



# Obama Biden Watch



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## Real Change Is On The Horizon

The United States of America is in the midst of a national debate over the size and scope of government and there is reason to be hopeful. Recent primary victories by conservatives Joe Miller in Alaska and Christine O'Donnell in Delaware should have Americans feeling optimistic about the prospects of real change coming to Washington in 2011. Miller and O'Donnell's triumphs over entrenched incumbents Lisa Murkowski and Mike Castle are just the latest jolt to an establishment that has paved the way for 10 percent unemployment, an unsustainable \$13.3 trillion national debt, and record budget deficits.



Delaware Congressman Mike Castle lost in a surprising upset to conservative Christine O'Donnell,

Who would have believed 20 months ago that President Obama's big government agenda and ultra-liberal ideology would actually be the catalyst for bringing real change to Washington? It's fair to say that if Obama had governed moderately as promised, the level of fiscal change that is rapidly approaching would not have been possible. Obama and the liberals completely misread their mandate and this is the result. Americans voted for pragmatic governance in 2008 – not a continuation of the LBJ welfare state on steroids.

Mr. Obama and his liberal followers on Capitol Hill squandered the first 20 months of their tenure in total control of government to push the agenda of the liberal special interests that financed their campaigns. Instead of focusing on our economy and helping to create jobs, this incompetent group decided to push legislation that essentially allows a government takeover of our nation's health care system, financial system, and industries (cap and tax). Huge numbers of Americans believe that our government is already too involved in their lives, and the Obama-Pelosi-Reid machine has turned a blind eye to those concerns and is unilaterally

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marching us toward the Western European social-democratic model.

By ignoring the wishes of the American people and pushing their out of touch liberal wish list, the Democrats in power missed a golden opportunity to enact job creating policies to help our economy; fix our ongoing illegal immigration catastrophe; enact comprehensive energy legislation to stop our dependence on Middle Eastern oil; and to confront our nation's dire fiscal situation. With this track record, it's really no surprise that Americans are rising up in revolt to this abject failure in leadership.

If Miller and O'Donnell are elected to the Senate in November, along with fellow fiscal conservatives Pat Toomey (PA), Marco Rubio (FL), Sharron Angle (NV), Ken Buck (CO), and Rand Paul (KY), business as usual in Washington will be over. And good riddance! After all, one U.S. Senator has the power to bring the legislative and appropriations process to a halt. Imagine what this group of potential newcomers, with a clear mandate to stop the spending, could do to get America's fiscal house in order! Establishment incumbents from both parties should beware that the taxpayer funded party is about to end. Voters are giving the order: enough is enough.

The task at hand is not going to be pretty. Nothing but the toughest of decisions will have to be made to pull back from the cliff the United States will be falling off if it remains on the current path. The Federal budget has to be severely slashed. The same goes for state budgets, because the bailouts from the feds are going to come to a screeching halt. Meaningful entitlement reform and dramatic earmark reform are absolutely necessary. This is the next Apollo project. Does America have the mettle to do the tough things for the sake of the next generations, or will our leaders just do the easy thing and vote to increase the debt ceiling on the way to bankruptcy?

If successful in this daunting mission, the world will once again believe in American exceptionalism and the shining city on a hill.

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## Make the Bush Tax Cuts Permanent

As Congress returns from its August recess it is becoming abundantly clear that neither the majority in Congress nor the President really understand the troubled state of the economy. With approximately 14.9 million (9.6% of the population) Americans unemployed and 8.9 million underemployed now is not the time for tax increases. However, due to Congressional inaction, and threats from the White House it appears that one of the nation's largest tax increases is moments away from becoming a reality.

The Bush tax cuts refer to two specific bills the Economic Growth and Tax Relief Reconciliation Act of 2001 and the Jobs and Growth Tax Relief Reconciliation Act of 2003. Among other things, these two bills doubled the child tax credit, lowered capital gains tax rates, eliminated the marriage penalty, and lowered all tax brackets. Many of these provisions are set to "sunset" in 2011 and 2012 unless Congress enacts legislation to extend them. These cuts were made temporary in order to secure support for the passage of the original bills. If allowed to expire, the tax cuts and tax rates will revert to their original levels.

Historically, tax cuts have helped generate economic growth. During the Administration of Calvin Coolidge tax cuts spurred on the Roaring Twenties. Just a few short years later President Hoover went the opposite direction and signed into law unprecedented tax increases which helped prolong the Great Depression.

President John F. Kennedy realized the power of cutting taxes:

*"Tax reduction thus sets off a process that can bring gains for everyone, gains won by marshalling resources that would otherwise stand idle—workers without jobs and farm and factory capacity without markets. Yet many taxpayers seemed prepared to deny the nation the fruits of tax reduction because they question the financial soundness of reducing taxes when the federal budget is already in deficit. Let me make clear why, in today's economy, fiscal prudence and responsibility call for tax reduction even if it temporarily enlarged the federal deficit—why reducing taxes is the best way open to us to increase revenues."*

And in a time of economic crisis President Ronald Reagan had the wherewithal to cut taxes to lead our nation out of a recession. In August of 2009 President Obama seemed to understand this, when speaking with NBC, he proclaimed "you don't raise taxes in a recession."



**President Obama does not appear to be backing his former statement on NBC that taxes shouldn't be raised in a recession**

With all due respect Mr. President, we have not closed the book on the current economic crisis, and to allow the Bush tax cuts to expire now will not set us on the road to recovery.

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Perhaps Congressional leaders and the President are ill advised on this topic due to the advice provided by their respective staffs. It's become clear that members of President Obama's staff and many Congressional staffers have found a unique solution to avoid the impact of this and other tax increases – they just don't bother to pay their taxes.

IRS data reveals that in 2009 there were 41 employees of the Executive Office of the President that failed to pay a combined \$831,055 in taxes. Unfortunately the taxes owed by Congressional staffers make the White House staffers look fiscally responsible. In the year 2009 there were 217 U.S. Senate staffers that owed a combined \$ 2,774,836. Similarly in the House of Representatives 421 staffers failed to pay a combined \$ 6,524,892. If you or I were so reckless and irresponsible there would be consequences. Those whose job it is to create our nation's laws and policies should be expected to abide by them.



**Former Senator Tom Daschle, President Obama's original nominee for the head of the Department of Health and Human Services, failed to pay \$130,000 in federal taxes on time**

This however, is nothing new. As we've previously reported in Obama Biden Watch,

President Obama's nominee to head the Department of Health and Human Services, former Senator Tom Daschle, withdrew his name from consideration after it was revealed that he failed to pay \$130,000 in federal taxes.

The list of Obama appointees with tax irregularities is pretty extensive. It even includes Timothy Geithner, Obama's Treasury Secretary, who had to pay \$34,000 in back taxes.



**President Obama's Secretary of Treasury pick Timothy Geithner found himself on the long list of delinquent taxpayers as well**

Most egregious was Capricia Marshall, President Obama's nominee for chief of protocol at the State Department, she didn't bother to file tax returns in 2005 and 2006. She blamed the Postal Service. Perhaps Postal employees returns also got lost in the mail - in 2009 U.S. Postal Service employees failed to pay a whopping \$283,365,996 in owed federal taxes.

It's time that Congress, the White House, and their staffers start to face the stark reality that is facing all Americans. The economy is in a troubled state and the current Congressional leadership and White House have been unable to right the ship. We've all had to tighten our belts, but unlike certain White House and Congressional staffers we still pay our taxes.

## **Redistricting May Wipe Obama and Democratic Gains After 2010**

The present unpopularity of President Obama and his liberal Democratic friends is reflected in almost every major national poll. Their liberal policies have made economic matters worse in this country and voters are ready to take it out on them. The rise of the Tea Party movement is a direct populist response to the failure of the Democrat's liberal Keynesian economics. As a result, there is a very real possibility that Democrats may lose even more seats in Congress in 2012.

A Democratic loss of Congress would finally provide a real check on liberal Democrats, and Obama specifically, but liberal Democratic losses may extend beyond control of Congress in the upcoming elections. Less noted politically is the impact this year's elections will have on the process known as redistricting and reapportionment.

As required under the Constitution, every ten years a census of the American citizenry is taken, by which most state legislatures then draw up the district lines for both federal Congressional districts and their own state legislative districts. Typically, political parties try to take advantage of the process of redistricting by drawing maps that favor their party over their opponents. This is known as "gerrymandering," which comes from the nineteenth century Massachusetts Governor Elbridge Gerry. He signed a bill in 1812 that redistricted state senate seats to benefit his political party. (A Boston paper said one of the districts looked like a salamander and dubbed it a "Gerrymander" after the governor).

In addition to the new legislative districts that will be drawn after the 2010 elections, the process of reapportionment will also take place.

After the Census reveals shifts in the American population, states stand to either gain or lose Congressional seats based on these demographic results. This, in turn, has an impact on how presidential Electoral College votes are calculated.

Democratic leaning states (such as Massachusetts, New York, New Jersey, Michigan, and Illinois) are expected to lose Congressional seats this year, and hence, Electoral College votes. By contrast, Republican leaning states (like South Carolina, Georgia, Florida, and Texas) are expected to gain seats and Electoral College votes.

In redistricting battles Daniel Bass, writing in the conservative *American Spectator*, notes that "even if a Democrat occupies the governor's office or controls one legislative chamber, the GOP could significantly influence the process and curtail partisan gerrymandering by capturing at least part of the state government."

The first line of defense against partisan redistricting plans is with the governors, who can veto redistricting plans they don't like. They can also sign into law the ones that they do like, those which benefit their party. Here is where the Democrats are facing trouble. Republicans are projected to control the majority of governor's mansions this election cycle, ending the Democrats current gubernatorial dominance. Big swing states, like Ohio and Iowa, are expected to gain Republican governors. And big Democratic states, like Illinois and Pennsylvania, are also expected to switch to Republican governors.

In addition to control of the governor's mansions, Republicans are expected to gain in state legislatures across the country. This is where the new legislative maps are typically drawn. Republicans could win back legislative chambers in Indiana, Iowa, Ohio, Pennsylvania, Michigan and Wisconsin among others.

The redistricting battles after 2010 will likely draw in state Attorney Generals, Secretaries of State, and State Supreme Courts, who in some cases can certify, legally challenge, or strike down results. Conservative gains at these levels will also determine the shape of the redistricting process.

Ed Gillespie, chairman of the Republican State Leadership Committee (RSLC) is working to make sure as many of these positions will be held by Republicans as possible. Gillespie notes the impact of the 2010 races will be, "Not just on taxes, schools and roads and the important business of state government, but also in terms of representation for a decade in Congress."



**Honorable Ed Gillespie, chairman of the Republican State Leadership Committee (RSLC), with Citizens United Assistant General Counsel Christian Berg.**

There are several potential roadblocks to Republican gains at the state level in 2010. The *American Spectator* notes the Democrats are building a better ground organization to challenge redistricting results. They are also out raising Republicans for redistricting work. The Democratic counterpart to the RSLC, the Democratic Legislative Campaign Committee, is poised to spend millions to prevent Democratic losses at

the state level. And if Meg Whitman loses in her race for governor of California, conservative columnist Michael Barone notes Democrats will have roughly 53 Congressional seats to control for redistricting, which could offset Republican redistricting gains elsewhere.

Even with these hurdles, most of the evidence indicates Republicans will see gains at the state level. This will be a challenge to Obama if he seeks re-election in 2012. Without the benefit of Democratic governors in big states out campaigning for him (like Governor Ed Rendell did in Pennsylvania) Obama will have a harder time winning the states he won last time.



**Pennsylvania Governor Ed Rendell with New York Mayor Michael Bloomberg and Senate Majority Leader Harry Reid**

And even if he carries many of the Democratic leaning states he won last time, they will give him few Electoral College votes in 2012. Meanwhile, many GOP leaning states will likely be in a position to give their candidate a bigger share of Electoral College votes. If Republicans see significant gains at the state level this election cycle, Obama will face a much tougher electoral landscape waiting for him in 2012.

## Citizens United Productions Presents



Citizens United is proud to announce that we have three new films available now for pre-order with shipments beginning in October. These are wonderful, informative films hosted by the likes of Dick Morris, Rep. Michele Bachmann, as well as Newt and Callista Gingrich. Call (202) 547-5420 today to reserve your copy!

### ***America at Risk***

Hosted by Newt and Callista Gingrich, this film vividly demonstrates the dangers facing America, nine years after the attacks on 9/11. Today, Washington refuses to tell the truth about the war we are fighting. According to experts, we are at war with Radical Islamists -- and it is a war we are losing. Shot in high definition, *America at Risk*, features terrorism, national security, and Middle East experts, including Bernard Lewis, former Homeland Security Secretary Michael Chertoff, Debra Burlingame, Walid Phares, Andrew McCarthy, former UN Ambassador John Bolton, former CIA Director R. James Woolsey, Tony Blankley, Steven Emerson, Dr. M. Zuhdi Jasser, Michael Leeden, Frank Gaffney, Michael Scheuer, Reihan Salam, and others. Every citizen who is concerned about our nation's safety and security should see this compelling and powerful documentary.

### ***Fire from the Heartland***

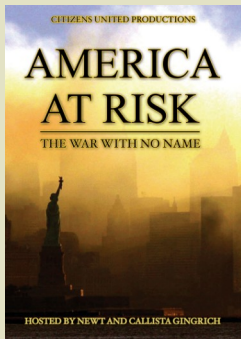
Congresswoman Bachmann (MN-6) and other powerful, conservative women give their ideas about the root causes of our crisis; how our country got into its current economic predicament; what impact the crisis will have on Americans today and future generations; and what steps our country must take in order to solve its daunting problems. Featuring commentary from Anne Coulter, actress Janine Turner, and others involved in both the DAR and Tea Party protests, this film is certain to shed a new light on our nation's most pressing issues.

### ***Battle for America***

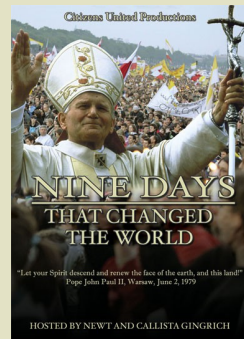
*Battle for America* is a no-holds barred look at the "Imperial Congress" and what it has to done to the United States. This film is a call-to-action to bring America back to the great nation it once was by restoring government into the hands of responsible legislators. *Battle for America* will explore the decline of America during sixty years of Democrat rule from 1932-1994 and remind viewers how government needs to have limits in order to function effectively. The film will further detail how "The Contract with America" and the "Gingrich Revolution" took the nation by storm and led to one of the most profound changes in the American political landscape.

Please visit [www.citizensunited.org](http://www.citizensunited.org) for the latest updates and to view the rest of our film library!

Check out our websites for our two latest releases available for purchase:



[www.AmericaAtRisk.com](http://www.AmericaAtRisk.com)



[www.NineDaysThatChangedTheWorld.com](http://www.NineDaysThatChangedTheWorld.com)

**FINAL THOUGHT FROM**  
**CITIZENS UNITED PRESIDENT**  
**DAVID N. BOSSIE**

Dear Friend,

The September 11th terrorist attacks that claimed the lives of nearly 3,000 people were not, in fact, the start of radical Islam's war against America and our way of life. These religious ideologues have been responsible for American death and suffering for decades. From the bombing of our Marine barracks in Lebanon in 1983, to the Fort Hood attack last year, radical Islam has claimed the lives of thousands of innocent Americans. Tragically, these acts of war don't even scratch the surface when it comes to the mass murder committed by Islamic terrorists around the world against peaceful people of all religions, including their own.

In our new Citizens United Productions documentary film, *America at Risk* hosted by Newt and Callista Gingrich, the film investigates the root of radical Islam's hatred toward the West. We premiered the film on the ninth anniversary of the attacks to a crowd of over 350 people in Washington, DC. *America at Risk* explores the how and why of radical Islam.

The main objective of radical Islam is to install worldwide Sharia law and not relent until the goal is met. Essentially, Sharia law is an ancient set of rules that commingles government and religion to the effect that government becomes the religion. Sharia is a philosophy that is the antithesis of the separation of church and state that is set forth in our sacred 1st Amendment to the Constitution. This extremist thinking is pure evil and is what paved the way for their attacks on September 11, 2001.

Hard to imagine though it may be, in the dangerous wave of political correctness that has

infected our society, the Obama Administration (Secretary of Homeland Security, Janet Napolitano in particular) does not even want to call terrorism what it is, but instead wishes to refer to it as "man-caused disasters." How can we effectively fight this War on Terror when we are worried about offending those who have declared jihad against freedom and democracy?

As we pass the nine year anniversary of September 11th, the terrorist threat is growing more alarming by the day. According to Time magazine, last year "saw an unprecedented surge in terrorism events on U.S. soil." Sadly, President Obama just doesn't seem to get that if you give the Islamists an inch, they will inevitably take a mile. The truth is that all the terrorists understand is strength — something this President doesn't seem able to project or provide. While he and his cabinet sit back worrying about semantics, apologizing for America, and bowing to dictators, they have painted a picture for our enemies that the American Commander-in-Chief is ashamed of his own nation.

America is at risk, Islamic terrorists are plotting to do major harm to our homeland and allies, while the Obama Administration refuses to use all of the arrows in our quiver. The truth is that the war against this brutal ideology will continue for decades to come. America must acknowledge who the enemy is, commit the necessary resources, and overwhelmingly defeat it.

Sincerely,

David N. Bossie

