except perhaps in a minimal manner during the lame duck session.

FY25 Spending – The appropriators, especially new House Chairman Cole, are saying all the right things and doing their best to focus on enacting as many items in their purview as possible. But recent history is against them, and it is hard to argue how they will avoid the difficult dynamic of recent spending cycles. Combine the thin House GOP majority with a Senate Democratic leadership that clearly believes it has maximum leverage when assembling spending bills that are as big as possible and we have a formula for another protracted process. Expect no more than a small handful of the least controversial measures to pass before the inevitable debate about assembling an omnibus or minibuses takes over.

Defense Authorization – Like “The Little Engine that Could”, the authorizing committees chug along toward enacting a bill for the 63rd year in a row. As usual, the panels will push to move as quickly as possible and strive to keep their work product free of extraneous provisions. At this stage of the process – House committee markup recently completed, and the Senate markup is scheduled for June – floor action in the summer is possible. But as has been the case in recent years, expect majority leadership in at least one body – most likely the Senate – to hold the bill as a must-pass legislative vehicle for the coming lame duck session.

Farm Bill – There is every indication Congress will have to pass another extension before current law expires on September 30th, as well as a good chance the matter will ultimately be punted to 2025. There of course have been extensions to past Farm Bills, but the process this year is slower than usual. Veterans of this space know that for decades an alliance between rural representatives, focused on crop programs and agricultural development, and left-leaning urban reps, who prioritized anti-hunger programs, comprised a formidable bloc of lawmakers that muscled Farm Bills through Congress. But the broader polarization of our politics has frayed that alliance, and it is unclear what path Farm Bill supporters will follow. Eventually, they will succeed; but we should expect even with the most traditionally bipartisan efforts law-making is an uphill challenge during these hyper-partisan times.

Worth a Read

Are you [smarter](#) than a 6th grader?

It may be time to buy some [Cap'n Crunch](#).

Here is another [purpose](#) for saunas.

Do not underestimate the [power](#) of the National Football League.

[Volunteers](#) wanted.

When are lawmakers going to get serious about the [national debt](#)?

[Cord-cutting](#) continues apace.

The [answer](#) to this question is “yes.”

Calendar

June 20	Summer Solstice.
June 27	First Presidential Debate.
July 15-18	Republican Presidential Convention in Milwaukee.
July 26	Summer Olympics Begin in Paris.
Aug. 8-18	Iowa State Fair.
Aug. 19-22	Democratic Presidential Convention in Chicago.
Sept. 10	Second Presidential Debate.
Dec. 7	Runoff Election Day in Louisiana (if necessary).
January 2	Debt Ceiling Reinstated.



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