



1. *Bloomberg and the Democratic Primary*
2. *Against Fossil Fuel Divestment*

Bloomberg and the Democratic Primary

By MONTANA SPRAGUE
STAFF WRITER

Earlier this month, former New York City mayor Michael Bloomberg filed paperwork to officially join the race for the Democratic presidential nomination. While his candidacy (as of this writing) is by no means certain since he has not officially confirmed that he is running, the step of filing has garnered enough attention to boost his chances of being nominated to run against President Trump. Some, however, aren't taking it seriously,

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largely because Bloomberg declared in March of this year that he would not seek the nomination, and only filed the paperwork the day after Trump said: "There is nobody I'd rather run against than 'Little Michael.'" (Others feel that perhaps it was more a response to Trump's earlier comment that Bloomberg "doesn't have the magic" to win the election.)

Realistically, the filing of the paperwork only means he's keeping his options open. Given how relatively late we are in the election cycle, especially considering that in the last 43 years, the latest any eventual nominee entered the race was August, Bloomberg's campaign would have to be incredibly swift and efficient in order to establish enough of a presence to make the debate stage, let alone actually have a chance at winning the nomination. His candidacy would, however, shake up the Democratic primary in a couple of ways.

The first one is fundraising, the main concern after actually winning enough votes. It is certainly less of an

issue for Bloomberg than for other candidates, since his net worth is \$53 billion and he has already pledged \$500 million to unseat Trump regardless of who the nominee is, \$175 million more than the Trump campaign spent in 2016. His ability to spend huge amounts in the primaries too could complicate things for his competitors. Then, of course, there are the differences in his positions. Bloomberg has stated his belief that the nominee must be able to defeat Trump. Given that he has disparaged Elizabeth Warren's proposed wealth tax as socialism and that Joe Biden, who is closer to him on such issues, continues to have difficulty with fundraising, a Bloomberg candidacy may be viable if it's launched now. Bloomberg, Biden, and perhaps Pete Buttigieg are theoretically aiming to be the centrist alternative to the more liberal candidates. Most of the support for a Bloomberg campaign will most likely emerge from people who now favor Biden and Buttigieg. If moderates are more capable than progressives in beating Trump, such a split among more moderate voters

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could give Warren just enough of an advantage to win the nomination--and then potentially lose to Trump. If Bloomberg's purpose in running is to ensure that the candidate most capable of taking down Trump will get the nomination, then the general election might truly be over before it begins.

Against Fossil Fuel Divestment

By ERIC FISCHER
EDITOR-IN-CHIEF

The noticeable increase in Climate Change awareness this semester has led to a number of policy proposals from students, faculty, and staff. One of these, divesting the Hamilton endowment from fossil fuels, seems particularly popular among students. Proponents of divestment, however,

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play down divestment's cost to our institution and overestimate its environmental benefit.

First, to understand the issue as it relates to Hamilton: About 3 percent of its roughly \$1 billion endowment is invested in the fossil fuels industry. Ending our investments in fossil fuels -- "divesting" -- will undeniably harm the college's financial situation. In fulfilling its fiduciary obligations, the college's Investment Office aims to maximize the risk-adjusted returns of its portfolio in order to provide a consistent stream of income to fund operations. Our endowment's assets will always be allocated in ways and amounts that the Investment Committee deems to deliver this best possible return. Since an investment in fossil fuels is, in its professional judgment, a part of the best possible allocation which the endowment can achieve, exiting from these investments would, by definition, reduce the endowment's financial performance and thus the money available to the college. Here lies a perfectly rational

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decision for Hamilton to make: Do we divest from fossil fuels and cut funding to a college program, or not?

This raises a necessary question and my second point: Does divestment meaningfully reduce climate change? Short answer: No. Long answer: Divestment is supposed to work by increasingly denying fossil fuel companies access to capital markets, from which those firms may need to raise cash for various projects. In the short run, a low share price (resulting from fewer investors being interested in a firm, and thus a lesser demand for its shares) will not reduce a firm's ability to do business. In the long run, a sustained low share price may

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Our endowment will naturally divest from fossil fuels over time as they fade in economic importance to the world, but rushing this process would only harm our college. A weaker endowment return would jeopardize Hamilton's ability to offer as much opportunity as it has been able to offer its students. Would students choose divestment, or maintaining or increasing current levels of financial aid? How about divestment or increased resources at the counseling center? The college is not "contributing to the environment's demise in search

Delaney is concerned with long-term priorities for generations of future Hamilton students, some of them not even born yet. Might I suggest, then, that divestment proponents push for other actions, with low costs and which will meaningfully effect change? The college could, for example, use some proceeds from the endowment to erect more solar panels on campus. While even this might cause short-term pain by diverting those resources from another project, it would benefit Hamilton in the long run by reducing its energy costs as well as carbon emissions -- clearly more effective than divestment.

In sum, divestment is merely a

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make funding more expensive for it. By looking at historical precedent, however, we can see that this long-term pressure is unlikely to occur. A 1998 economic study of the divestment movement that targeted apartheid-era South Africa found there was only a minute discernible effect on South African companies' ability to do business even when many universities and businesses divested from such companies. Divestment campaigns will create opportunities for other investors to enter the market cheaply, thus maintaining fossil fuel companies' access to the capital markets. Since fossil fuels are still crucial to the functioning of our world (and will be for a long time), it is highly unlikely that these firms will be cut off from the capital markets.

of short-sighted profit," as Eric Stenzel '23 writes in *The Monitor's* November 13 issue, but ensuring that the blessings of the Hamilton experience will be shared by generations of students to come, a decidedly long-term outlook. Many students don't see the complex balancing of priorities the administration must undertake, but they would feel the pain of our college's having fewer resources if it divested.

Divestment proponents should refocus their efforts and attempt to work with the administration to achieve their goals. Instead of vilifying Investment Committee chair Bob Delaney '79, Mr. Stenzel and others should understand the complex balancing act he leads for the college. Not caving to a request from a segment of the student body shows that Mr.

moral action which fails to effectively address climate change, delivering nothing but the short-term emotional gratification that is so rewarding to many of us. To the administration, then: Stay the course. Do not cave to calls for an ineffective solution

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which would reduce the college's ability to provide the life-changing opportunities it has offered so many.

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