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WASHINGTON OVERVIEW: THE JOB MARKET CONTINUES TO BE STRONG. THE ECONOMY CONTINUES TO GROW, ALBEIT AT A SLOWER PACE. SO WHY IS THE “BIDENOMICS” ROAD SHOW A BUST? FOUR REASONS: THE PRICE OF GAS, THE PRICE OF GROCERIES, THE COST OF HOUSING, AND THE DECLINE OF REAL WAGES. YOU CAN’T TELL SOMEONE THEY’RE A STALLION WHEN THEY FEEL LIKE A GOAT.

Congress has left town for a six-week August recess. President Biden has headed to the beach. With Congress gone and the President incommunicado oceanside, there’s a whole lot of politicking going on. The conventional wisdom reads something like this:

- The various criminal charges against former President Trump, to the extent that they appear politically motivated, will all but assure that he is the Republican nominee in 2024. They are having little effect on his core supporters, other than to anger and/or energize them.
- President Biden, despite his increasing frailty and the unpopularity of some of his programs, appears to have a lock on the Democratic nomination. He presides over a diaspora of the disaffected (blacks, LBTGQ+, younger voters, suburban women, the hard left, the Trump loathers). Serious primary challengers have yet

to emerge, and the White House is behaving as if none will.

- This sets up a Biden-Trump rematch which (according to the latest polls) almost 70% of American voters do not want.
- In that rematch, it will be difficult for Trump to amass more votes than he did in 2020. Under that scenario, Biden wins reelection, and control of both the House and Senate are up for grabs.

Here's why the pundits may have the wrong prognosis:

1. 2024 is increasingly looking like *The Election of Unintended Consequences*. Trump's criminal indictments—so many of them, with more possibly to come—are beginning to validate his “they're out to get me!” claims. The Department of Justice IS out to convict the former President. But the harder they and local prosecutors try, the more the effort can be painted as political persecution. The more convoluted their cases, the more vulnerable they are to appeal—appeals which could drag Trump's legal proceedings well into, or even beyond, next November's election. Maybe even get some of the cases thrown out.
2. President Biden's blanket denials that a) he ever talked with his son Hunter about his business dealings and b) that he never profited from those dealings are growing increasingly difficult to explain. There is just so much evidence to the contrary, with more to come. The real question is: did Joe Biden benefit financially from his family's influence peddling and are there instances where he acted on their behalf? Like getting that Ukrainian prosecutor fired who was looking into Burisma. It's called “stream of services” bribery. The White House has already modified its blanket denials; it now says, “the President was never *in business* with his son.” A distinction without much of a difference. The Biden reelection team is scrambling for defenses other than Nixon's (I am not a crook), Trump's (it's a hoax!), Hillary's (that's old news) or the New York Times' (all the news that's unfit to print). Look for some creative craftsmanship in the coming weeks, e.g. “The Burisma inquiry is nothing more than an attempt by MAGA Republicans to undermine US support for Ukraine...” But in the words of one respected legal analyst, “This is shaping up to be a scandal of historic proportions, even by Washington standards.”
3. The harder the Biden Justice Department tries to dispense justice, the more it looks like it is playing favorites. The Hunter Biden plea deal now looks like *somebody* at DOJ tried to pull a fast one, but the judge read the fine print and Hunter was forced to plead “not guilty.” His lawyers and the Department of Justice (also his lawyers?) will spend their August trying to work out a new plea deal that can satisfy the Judge and the court of public opinion. David Weiss, the Delaware prosecutor in Hunter Biden's case is expected to testify before House investigators in late September or October. Weiss has wide prosecutorial latitude

but expect hard questioning from House Republicans. With his reputation on the line, Weiss will be a tough nut to crack. Ironically, If Weiss can't stop the bleeding and discredit the various whistleblowers who have come forward, Republicans who have been calling for the appointment of a special prosecutor might get their wish. Be careful what you wish for. An "ongoing investigation" by a Special Prosecutor could undercut House probes and drag on for another five years. Or the judge in Hunter's case could approve a "get out of jail" plea deal and *that* could cause Republican apoplexy and increase their determination to bring down his father. Hunter, be careful what you wish for.

4. We live in uncertain times. The two leading candidates for 2024 are both past their prime. Trump seems to have boundless energy, but he is not immortal. Biden is increasingly frail and senile. Meanwhile, a major proxy war rages in the heart of Europe with no end in sight. After thousands of years of passivity, China is suddenly aggressive, and it has the military might to back up its bluster. Iran is spinning its way to a nuclear bomb, with neither sanctions nor supplications serving as an effective deterrent. Global alliances and allegiances are shifting with unpredictable consequences. Americans are beginning to feel less secure when it comes to national security.
5. Good economic news is perceived as bad. It would be quite an achievement if the Fed raises interest rates at the fastest pace in history without triggering a recession. So far, so good. The job market continues to be strong. The economy continues to grow, albeit at a slower pace. So why is the "Bidenomics" road show a bust? Four reasons: the price of gas, the price of groceries, the cost of housing, and the decline of real wages. You can't tell someone they're a stallion when they feel like a goat.
6. Finally, on the campaign trail, former President Trump continues to hold a commanding lead over his primary opponents. In some recent polls, he actually beats Biden in a 2024 rematch. But he is also raising the stakes for Republicans, including House Speaker McCarthy, by threatening to find primary opponents for anyone who doesn't push for Biden's impeachment. At a recent rally in Pennsylvania, Trump warned *"If they're not willing to do it, we've got a lot of good, tough Republicans around. People are going to run against 'em, and people are going to win. And they're going to get my endorsement every single time. They're going to win cuz we win almost every race when we endorse."* **For Republicans, that's a bit like the captain of the Titanic telling you to remain in your cabin and hold your breath.**

Enjoy the recess. Icebergs ahead...

—John C. Gore

