



AMERICAN  
COMPASS

**THE NEW  
CONSERVATIVE  
FLAGSHIP**

ANNUAL REPORT

**2020**

# About American Compass

## Our Mission

To restore an economic consensus that emphasizes the importance of family, community, and industry to the nation's liberty and prosperity:

**REORIENTING POLITICAL FOCUS** from growth for its own sake to widely shared economic development that sustains vital social institutions.

**SETTING A COURSE** for a country in which families can achieve self-sufficiency, contribute productively to their communities, and prepare the next generation for the same.

**HELPING POLICYMAKERS NAVIGATE** the limitations that markets and government each face in promoting the general welfare and the nation's security.

## Our Activities

**AFFILIATION.** Providing opportunities for people who share its mission to build relationships, collaborate, and communicate their views to the broader political community.

**DELIBERATION.** Supporting research and discussion that advances understanding of economic and social conditions and tradeoffs through study of history, analysis of data, elaboration of theory, and development of policy proposals.

**ENGAGEMENT.** Initiating and facilitating public debate to challenge existing orthodoxy, confront the best arguments of its defenders, and force scrutiny of unexamined assumptions and unconsidered consequences.

## Our Principles

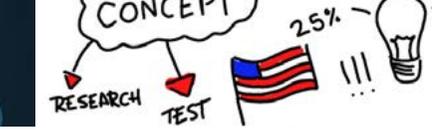
**AMERICAN COMPASS** strives to embody the principles and practices of a healthy democratic polity, combining intellectual combat with personal civility.

We welcome converts to our vision and value disagreement amongst our members.

We work toward a version of American politics that remains inevitably partisan and contentious but operates from a common commitment to reinforcing the foundations of a healthy society.

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# OUR FIRST YEAR

American Compass announces its formation and publishes an initial statement of principles, “The Return of Conservative Economics,” in *National Review*.

Feb.

March

In anticipation of our launch, the *Wall Street Journal* editorial page produces a two-minute attack ad against us, and Senator **Pat Toomey** delivers a speech at the Heritage Foundation warning of the threat we pose to the right-of-center’s status quo.

We launch formally with our *Rebooting the American System* collection, featuring forewords from Senators **Marco Rubio** and **Tom Cotton**. The launch receives widespread praise from policymakers and commentators, including comparison to Martin Luther nailing 95 theses to the door of Wittenberg’s church. We also release our *Coin-Flip Capitalism* project, drawing attention from *Bloomberg*, the *Wall Street Journal*, and *Newsweek*.

May

Our first policy symposium, the *Moving the Chains* collection on reshoring supply chains, receives substantial interest on Capitol Hill, within the administration, and in the media. The *Washington Post* highlights it in its feature on Republicans “starting to call for more government involvement in the economy ... to help the United States compete against” China, and Harvard Business School professor **Willy Shih** builds on his contribution to it in testimony before the **House Budget Committee**.

June

“American Compass is an organization doing unparalleled work in shaking up the policy conversation in Washington, D.C. No other upstart organization—in such a short period of time, with limited staff, and in the middle of a pandemic, no less—has been able to so dramatically challenge orthodox power structures in recent memory.”

**SAAGAR ENJETI**  
*THE HILL’S RISING, WITH KRYSTAL & SAAGAR*

July-Aug.

Our summer collection on *Corporate Actual Responsibility* features a multipart debate between University of Notre Dame professor **Patrick Deneen** and former fast-food CEO **Andy Puzder**, a live event with Senator **Josh Hawley**, and an open letter to the **Business Roundtable** cosigned by the left-leaning **American Economic Liberties Project** and the right-leaning **American Principles Project**.

Sept.

We start a national conversation about a conservative future for America’s labor movement, beginning with a statement signed by prominent conservatives such as Senator **Marco Rubio**, former Attorney General **Jeff Sessions**, author **J. D. Vance**, and AEI’s **Yuval Levin**. *A Seat at the Table*, our wide-ranging exploration of the history and future of organized labor, generates extensive coverage in the *New York Times*, the *Wall Street Journal*, *Fox News*, *USA Today*, *New York Magazine*, and *Public Discourse*, among many others.

Oct.

In the lead-up to the 2020 election, our *Party Foul* collection allows longtime political analysts **Ruy Teixeira** and **Henry Olsen** to scrutinize the ways their own sides of the political divide fail American voters. The collection also features a discussion with authors **J. D. Vance** and **Chris Arnade** on the American Compass podcast and an op-ed by **Oren Cass** in the *Financial Times*.

Nov.

American Compass membership passes 70 members across a wide variety of industries, all committed to advancing our shared mission. The closely contested presidential election highlights the emergence of a multiethnic, working-class coalition and drives a surge of interest in our work, which makes prominent appearances before and after the election in the *New York Times*, *The New Yorker*, *USA Today*, the *Financial Times*, *CNN*, and *Yahoo News*, and reaches hundreds of thousands of people on social media.



# Founder's Letter

This year marked the centennial of W. B. Yeats's "The Second Coming" and the line "Things fall apart; the centre cannot hold." I am no poetry buff. There are probably only two or three poems, all by Robert Frost, from which I could recite a single stanza. But that snippet from Yeats pops frequently into my mind because it describes so well the most interesting developments in our world. Things—all things—do eventually fall apart. Conditions change; knowledge expands; behaviors, beliefs, and relationships evolve; and a center squarely established at one moment in time cannot hold in another. The trajectories of individual lives, large institutions, and entire nations and civilizations are defined by what follows.

America's center is not holding. The issue is not any particular election result, or the happenstance of a global pandemic, but the expiration of the neoliberal political consensus and policy agenda that has characterized recent decades, with its globalization, deregulation, and financialization of the economy; atomization of the society; and reliance on redistribution to those left behind. The challenge manifests in symptoms ranging from the concentration of wealth in fewer hands and of growth in narrow geographies, rising "deaths of despair" and political dysfunction, declines in family and community well-being, and a stalling out of the investment and innovation that generate productivity growth and rising wages. All have contributed to what the American Enterprise Institute's Nicholas Eberstadt has termed "Our Miserable 21<sup>st</sup> Century."

For Yeats, what follows is "mere anarchy ... loosed upon the world." We can do better. The ability to avoid that fate is among the great virtues of our capitalist economy and republican system of government. The leaders of our institutions, by design, have incentives to detect and respond to change, and those institutions have the capacity to adapt. We ensure that prospective competitors can enter our markets, our civil society, and our politics, so that entrenched incumbents face constant pressure—and when some do snap rather than bend, replacements stand ready to fill the void.

In the popular imagination, this process happens automatically, as if by magic. Adam Smith's unfortunate metaphor of an "invisible hand" leads many to anthropomorphize markets and firms, which "discover" and "allocate" and "adjust" of their own accord. Taking this myth to its

extreme, Friedrich Hayek lauded the "self-regulating forces of the market," which he promised would "somehow bring about the required adjustments to new conditions, although no one can foretell how they will do this." The joke about the economist who will not bend down to pocket a twenty-dollar bill on the sidewalk because, if there were such a bill, someone would already have grabbed it, is gentle in its mocking but quite serious in its indictment.

In fact, there is no magic, only people. Bills do fall to the sidewalk, where they lie until someone does the bending and pocketing. New ideas do not burst forth from the ether; someone must think them, act on them, and persuade others of their value. The process of institutional reform is painstakingly slow and complex, demanding both the assent and effort of countless individuals, each with his own interests and priorities. All the while, inertia pushes the other way, with adherence to the status quo almost always the most appealing choice. A body at rest will stay at rest until acted upon by an outside force.

The timeless principles and creative energies of conservatism are vital to America's prospects for adaptation and renewal, but the nation's conservative institutions have thus far proved incapable of rising to that challenge. Instead, they seem beholden to ideas generated in a previous era of renewal, which have since hardened into a market fundamentalism ill-suited to the problems of today. This is a recipe for failure—for things falling apart irreparably.

*A body at rest will stay at rest until acted upon by an outside force.*  
**American Compass aims to provide that force.**

\* \* \*

We should be encouraged by the emergence of similar trends, challenges, and rethinking across many Western democracies. America has not made some catastrophic, irreversible blunder. American conservatives are not uniquely obtuse. Rather, we have entered a period of transition, where once-useful policies and coalitions have become ineffective and new ones must supplant them, as has happened before and will happen again. I see three major causes in this instance:

**1. A Changing World.** Few observations are more trite than "the world changes." Yet analysts cling to outdated economic claims with dogmatic tenacity, as if each insight represents an eternal and universal truth. Perhaps this is because economists, playacting at "science," pretend that their models offer just that. Those models rely on countless unstated assumptions about the world as it happens to be, and they cease working when it becomes something else. Hayek famously

chose to claim, as his example of “the self-regulating forces of the market,” that the “necessary balance ... between exports and imports, or the like, will be brought about without deliberate control.” So much for that.

I have been accused, in highlighting the failure of standard economic texts to address the dynamics of today’s global economy, of “playing the China card.” But China’s rise is not some clever debater’s tactic. It is the most consequential geopolitical and economic development of the past forty years. Economic models and policy recommendations are of little use if they cannot envision or account for a near-peer economy of 1.4 billion people dominated by the state-controlled enterprises of a communist, authoritarian regime.

Another such change is the unmooring of ownership and management from the communities in which firms operate. In *The Theory of Moral Sentiments*, Smith emphasized that the centrality of social constraint and expectation to man’s incentives and decisions—his “desire of being what ought to be approved of; or of being what he himself approves of in other men”—was “necessary in order to render him anxious to be really fit” for society. But what work do such constraints do if a firm’s owner is a set of institutional investors, or a consortium of private-equity funds on another continent deploying capital held in trust by some government for workers’ pensions? In his seminal case for the now-prevalent doctrine of shareholder primacy, Milton Friedman replaced Smith’s nuanced view with an unsupported assumption that the “desires [of owners] generally will be to make as much money as possible.” If the character and constraints of capital ownership change, we should not be surprised that outcomes do, too.

The list goes on. Changes in cultural norms and expectations—the “what ought to be approved of,” in Smith’s formulation—should implicate the need to rethink economic assumptions. Instead, conservatives use “that’s a cultural problem” as an excuse to do nothing. Growth, investment, and what passes for innovation have concentrated in a technology sector that defaults toward natural monopoly. Trillion-dollar tax cuts seem not to spur capital spending, and trillion-dollar deficits seem not to raise interest rates. Conservative principles can guide solutions in the face of these shifts; playbooks published in the 1980s cannot.

**2. A Swinging Pendulum.** In technocratic fantasies, careful regulators fine-tune their policies, asymptotically approaching the ideal formula for delivering the best outcomes. In practice, politicians and their advisors land on ideas that seem to work and then push them ever further until proven wrong. A reduction in too-high marginal tax rates rarely sates the appetite for tax cuts. Few go partway on liberalizing the cross-border flows of goods, people, and capital and conclude that the time has come to stop. Likewise,

issues determined undeserving of concern do not receive attention at the first sign of trouble; they remain ignored until they no longer can be. This was evident, for instance, as risk built in the deregulated financial system leading up to the 2008 meltdown.

Thus, no set of policy priorities represents the final word. Any will experience diminishing returns that eventually turn negative and continue to worsen until the case for changing direction becomes undeniable. This is no argument against public policy—initial implementation can be quite positive, and iterative reforms can deliver real progress over time. But even the best thinking contains within it the seeds of its own undoing, with inevitable excesses driving a necessary cycle of failure and reform.

The West, now almost a century into a postwar period filled with extraordinary achievements, can double down on the solutions of forty or sixty years ago only so many times before going bust. Defusing the hypernationalist tensions of the earliest 20th century was wise; proceeding to eviscerate solidarity within the nation-state is not. Requiring pollution controls and considering the environmental impacts of new projects was wise; tightening the ratchet until industrial investments face prohibitive risk and cost is not. Expanding the pipeline of talented students attending college was wise; converting high schools into college-prep academies is not.

**3. An Imperfect Rulebook.** One reason that our economic system can offer the promise of adaptation rather than sclerosis is the flexibility it affords participants. An analogy to sports is instructive. The goal of a professional sports league is to entertain paying customers, but the league does not accomplish this by directing how each player moves about the field to create maximum drama. Instead, it establishes rules and trusts that players competing under those rules will yield an entertaining product. That their actions are *not* predictable is fundamental. Likewise, the rules that we establish for our economic actors are designed to facilitate competition that will redound to the benefit of all. And because those actors are free agents within the system of rules, rather than performers following a script, they have both incentives and capacity to respond creatively to changing conditions.

But no framework of rules is perfect. Each one, designed on the basis of prior experience, accounts for players’ recent tendencies and so anticipates fairly well how they will respond at first. A consequence of their freedom, though, is that they will evolve their own strategies in ways that the rulemakers could not have anticipated—especially as the world changes around them. Over time, as players specialize, optimize their abilities, and employ sophisticated tools of analysis and execution to identify and exploit ever more obscure opportunities for

efficiency, their most successful strategies will tend to diverge from those that produce desirable results for the nation.

One such effect is our economy's financialization, which has directed an increasing share of talent, investment, and profits toward firms that excel in speculative transactions rather than productive contributions. Another is the labor market's trend toward fissured workplaces and independent contractors, with firms maximizing their flexibility and profit margins by minimizing their attachments and obligations to workers. "The rate of profit does not, like rent and wages, rise with the prosperity and fall with the declension of the society," observed Smith in *The Wealth of Nations*. "On the contrary, it is naturally low in rich and high in poor countries, and it is always highest in the countries which are going fastest to ruin."

As with the world's change and the pendulum's swing, the rulebook's imperfection and thus the emergence of undesirable strategies is inevitable and certainly no reason not to organize the game in the first place. Policymakers must understand that rules are necessary, learn from observation, and embrace the process of revision. A fundamentalist confidence that some ideal set of rules exists, that it has already been found, or that fewer rules is always better has left conservatives incapable of correcting course.

\* \* \*

American Compass's mission is to restore an economic consensus that emphasizes the importance of family, community, and industry to the nation's liberty and prosperity. That traditional consensus, derived from conservative principles and adopted by the Founding generation, shaped the "American System" that helped to transform the United States from a conflict-ridden colonial backwater into a continent-spanning industrial colossus and to create the world's largest and most prosperous middle class.

But as John Burtka, president of the Intercollegiate Studies Institute, observed recently, many conservatives have mistaken policies for principles. The principles that guided Alexander Hamilton, Henry Clay, and Abraham Lincoln in their development of the American System, as well as the ones that guided the Reagan Revolution, are just as vital today. But they must be applied anew, not lost in the din of tired clichés and outdated proposals recycled from some bygone world. It is not conservative to propose a capital-gains tax cut in the face of a pandemic, deregulation of financial markets run amok, or "free trade" with a country whose stated policy is to distort markets in pursuit of industrial dominance. It is merely foolish.



Yeats concluded his stanza with, "The best lack all conviction, while the worst / Are full of passionate intensity," which, for our purposes, is perhaps a bit overdramatic but does capture a dynamic familiar in our politics—one that, left unchecked, will only worsen. The antidote is robust debate between good people with firm convictions. We will do our best to ensure that this occurs, and we are grateful for your support in the endeavor.

Sincerely,

**Oren Cass**  
Executive Director

# 20 YEAR IN REVIEW 20

One year ago, on December 19, 2019, American Compass incorporated. Two months later, we publicly announced our formation and published an initial statement of principles in *National Review*, titled “The Return of Conservative Economics.” That same week, we received feature coverage everywhere from the *Washington Post* to the Daily Caller to the Claremont Institute’s American Mind podcast. **Oren Cass** appeared on *Tucker Carlson Tonight*, presented to Harvey Mansfield’s seminar at Harvard, and discussed the future of conservatism on the Realignment podcast.

“I am optimistic that the winds are changing, with organizations like American Compass already proving essential in the process of charting the right course.”

**SENATOR MARCO RUBIO**

By the end of March, the *Wall Street Journal* editorial page had produced a video attacking us, and **Senator Pat Toomey** had delivered a speech at the Heritage Foundation warning that we were “a dagger thrust into the heart of the traditional center-right consensus.” **Rep. Dan Crenshaw** hosted Oren on his podcast and agreed that “adherence to dogmatic market-decision-only policy ... may not be pushing our country in the direction that we need to be pushed in.” The Ronald Reagan Institute hosted Oren on the Reaganism podcast, during which the host noted: “You are, no doubt, making an impact, having influence and, in some respects, driving people crazy.”

Our formal launch came on May 4, when we released our first collection, *Rebooting the American System: The Comprehensive, Conservative Case for Robust National Economic Policy*, featuring forewords from **Senators Marco Rubio** and **Tom Cotton**. **Senator**

**Josh Hawley** welcomed our “bold, and much needed, new venture,” and **Senator Mitt Romney** expressed how glad he was to have us “helping conservatives rethink how we apply our principles to the problems of today.” *The Economist* called us “an impressive organisation of [a] dissident faction” and noted that “politics does seem to be moving towards the dissidents.”



In the *Washington Post*, **Henry Olsen** wrote: “Martin Luther started the Protestant Reformation by reportedly nailing 95 theological theses to the door of Wittenberg’s church. The website of Oren Cass’s new think tank, American Compass, could be the start of a similar, long-overdue Conservative Reformation.” And at *National Review*, **Yuval Levin** said of our inaugural collection:

*I find these pieces very valuable not because I agree with them—I certainly agree with some of what they say, but also disagree with quite a bit. I think they’re useful because they elevate the substance and the form of the right’s internal arguments and make it easier to understand what we are disagreeing about. They can’t be answered with snide ad hominem dismissals, and so they stand a chance of inviting responses that further refine and elevate our thinking about the future.*

The six months since have been a whirlwind and quickly established American Compass as among the most innovative and influential institutions on the policy scene.

The closely contested presidential election and emergence of a multiracial, working-class base of support within the Republican Party drove even more interest in our work, with more than 200,000 people reading a summary of our recent work on social media.

“[G]roups like American Compass can equip us with the policy to win our independence in a dangerous world, a task that cannot be outsourced to anyone else. We must do it for ourselves.”

**SENATOR TOM COTTON**

“American Compass aspires to be the tool with which future conservative leaders can guide the American ship of state. Those men and women ignore it at their peril.”

**HENRY OLSEN**  
*WASHINGTON POST*

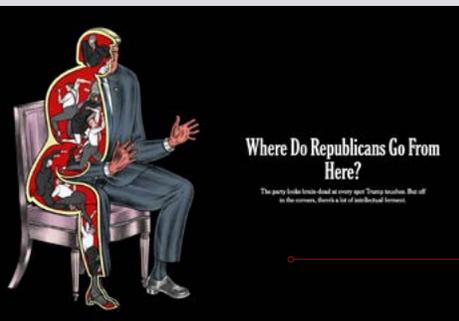


# Conservative Flagship

We launched American Compass for a simple reason: **to fill a critical void.**

Despite the many serious challenges America faces, the dramatic transformations its economy has undergone, and the once-in-a-generation political realignment under way, the right-of-center's mainstream institutions were uniformly committed to outdated ideas that long ago ossified into market-fundamentalist dogma. The attitude toward President Trump was "this too shall pass," and the political aspiration was to return everything to how it was before. With the future of post-Trump conservatism at stake, we needed an institution to step forward with new ideas and foster debates that entrenched groups were more comfortable avoiding.

Still in its first year, American Compass is already recognized as the flagship for a healthier and more responsive post-Trump conservative movement, underscoring not only the void's size and importance but our effectiveness in filling it.



When **David Brooks** wrote his August cover story for the New York Times Sunday Review asking the question, "Where do Republicans go from here?" the first place he turned to in describing "a new Working-Class Republicanism" was American Compass.

Likewise, when the Wall Street Journal's executive Washington editor, **Gerald Seib**, wrote a feature Saturday essay on "how Trump has changed the Republicans," he described our project as "new-wave conservatism," aimed at moving beyond the right's "tendency to fall back on the view that market forces and a light government hand automatically offer the best answers." On the heels of the *Journal* essay, NPR invited Seib and Cass to further expand on the topic during an in-depth, hour-long discussion.



In a long, deeply reported essay in *The New Yorker* on the post-Trump future of the Republican Party, **Nicholas Lemann** explored three paths that the right could pursue and described American Compass as the leader in formulating policies that will appeal to a realigned conservative base.

Vox cofounder **Ezra Klein**, who hosted a wide variety of high-profile guests on his weekly podcast, invited Oren this summer to discuss what a post-Trump GOP might look like, highlighting the ways in which conservatives need to challenge free-market economic orthodoxy.

Increasingly, media outlets, political offices, and think tanks are collaborating closely with us. Both CNN and the *Financial Times* have invited Oren to be a regular contributor. Senators **Rubio, Hawley,** and **Cotton** have collaborated with us through many channels, including our inaugural collection, an open letter, and a live event. When the **Republican Study Committee**, the largest caucus of conservatives in the House of Representatives, released its American Worker Task Force report, it led with introductory commentary on our blog, *The Commons*.

Leaders from the American Principles Project, the American Economic Liberties Project, the American Enterprise Institute, the Institute for Family Studies, and the R Street Institute have cosigned our statements, and scholars from some of those institutions, as well as the Hudson Institute, the Ethics and Public Policy Center, the Niskanen Center, Cardus, the Walton Family Foundation, and the Center for American Progress have published with us. Some individuals at these organizations have sought us out unprompted, seeing us as the ideal platform for their heterodox views. This growing reach positions us well to shape the public debate in the months and years to come.



*The American Conservative*

## The Fight on the Right

*Will conservatives learn the lessons of Trumpism or retreat to the past?*

by **OREN CASS**

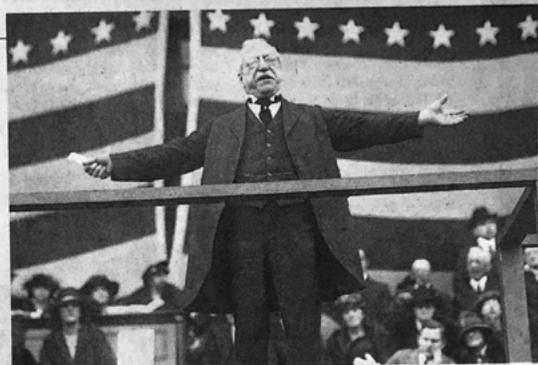


# America Needs A Conservative Labor Movement

BY OREN CASS

**A**MONG MODERN institutions, one stands out for the breadth of conservative priorities it could advance: generating widespread prosperity, limiting government intervention, preserving families and ways of life, revitalizing communities and fostering solidarity. That institution is the labor union. “Conservative labor” might sound like an oxymoron, but America’s dysfunctional labor unions, creatures of Great Depression-era legislation and decades of political polarization, are neither inevitable nor typical of their counterparts elsewhere. Concern for worker power and representation is as old as the discipline of economics. “Upon all ordinary occasions,” warned Adam

highest limit [for wages], whatever it be, may be attained.” Conservative social analysts have long celebrated the role of unions in free societies. The eminent sociologist Robert Nisbet declared unions “the true supports of economic freedom.” And as the labor expert Brian Dijkema notes, “It is no coincidence that what finally broke the Soviet Union was a Catholic trade union.” That union, Poland’s Solidarity, received substantial support from U.S. unions, which were ardently anticommunist. For St. John Paul II, labor solidarity was a central tenet of Catholic social teaching. “The experience of history teaches that organizations of this type are an indispensable element of social life, especially in modern industrialized societies,” he wrote in 1981 as Solidarity gained



political nonpartisanship.” Dwight Eisenhower spoke at the AFL’s convention during the 1952 campaign, and Richard Nixon feted labor leaders at a White House dinner on Labor Day in 1970. Several trends set conservatives and labor unions on a collision course. Within the Republican coalition, conservatives ceded economic policy to libertarian-minded “supply-siders” who instinctively believed that whatever benefited capital—including a weaker labor movement—benefited the national economy. The

**Samuel Gompers of the American Federation of Labor, 1920.** no matter what you do, they’re going to endorse your opponent because they want a Democratic majority, then you see no reason to support them,” fumed Rep. Peter King, a pro-union Republican from Long Island. Today, having failed in their core economic and social missions, unions serve mainly as a cash cow for Democrats, who in turn seek to preserve

polarization was complete. Big Labor turned on its remaining right-of-center allies in Congress, who responded in kind. “If you feel as a Republican that

sectors with tions and also tryw pref R world worf ever left gran and wou cap

In September, we sparked a national conversation about the future of organized labor—and why conservatives can, and should, lead the American labor movement back from obscurity. Our statement on a conservative future for labor earned signatures from a broad group of prominent conservatives, including **Senator Marco Rubio**, former **Attorney General Jeff Sessions**, author **J. D. Vance**, and the American Enterprise Institute’s **Yuval Levin**. Outlets across the political spectrum—including the *New York Times*, the *Wall Street Journal*, Fox News, *USA Today*, *National Review*, *New York Magazine*, and *Public Discourse*—featured the project, noting that some of the most promising movement on labor is coming from the right-of-center. Offices in both the House and Senate have expressed interest in advancing legislation.



Uber CEO retweets our Corporate Actual Responsibility work

Our projects on **Coin-Flip Capitalism** and **Corporate Actual Responsibility**,

meanwhile, have initiated long-overdue scrutiny from the right-of-center about how well our market economy channels profit-seeking toward productive ends. Feature coverage of our work at *Bloomberg* and responses in both the *New York Times* and *Wall Street Journal* led to further debates on The Commons and at *Newsweek*. Oren was also invited to contribute commentary to the special *New York Times Magazine* feature on the 50<sup>th</sup> anniversary of Milton Friedman’s famous “shareholder primacy” essay and to appear alongside the Business Roundtable’s executive vice president for policy at the **Institute of International Finance**’s annual meeting. He has also participated in debates hosted by the **Intercollegiate Studies Institute** on free trade and with Duke University’s Michael Munger on industrial policy.

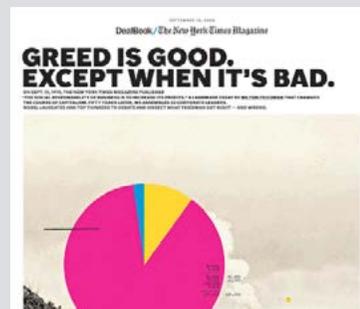
For the first time in decades, American conservatives are paying attention to questions like these.

## Changing the Debate

We use our platform to publish collections of research and commentary that prompt debates and force rethinking of stale orthodoxies.

Each collection brings together leading experts and original research in a variety of formats to focus on a particular issue. Without fail, the result has been to bring into the spotlight questions that were once taboo or else relegated to the fringes of conservative discussions.

**Moving the Chains**, our symposium on reshoring supply chains, received widespread attention on Capitol Hill and within the Trump administration, as well as feature coverage in the *Washington Post*. Subsequent work at American Compass was featured by **Senator Tom Cotton** in his push to advance the American Foundries Act, which was ultimately added to the National Defense Authorization Act on a 96–4 vote in the Senate. In the House, Harvard Business School professor **Willy Shih**’s contribution to the symposium led to his testimony before the **House Budget Committee**.

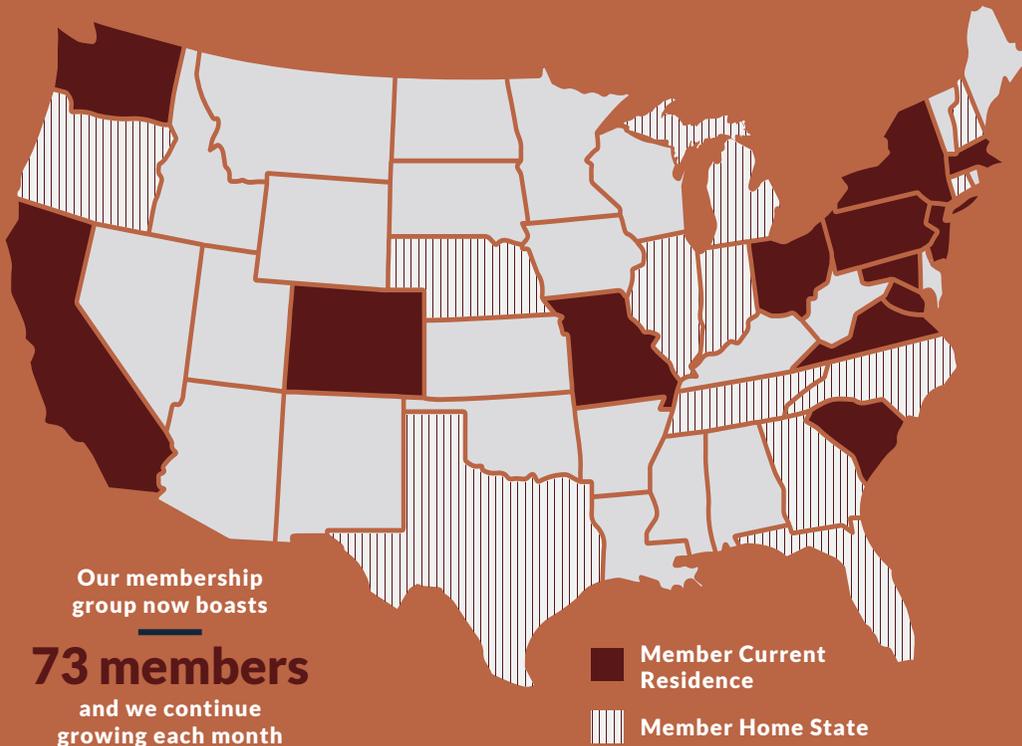


# Creating Community

While launching amid a pandemic presented some obstacles to in-person gatherings, our efforts to build a community of like-minded young professionals have been a great success.

Although most members are based in **Washington, D.C.**, our network is quickly expanding outside the Beltway into cities such as **Boston, Denver, New York, Seattle, San Francisco,** and **St. Louis**. Members come from a wide variety of backgrounds and work at more than 20 different publications and Hill offices, in the White House and various government agencies, and at most of the leading conservative think tanks.

Thus far, we've hosted virtual events on topics ranging from foreign policy to big tech, convened small social gatherings in Washington, and launched a book club. Members have also contributed to The Commons and the American Compass podcast, sought job applicants and pursued job opportunities, and made new friends.



## Events



- American Compass
- Coin-Flip Capitalism
- Race, Protests, and the Right
- The Conservative Legal Movement
- The Politics of Tech
- Realignment Foreign Policy
- How Do We Keep Our Republic?



- Art Laffers + Hill Staffers
- Compass Cocktails
- Debate Watch, Minus the Debate
- Compass Cocktails II



- Social Issues, Realigned
- Conservative Economics & Coronavirus Relief

“As a founding member of American Compass, I now know what it feels like to have bought Apple stock in 1999 (minus the complicity in Chinese forced labor).”

**SAMUEL HAMMOND**  
NISKANEN CENTER

“American Compass is immensely helpful as a professional network and ideas factory for the right.”

**SENATE SPEECHWRITER**

“American Compass has introduced me to the most thoughtful people I have met in DC. ... If American Compass says something, people should listen.”

**DANIELLE WEINRICH**  
BARON PUBLIC AFFAIRS

“American Compass provides an indispensable forum for debate and discussion about how conservatives can encourage broad-based economic prosperity through policies that promote strong families, resilient faith communities and a thriving middle class.”

**JOHN A. BURTKA IV,**  
INTERCOLLEGIATE STUDIES INSTITUTE

## Membership Industries





**CHRIS ARNADE**  
Author, *Dignity: Seeking Respect in Back Row America*



**MARSHALL AUERBACK**  
Researcher, Bard College's Levy Economics Institute



**ROB ATKINSON**  
President, Information Technology and Innovation Foundation



**DAVID AZERRAD**  
Assistant professor, Hillsdale College's Van Andel Graduate School of Government



**RACHEL BOVARD**  
Senior director of policy, Conservative Partnership Institute



**PATRICK DENEEN**  
Professor, University of Notre Dame; Author, *Why Liberalism Failed*



**MICHAEL BRENDAN DOUGHERTY**  
Senior writer, *National Review*; Visiting fellow, American Enterprise Institute



**SAAGAR ENJETI**  
Cohost, *Rising* on Hill TV and the Realignment podcast

# The Commons

In the spirit of the open debate we hope to foster, our blog, **The Commons**, is home to a wide variety of perspectives from an extraordinary group of thinkers who span the political spectrum. As its name suggests, **The Commons** is something of a town square: we welcome civil disagreements and have been delighted to publish several pieces critical of our own work. Our contributing writers debate among themselves, and sometimes these debates escape our walls. Most recently, Conservative Partnership Institute's **Rachel Bovard** and our research director, **Wells King**, published an exchange on suburban zoning that was taken up by *The American Conservative*. On trade policy, Oren used *The Commons* to respond to a *Washington Post* column by Tufts University professor Daniel Drezner, which began a back-and-forth between the two over the question of how the U.S. should approach its global trading partners. Meanwhile, the Niskanen Center's Ed Dolan and Samuel Hammond engaged in an exchange with Oren about how the right-of-center should approach welfare policy, redistribution, and "social insurance."

The Commons is quickly becoming a forum that established writers and scholars seek out as a home for their work. Members of Congress, too, have begun publishing with us, including **Senator Marco Rubio** and **Rep. Ted Budd** of the **Republican Study Committee**, the largest caucus of conservatives in the House of Representatives.



**JAMES POULOS**  
Executive editor, *The American Mind*



**AARON SIBARIUM**  
Editor, *Washington Free Beacon*



**MATT STOLLER**  
Research director, American Economic Liberties Project



**J. D. VANCE**  
Visiting fellow, American Enterprise Institute; Author, *Hillbilly Elegy*



**JOSH HAMMER**  
Opinion editor, *Newsweek*



**SAMUEL HAMMOND**  
Director of Poverty and Welfare Policy, Niskanen Center



**JULIUS KREIN**  
Editor, *American Affairs*



**AMBER LAPP**  
Research fellow, Institute for Family Studies



**MICHAEL LIND**  
Professor, University of Texas at Austin; Author, *The New Class War*



**MICAH MEADOWCROFT**  
Essayist and critic



**MICHAEL NEEDHAM**  
Senior congressional staffer



**R. R. RENO**  
Editor, *First Things*

# Our Growing Influence

 **23** Speaking Engagements

(HIGHLIGHTS)

Yale Law School  
Harvard University  
Niskanen Center  
Intercollegiate Studies Institute  
Brookings Institution  
Bipartisan Policy Center  
*American Affairs*  
*Boston Review*  
*The American Conservative*  
DemocracyXchange  
International Institute of Finance  
Notre Dame Business School  
Acton Institute

 **10K**  
Social Media Followers

 **35**  
Broadcast Appearances

 **28**  
OP-EDS

 **200+**  
Media Mentions

(HIGHLIGHTS)

*Claremont Review of Books*  
CNN  
*Financial Times*  
*First Things*  
*Newsweek*  
*National Review*  
*The American Conservative*  
*New York Times*  
*Wall Street Journal*  
*USA Today*

*Bloomberg*  
*New York Magazine*  
*Public Discourse*  
The Hill  
*Washington Post*  
*Los Angeles Times*  
NPR  
Vox  
Fox News  
*The New Republic*

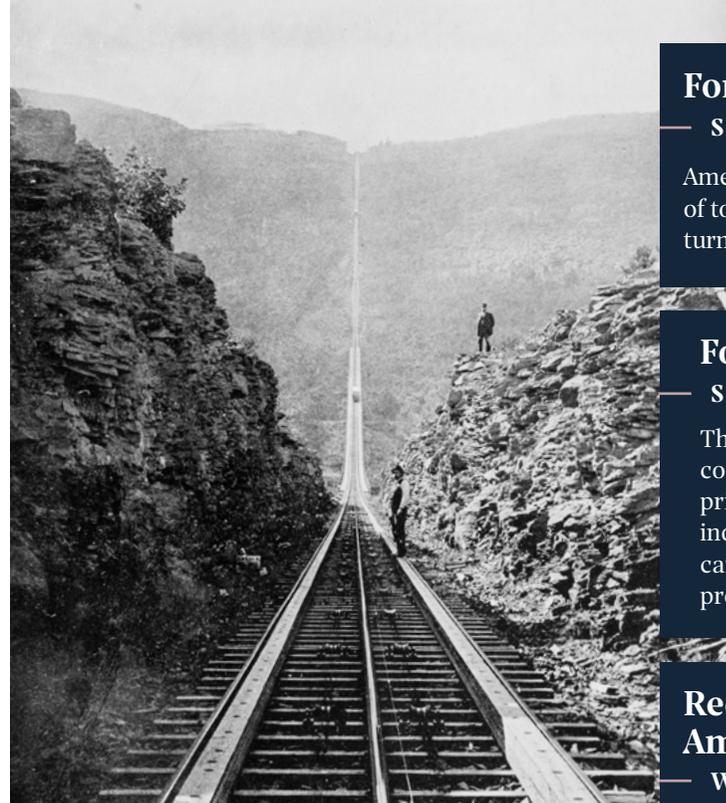
# OUR WORK

In its collections, American Compass tackles a wide variety of pressing issues, bringing fresh thinking and a truly conservative perspective to everything from financial capitalism to industrial policy to organized labor.

# Rebooting the American System

For nearly two centuries, the United States pursued a robust national economic agenda that supported the nation's extraordinary progress, prosperity, and security. It built canals and railroads and highways. It fostered industries that would make revolvers, airplanes, and semiconductors. It buttressed the American Dream. The agenda went by many names, but one of its earliest champions and one of America's greatest statesmen called it, simply, the **American System**.

This essay series explores the American System through the lenses of **tradition**, **theory**, and **practice**—how the United States once pursued its economic policy, why fundamentalist free-market logic fails as a guide, and where policymakers might act to shape the nation's economy once more. **Senators Marco Rubio** and **Tom Cotton** situate these ideas in our present context: a once-in-a-century pandemic and a generation-defining contest with China.



## Foreword: On Resilience

— SENATOR MARCO RUBIO

America's ability to meet the challenges of tomorrow rests on our conviction to turn a new economic page today.

## Foreword: On Security

— SENATOR TOM COTTON

The American system of innovation, combining strategic investment and private enterprise, made our nation's industry the envy of the world. It can pave the way for widespread prosperity and security again today.

## Rediscovering a Genuine American System

— WELLS KING

From the Founding to the Cold War, America's leading statesmen and political economists understood the importance of a robust national economic policy.

## Planning for When the Market Cannot

— JULIUS KREIN

The "knowledge problem" is real, but a more practical approach is needed for navigating the challenges of government planning.

## Removing the Blinders from Economic Policy

— OREN CASS

If we want the market to serve the needs of the American people, we must remove the blinders of market reductivism and recover the tools of economic policy.



# The New York Times

“Senators Tom Cotton of Arkansas and Marco Rubio of Florida ... argue in essays in a new online journal that the coronavirus has exposed the nation’s need to be more aggressive and innovative with its laws so it can better protect itself from adversarial powers like China.”

In a story about how the COVID-19 crisis is forcing some Republicans to rethink their party’s embrace of free-market fundamentalism, the *New York Times* highlighted the forewords by **Senators Cotton** and **Rubio** as examples of fresh thinking among the GOP coalition.



*National Affairs* editor Yuval Levin wrote in *National Review* that these essays clarify the issues that our nation faces and treat them with the gravity they deserve.

# NR

“I find these pieces very valuable not because I agree with them—I certainly agree with some of what they say, but also disagree with quite a bit. I think they’re useful because they elevate the substance and the form of the right’s internal arguments and make it easier to understand what we are disagreeing about. They can’t be answered with snide ad hominem dismissals, and so they stand a chance of inviting responses that further refine and elevate our thinking about the future.”



In *National Review*, **Wells King**, **Julius Krein**, and **Oren Cass** explored the American tradition of economic policy, how and why we lost sight of the role of strategic planning, and how we can “remove the blinders” from economic policy.

# NR

“Conservatives must remove the blinders that prevent their attention from wandering beyond tax cuts. The future of American economic policy lies in the creation of a modern American System, establishing the market conditions for an economy that supports our shared national goals.”

# DAILY CALLER

“Economic stability, national security, widely shared prosperity, strong families, a pluralistic society—in short, the American way of life—are achievements plainly worth conserving. So is the only approach to economic policy that has ever proved capable of producing them.”

The Daily Caller published an adaptation of **Wells King’s** introductory essay, highlighting how conservatives can go back to their roots and embrace a robust national economic policy.





“[M]ost fund managers are generating the results that one might expect from an elaborate game of chance—placing bets in the market with odds similar to a coin flip.

With enough people playing, some will always find themselves on winning streaks and claim the Midas touch, at least until the coin’s next flip. Except under these rules of ‘heads I win, tails you lose,’ they collect their fees regardless.”

MAY 2020

## Coin-Flip Capitalism

High-flying financial firms attract a disproportionate share of the nation’s business talent, fund lavish compensation through fees charged to public pension funds and nonprofit endowments, and shape the behavior of companies in the real economy. Yet their status as a political football prevents examination of what they really accomplish—one side happily vilifies them simply because they represent capital, while the other grants them praise on the presumption that profitable market activity is inherently valuable.

### Coin-Flip Capitalism: A Primer

— WELLS KING

An overview of the hedge fund, private equity, and venture capital industries and the implications of their recent performance.

**Coin-Flip Capitalism** aims to help policymakers and the public better understand how the hedge fund, private equity, and venture capital industries function, what social and economic value they create or destroy, and how policy should respond. **A Primer** introduces the relevant topics and explains why they are subjects of public concern. **The Returns Counter** aggregates financial returns data into a comprehensive set of quarterly performance benchmarks for each industry. Future installments will delve further into the issues that these data raise and the potential for market-strengthening reforms.

The worlds of hedge funds and private equity are notoriously opaque. **The Returns Counter** aims to shed light on the overall performance in these industries as a starting point for understanding their claims of economic value. The Counter aggregates returns data from multiple sources to create a simple metric—a “Returns Counter Average” that can be directly compared against public market benchmarks.

# Q3

2020 Update

Since the release of **Coin-Flip Capitalism** in May, the public debate over the value of private equity and other so-called alternative assets has intensified, while the struggle of private funds to beat the market during a historic downturn has only reinforced concern about their long-term viability.

# Q4

2020 Update

Markets have mostly returned to pre-COVID highs, but the fallout from sky-high volatility in the first half of 2020 continues, and funds are under renewed scrutiny for their lack of transparency.

## Bloomberg

“While American Compass just opened its doors this month, its existence and policy objectives could herald something Wall Street has long feared: a common ground between anti-finance Democrats and Republicans willing to challenge the party’s established economic views.”

Coin-Flip Capitalism was featured in *Bloomberg*, which highlighted American Compass’s role as the vanguard of conservative economic thought, questioning the long-time orthodoxy of both political parties.

## THE WALL STREET JOURNAL

“The news isn’t rosy for everyone. ... employment growth in companies backed by private equity is 1% to 4% lower than in other firms in the same industry. Compensation is about 1.7% lower.”

University of Chicago professors **M. Todd Henderson** and **Steven N. Kaplan** took to the pages of the *Wall Street Journal* to critique Coin-Flip Capitalism.

The *Wall Street Journal* excerpted George Mason University professor **Donald Boudreaux’s** “Another Open Letter to Oren Cass” in its Notable & Quotable section. This is just one of many open letters that Professor Boudreaux has written to us since our launch.

## THE WALL STREET JOURNAL

“I know, I know: I’m just one of those neo-liberal market fundamentalists addicted to simplistic absolutisms.”

Henderson and Kaplan’s op-ed prompted further discussion, including a response from Oren Cass on The Commons and then a debate between **Henderson and Cass** at *Newsweek*.

## Newsweek

### HENDERSON

“Bad companies in America get eaten, and every other company sprints faster, knowing the savannah is ripe with predators. Private equity is the great discipline of American capitalism.”

### CASS

“Economic growth and dynamism have slowed, productivity growth has come nearly to a halt and wages have stagnated. Bizarrely, with so much ‘investment’ going on, actual investment has plummeted. Assets get shuffled and reshuffled, profits get made, but relatively little flows toward actual productive uses.”



“Most of what we call ‘investment’ today is the acquisition of an asset. When a private equity firm buys a company, it has not invested. It has traded a pile of money for a pile of equity, and when it turns around five years later and sells that pile of equity to another private equity firm, that is not an ‘investment’ either. ‘Investment’ is when companies actually spend money on equipment, on research and development, on training, on things that actually improve and increase the productive capacity of our economy.”

**Oren Cass** was invited to participate in a panel discussion on reforming capitalism during the **Institute of International Finance’s** annual meeting, where he described the difference between real investment and private equity firms merely moving assets around.





JUNE 2020

## Moving the Chains

After decades of looking away as America's supply chains migrated overseas, policymakers are finally facing the reality that dependence on foreign producers has weakened the nation's resilience, its security, and its economy. When factories leave, not only the jobs but also the suppliers, the customers, the expertise, and the innovation go, too. When a crisis strikes, vital supplies are unavailable. When productivity growth and innovation are needed, they are nowhere to be found.

The **Moving the Chains** symposium gathers experts in many fields; working in think tanks, universities, and industry—starting from points across the political spectrum; to delineate and describe the levers available to policymakers in pursuit of reshoring supply chains and to offer concrete policy proposals for using each lever. Some proposals emphasize investments that the United States can make to improve its competitiveness—in people, in infrastructure, and in research. Others consider how better laws could attract or even force firms toward domestic production. Still others advocate reform for institutions themselves, from the federal government to the WTO.



### Research & Development

*Pre-competitive research consortia are vital to sparking innovation.*

WILLY SHIH, Harvard University

### Tax Incentives

*A tax credit for domestic investment is the best way to reduce production costs.*

ROB ATKINSON, Information Technology and Innovation Foundation



### Domestic Sourcing

*Local content requirements offer a simple intervention with benefits that its prohibitionist detractors ignore.*

MICHAEL LIND, University of Texas

### Workforce Investment

*Reshoring strategies can only go so far without investment in America's skilled workforce.*

SAMUEL HAMMOND, Niskanen Center



### Regulatory Reform

*Outdated environmental regulation poses an irrational barrier to reshoring efforts.*

OREN CASS, American Compass

### Agency Structure

*A new task for government demands a new structure for its agencies.*

GANESH SITARAMAN, Vanderbilt University



### Terms of Trade

*The international trading system must recover the core principles of reciprocity, security, and democracy.*

THOMAS DUESTERBERG, Hudson Institute

### Infrastructure Financing

*A national development bank could attract the private capital that America's infrastructure needs.*

TERRENCE KEELEY, BlackRock



### Antitrust Enforcement

*The American medical industry offers a case study of how market concentration undermines economic resilience.*

MATT STOLLER, American Economic Liberties Project

# Bloomberg

“The U.S. economic strategy of leaving industrial policy to the whims of the market has hit the point of severely diminishing returns, so it’s time to brainstorm new approaches.”

Noah Smith, a Bloomberg Opinion columnist, featured the symposium as an example of policy wonks taking seriously the idea that bringing manufacturing back to our shores will “take a lot more than tariffs and bellicose rhetoric.”

The *Washington Post* highlighted our work on industrial policy and reshoring as a key influence on policymakers who are beginning to question the free-market orthodoxy.



“Cass and other conservatives say there is strong precedent for industrial policy in the United States. Alexander Hamilton, the country’s first treasury secretary, encouraged the United States to use import tariffs and ‘bounties,’ or subsidies, to foster a strong manufacturing sector, which he saw as crucial to maintaining independence.”

Building on his contribution to our symposium, Harvard’s **Willy Shih** was invited to testify before the House Budget Committee during a hearing on the federal role in research and development.



“...to award grants to States for the construction of microelectronics manufacturing and advanced research and development facilities ... to fund the construction of microelectronics manufacturing facilities for national security needs, and to authorize additional amounts for microelectronics research and development...”



**Senator Tom Cotton**’s American Foundries Act was passed on a 96–4 vote in the Senate as part of the National Defense Authorization Act.

# DAILY CALLER

“When factories leave our shores, not only the jobs but also the suppliers, the customers, the expertise, and the innovation go with them. When productivity growth and innovation are needed, they are nowhere to be found. When we lose ground to rival nations, we lack the capacities required to regain the lead.”

In the Daily Caller, **Wells King** made the case for thinking seriously about reshoring critical supply chains, especially in light of the COVID-19 pandemic.

In the *Asia Times*, **David P. Goldman** adapted his foreword to the symposium for an Asian audience, highlighting the importance of getting the details of reshoring right to protect American domestic industry.



“A bipartisan consensus is emerging around the need to restore America’s technological edge and industrial base.”





AUGUST 2020

In recent years, the business community has sought to rebrand itself as “socially responsible,” but in practice this has largely amounted to glossy marketing campaigns and nominal charitable contributions. What if corporate executives were instead held responsible for actually considering the interests of their **workers, families, communities, and nation**?

In August 2019, the Business Roundtable released a letter committing to “stakeholder capitalism,” promising to balance the needs of all stakeholders in their decisions—not just the shareholders. But in the year since, nothing changed. It was yet another example of corporations claiming to prioritize their workers and communities but doing little to follow through.

On the one-year anniversary of the Roundtable’s letter, we released an open letter in response, highlighting its lack of follow-through and calling on these CEOs to take real action to prioritize their workers, communities, and nation.

Beyond the letter, this initiative is aimed at studying the obligations that corporations have, the policies that will help ensure that these obligations are met, and the measures that they should adopt themselves.

Corporate Obligations: A Debate

Patrick Deneen & Andy Puzder

Constraining the Corporation

A primer by Oren Cass



WORKERS



FAMILIES



COMMUNITIES



NATION

Q&A with MIT Professor Zeynep Ton

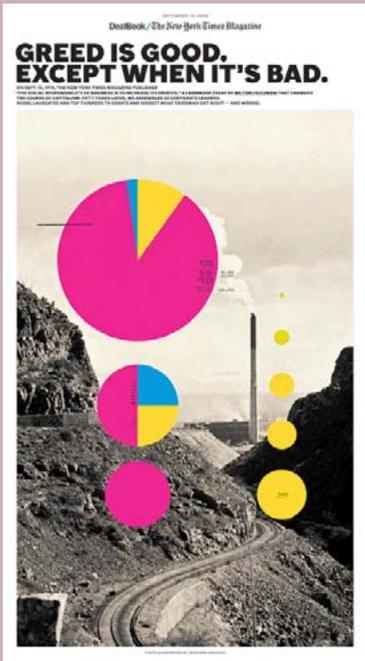
President, Good Jobs Institute

A Conversation with

Senator Josh Hawley

Interviewed by Oren Cass

Oren Cass joined Krystal Ball and Saagar Enjeti on The Hill TV's *Rising* to discuss our open letter to the Business Roundtable, urging it to take real action on its pledge to promote corporate responsibility and protect workers.



On the 50<sup>th</sup> anniversary of Milton Friedman's landmark essay "The Social Responsibility of Business Is to Increase Its Profits," the *New York Times Magazine* revisited its influence, with input from a wide variety of experts, including top CEOs, Nobel laureates, and Oren Cass.



"Frankly, we shouldn't hold our breath. Instead, we should use it to advocate for the public policy changes needed to channel the pursuit of profit toward the purported goals the Business Roundtable professes: prosperity for workers, families, communities, and the nation. This, in the end, is the purpose of our economy and its competitive free market."

On the one-year anniversary of the **Business Roundtable's** letter ostensibly embracing "shareholder capitalism," we released an open letter calling for substantive steps toward corporate actual responsibility, which Oren highlighted in an op-ed for the *Washington Examiner*.



"Many leaders of the Republican Party have coalesced around a desire to purge libertarians ... from their midst. If Mr. Reagan's agenda was a three-legged stool of religious traditionalism, a strong national defense and free-market economics, they hope the latter leg can be reduced to sawdust and scattered to the winds. The Republican Party seems to become more comfortable with top-down economic interventionism by the day. Rising stars denounce the global market integration that has defined the postwar era."

In the *New York Times*, *Reason* managing editor Stephanie Slade highlighted our Corporate Actual Responsibility project as the quintessential illustration of the right-of-center turning its back on libertarians.

In an editorial calling for "gig economy" companies like Uber and Lyft to treat their workers as employees, the *Financial Times* took the position that these businesses have obligations to their workers—the animating idea behind our push for corporate actual responsibility.



"[T]he gig economy has long existed in a legal grey area, allowing businesses to avoid their obligations to workers."



Notre Dame assigned portions of our Corporate Actual Responsibility collection for the final session of its course "Corporate Governance and Catholic Social Teaching."





SEPTEMBER 2020

The American labor movement’s slow descent into obsolescence has deprived American workers of a vital institution. A well-functioning system of organized labor affords solidarity, mutual aid, bargaining power, and workplace representation, all of which can benefit workers, their families and communities, and the nation—both economically and socially. Especially for conservatives, who cherish the role of mediating institutions, prefer private ordering to government dictates, and believe that prosperity must be earned rather than redistributed, reforming and reinvigorating the laws that govern organizing and collective bargaining should be an obvious priority.

Unfortunately, today’s dysfunctional system, a relic of the Great Depression, has become a polarizing partisan issue. National unions exert more influence through their lavish funding of the Democratic Party than through actual organization, representation, or bargaining. One party thus focuses intently on getting more workers into those unions, while the other’s priority is to get them out. **A different conversation is needed.**

In ***A Seat at the Table***, American Compass hopes to help start that conversation. We begin with a statement from a prominent group of conservatives who possess a remarkable breadth and depth of expertise and share the conviction that labor is an issue ripe for conservative reform. Essays from Brian Dijkema, Amber Lapp & David Lapp, and Michael Lind situate labor’s role in the American economy, in partisan ideological debates, and in the lives of actual workers. A report from American Compass’s Wells King describes the many and varied forms that systems of organized labor can take. And a range of experienced policy experts and labor organizers discuss with each other potential pathways for reform.

**Conservatives Should Ensure Workers a Seat at the Table**

*Statement on a conservative future for the American labor movement*

**Labor’s Conservative Heart**

**BRIAN DIJKEMA**

*The trade union is a quintessentially Tocquevillian institution and the one that brought down Soviet communism. Conservatives must rescue the American labor movement from Big Labor’s partisanship and restore its community-building purpose.*

**The Once and Future American Labor Law**

**MICHAEL LIND**

*American labor law has become worse than useless: a lower share of the private-sector labor force is organized today than before the National Labor Relations Act was passed in 1935. The time has come for an entirely new model.*

**Q&A with Freelancers Union Founder Sara Horowitz**

**OREN CASS**

*Labor law has failed to evolve alongside a changing labor market. Some labor leaders have been moving ahead anyway.*

**Toward a More Cooperative Union**

**ELI LEHRER**

*Workers and employers should have the freedom to collaborate and design new forms of worker organizations.*

**Workers Are People, Not Widgets**

**AMBER LAPP & DAVID LAPP**

*Meet Alex and Lance, two blue-collar workers in southwestern Ohio. One had union representation as he sought a foothold in the labor market; the other did not. Their lives remind us that there is still power in a union.*

**Would Sectoral Bargaining Provide a Better Framework for American Labor Law?**

*Labor leader David Rolf and American Compass’s Oren Cass discuss the potential for sectoral bargaining in America.*

**Workers of the World**

**WELLS KING**

*Few Americans realize how our system of organized labor is an outlier among Western nations. In some European countries, unions attract a greater share of workers and maintain less adversarial relationships with business. A better understanding of these alternative models can guide American policymakers as they address our labor policy challenges.*

**Labor Law Must Include All Workers**

**SHARON BLOCK & BENJAMIN SACHS**

*Inclusion is a necessary first step toward fixing America’s broken labor law system.*





To launch our Labor Day statement, **Oren Cass** appeared on *The Next Revolution* with **Steve Hilton** on Fox News to discuss where the establishment right-of-center consensus has gone wrong and why conservatives should care about organized labor.

*New York Magazine's* **Eric Levitz** interviewed Oren about our vision for a pro-worker conservatism and the potential for it to take root among policymakers.

## NEW YORK

"We need workers to have more power. Either we're going to have to turn to the government to give them that, or we're going to have to see a better balance in the private sector. And I think conservatives will certainly prefer the latter."

## The New York Times

"[T]he most intriguing sign of a potential union resurgence comes from the [right] side of the political spectrum."

**David Leonhardt** of the *New York Times* featured *A Seat at the Table* in his morning newsletter as a heartening sign that some in the GOP are willing to rethink their party's traditional perspective on labor.

## USA TODAY

In *USA Today*, **Wells King** made the case that organized labor can help to reduce economic inequality by allowing workers to enjoy their full share of the nation's prosperity.

"Approaches that work in other countries cannot be imported wholesale to ours. But their examples should inspire us to think more broadly about what we might attempt, and to recognize a revitalized labor movement as an opportunity that should excite both liberals and conservatives."

## Public Discourse

THE JOURNAL OF THE WOODHULL FOUNDATION

"Ensuring that workers have power and can bargain on equal footing should be a core principle for setting up a well-functioning economy."

In *Public Discourse*, **Brad Littlejohn** and **Oren Cass** discussed the case for a conservative embrace of labor unions.

## THE WALL STREET JOURNAL

In a feature weekend essay for the *Wall Street Journal*, Oren explained how a reinvigorated labor movement could serve traditional conservative goals of empowering individuals and preserving communities, citing the support of Adam Smith, John Stuart Mill, and Robert Nisbet.

"Among modern institutions, one stands out for the breadth of conservative priorities it could advance: generating widespread prosperity, limiting government intervention, preserving families and ways of life, revitalizing communities and fostering solidarity. That institution is the labor union."

## IN THESE TIMES

"We've really been missing a genuinely conservative perspective that asks, 'How do we ensure that the market is one that is actually delivering the outcomes that we want for healthy families, and communities, and the strength and solidarity of the nation?'"

In an interview with **Hamilton Nolan** of the left-leaning *In These Times*, Oren discussed the current state of organized labor in the U.S., how a reinvigorated labor movement might look, and where the most hope for a future shift lies.

## Also In...

*National Review*  
*Daily Caller*  
*Bloomberg Law*  
*National Post*  
*The Browser*  
*Jacobin*  
*The Realignment*  
*The Hill TV's Rising*



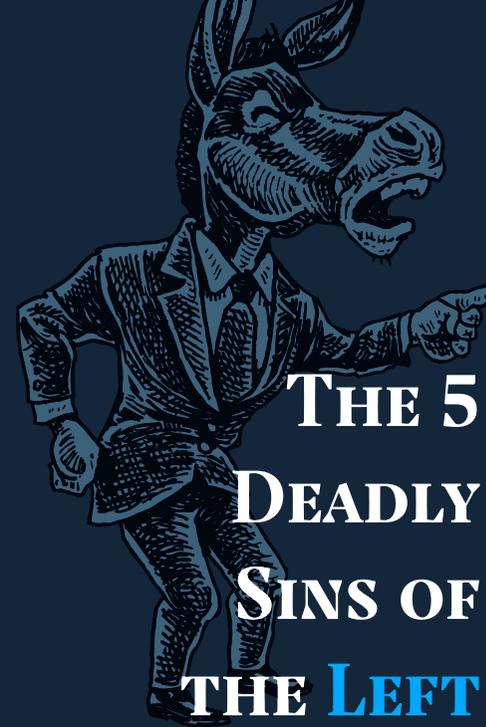
# PARTY FOUL

How the  
Left and Right  
Fail American Voters

OCTOBER 2020

The American left and right suffer from parallel but distinctive pathologies. Each has become preoccupied with the priorities and pet peeves of the influential elites in its coalition—the Academy on the left, Wall Street on the right—to the exclusion of the concerns that animate most voters. Iconic scenes—like a stage full of Republican candidates rejecting a budget deal that would cut ten dollars in spending for every dollar of tax increases, or a stage full of Democrats raising their hands in favor of government-provided health insurance for illegal immigrants—seem to challenge the premise of democracy that political figures will vie for the public’s support and will embrace positions that would advance the public’s interests.

What has each side gotten wrong? And how could it do better? Veteran political analysts **Ruy Teixeira** and **Henry Olsen** turn their attention to the first question, each describing the “deadly sins” on his own side of the aisle. In a conversation about those essays, authors **J. D. Vance** and **Chris Arnade** focus on the second question, discussing the disconnect they see between the parties and the people and the opportunity that each side has to reform.



## THE 5 DEADLY SINS OF THE LEFT

By Ruy Teixeira  
CENTER FOR AMERICAN PROGRESS

- 1 Identity Politics
- 2 Retro-Socialism
- 3 Catastrophism
- 4 Growthphobia
- 5 Technopessimism

## THE 3 DEADLY SINS OF THE RIGHT

By Henry Olsen  
ETHICS AND PUBLIC  
POLICY CENTER

Market  
Fundamentalism

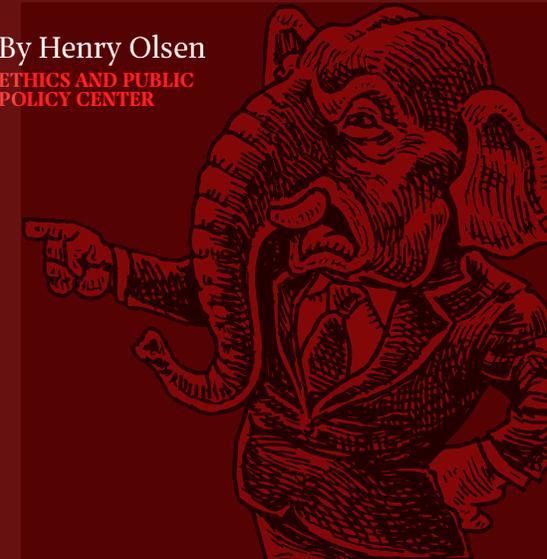
1

Snobbery

2

Hubris

3





“What do you think? What do you believe are some deadly sins of your own side? Or if not deadly sins, then at least things that make the party less successful or appealing than it really ought to be?”

**Rod Dreher** highlighted excerpts from both essays in *The American Conservative*, prompting his readers to consider how both political parties have failed American voters.



In the *Financial Times*, **Oren Cass** discussed how both political parties have become so disconnected from everyday Americans, and what they would be focusing on if workers’ interests were their primary concern.

“Government will always be of and by the influential, but its legitimacy depends upon it still being for the people.”



“I see the political camps being divided [in] how they treat poor people or how they treat the voters. Do they treat them like children that have to be condescended to, who have no agency and are just victims of our elite problems who need to be helped? Or are they people who are weak and need to just buck up and work harder?”

**J. D. Vance** and **Chris Arnade** joined Oren Cass on the American Compass podcast to discuss both essays, describe the dynamics that lead to a politics disconnected from the economic and cultural mainstream, and identify possible glimmers of hope.

# The Commons

On *The Commons*, several of our contributing writers responded to and expounded on the points made by Teixeira and Olsen in their essays.

## Elitism, Right and Wrong

MICAH MEADOWCROFT

## Conservatism Must Be Chastened by Humility

JOSH HAMMER

## Can the Left Overcome Its Technopessimism?

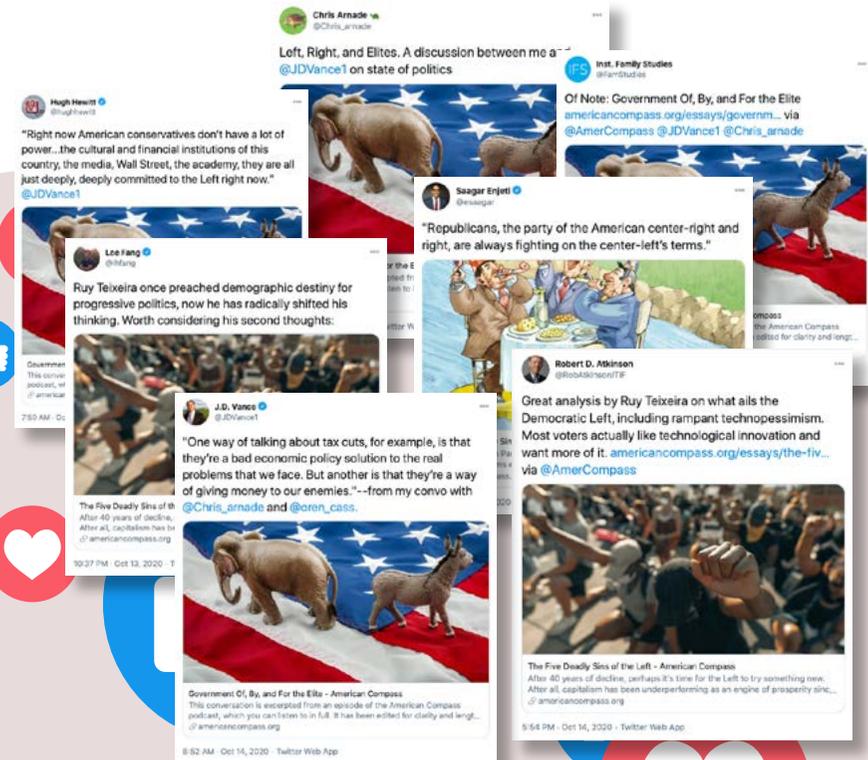
ROB ATKINSON

## Seven Deadly Political Sins

R. R. RENO

## Tales of Bureaucratic Incompetence and the Sins of the Left and Right

AMBER LAPP



# 2020 Collections

## Rebooting the American System

*The comprehensive, conservative case for a return to robust national economic policy*

May 2020

**Foreword: On Resilience**  
SENATOR MARCO RUBIO

**Foreword: On Security**  
SENATOR TOM COTTON

**Rediscovering a Genuine American System**  
WELLS KING

**Planning for When the Market Cannot**  
JULIUS KREIN

**Removing the Blinders from Economic Policy**  
OREN CASS

## Coin-Flip Capitalism

*Do the hedge fund, private equity, and venture capital industries channel investment efficiently and in ways beneficial to the nation?*

May 2020

**Coin-Flip Capitalism: A Primer**  
WELLS KING

**The Returns Counter**  
UPDATED QUARTERLY

## Moving the Chains

*9 strategies for retaking global leadership in industry and innovation*

June 2020

**Foreword: The Reshoring Initiative**  
DAVID P. GOLDMAN

**On Research & Development**  
WILLY SHIH

**On Tax Incentives**  
ROB ATKINSON

**On Domestic Sourcing**  
MICHAEL LIND

**On Workforce Investment**  
SAMUEL HAMMOND

**On Regulatory Reform**  
OREN CASS

**On Agency Structure**  
GANESH SITARAMAN

**On Terms of Trade**  
THOMAS DUESTERBERG

**On Infrastructure Financing**  
TERRENCE KEELEY

**On Antitrust Enforcement**  
MATT STOLLER

## Required Reading: Foundations for American Renewal

*A long-standing intellectual tradition offers not only a comprehensive critique of market fundamentalism and consumerism, but also a constructive path forward*

July 2020

## Corporate Actual Responsibility

*Holding corporations accountable for their obligations to workers, their families and communities, and the nation*

August 2020

**Corporate Actual Responsibility: A Conversation with Senator Josh Hawley**

Interviewed by OREN CASS

**Open Letter to the Business Roundtable**

American Compass, American Economic Liberties Project, American Principles Project

**Corporate Obligations: A Debate**  
PATRICK DENEEN & ANDY PUZDER

**Constraining the Corporation**  
OREN CASS

**Q&A with MIT Professor and Good Jobs Institute President Zeynep Ton**  
OREN CASS

**Case Studies in Corporate Actual Responsibility**  
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## A Seat at the Table

*A conservative future for the American labor movement*

September 2020

**Conservatives Should Ensure Workers a Seat at the Table**  
Statement

**Labor's Conservative Heart**  
BRIAN DIJKEMA

**Workers Are People, Not Widgets**  
AMBER LAPP & DAVID LAPP

**The Once and Future American Labor Law**  
MICHAEL LIND

**Would Sectoral Bargaining Provide a Better Framework for American Labor Law?**  
DAVID ROLF & OREN CASS

**Q&A with Freelancers Union Founder Sara Horowitz**  
OREN CASS

**Workers of the World**  
WELLS KING

**Labor Law Must Include All Workers**  
SHARON BLOCK & BENJAMIN SACHS

**Toward a More Cooperative Union**  
ELI LEHRER

## Party Foul

*How the left and right fail American voters*

October 2020

**The Five Deadly Sins of the Left**  
RUY TEIXEIRA

**The Three Deadly Sins of the Right**  
HENRY OLSEN

**Government Of, By, and For the Elite**  
CHRIS ARNADE & J.D. VANCE

**Presidential Candidates Are Ignoring Ordinary Voters' Needs**  
OREN CASS

# Meet the Team

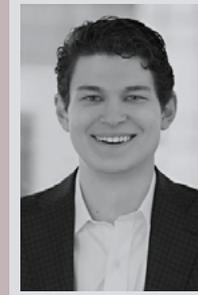


## Oren Cass

Oren Cass sets our strategic direction, manages its operations, and publishes his own work constantly, including as a contributing opinion writer for both the *Financial Times* and CNN. He is “one of the sharpest policy minds in this new vanguard” (Sam Tanenhaus, *Time*). Oren’s 2018 book, *The Once and Future Worker*, became an instant sensation in conservative circles and has been central to emerging intra-conservative debates. The book has been lauded across the political spectrum and around the world: “among the most important I’ve ever read” (J. D. Vance), “absolutely brilliant” (David Brooks), “the essential policy book for our time” (Yuval Levin), “thoughtful, provocative, carefully argued” (Jason Furman), “a remarkable intellectual articulation” (Emmanuel Todd).

Oren brings to American Compass the rare combination of not only policy expertise and intellectual achievement but also a track record of success in business, law, and politics. From 2005 to 2015, he worked as a management consultant in Bain & Company’s Boston and Delhi offices. During this period, Cass also earned his J.D. magna cum laude from Harvard Law School, where he was elected vice president and treasurer of the *Harvard Law Review* and oversaw the journal’s budget and operations. While still in law school, Oren also became Domestic Policy Director for Governor Mitt Romney’s 2012 presidential campaign, editing and producing the campaign’s “jobs book” and developing its domestic policy strategy, proposals, and research. He joined the Manhattan Institute as a senior fellow in 2015 and became a prolific scholar, publishing more than 15 reports for MI and editing its popular “Issues 2016” and “Issues 2020” series, testifying before seven congressional committees and speaking on dozens of college campuses. He founded American Compass at the start of 2020.

Oren lives in western Massachusetts with his wife, Kristine, and children, Eliza, Rosalie, and Andrew.



## Wells King

### Research Director

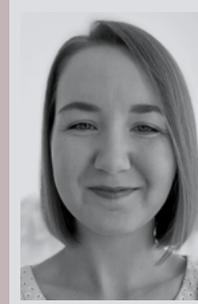
Wells King oversees our research projects and is the editor of our collections, alongside his own research and writing on a variety of issues. Prior to joining American Compass, he worked as a management consultant at McKinsey & Company and as a policy advisor to Senator Mike Lee on the Joint Economic Committee. He graduated from Davidson College and has been a Public Interest Fellow, a Claremont Institute Publius Fellow, and a Hertog Foundation Political Studies Fellow. He lives in Washington, D.C.



## Wesley Hodges

### Coalition Director

Wesley Hodges builds and nurtures our membership group, hosts our events, and manages our relationships with the rest of the world. He previously served as associate director for the Federalist Society’s Practice Groups, a network of more than 400 experts in the legal field. He graduated from Baylor University and is a John Jay Fellow. He lives in Washington, D.C.



## Abigail Salvatore

### Communications Director

Abigail Salvatore develops and maintains our public presence, the promotion of its work, and its media relationships. Previously, she worked as the media relations director for the Manhattan Institute and communications director for the Empire Center for Public Policy. She graduated from the King’s College in New York City, where she studied politics, philosophy, and economics. She lives in Washington, D.C.

# Board of Directors

Institutional affiliations provided for identification purposes only.

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# Help us build a strong foundation.

When we formed American Compass, we knew that the standard base of financial support for right-of-center organizations might not be available to us because of our willingness to question ideas that have long since become stale dogma. For this reason, an active part of our project is developing a network of people and institutions who are committed to a healthy conservatism and a strong nation. We hope you'll join us in that cause.

## How to Support American Compass

You can donate to American Compass via check, wire, stock transfer, or online at [americancompass.org/donate](https://americancompass.org/donate).

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