

Mike Berman's

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STATE OF THE NATION

In the June NBC/WSJ survey, 61% say the country is on the wrong track. 31% say it is headed in the right direction. The following are the Right Direction/Wrong Track findings from the NBC/WSJ, CBS/NYT, and WP/ABC surveys, dating back to the beginning of the Obama administration.

		<u>Right Direction</u>	<u>Wrong Track</u>
6/24/12	NBC/WSJ	31	61
5/31-6/3/12	CBS/NYT	31	62
5/16-20/12	NBC/WSJ	33	58
4/13-17/12	NBC/WSJ	33	59
4/8-12/12	WP/ABC	33	64
7/2011	NBC/WSJ	25	67
6/2011	CBS/NYT	28	63
6/2011	WP/ABC	32	66
1/2011	NBC/WSJ	35	56
1/2011	CBS/NYT	32	64
1/2011	WP/ABC	38	60
2/2010	CBS/NYT	33	62
1/2010	NBC/WSJ	34	54
1/2010	WP/ABC	37	62
2/2009	WP/ABC	31	67

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Confidence in the U.S. economy fell to a -26 on the scale used by Gallup. This is down 10 points from late May, but up 26 points since the low point of -52

in October 2011.

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20% of Americans are satisfied with the way things are going in America. This is a 6 point drop from the satisfaction level a couple of months ago, but higher than the 11% recorded last summer. Looking back at other Presidential re-election periods, satisfaction was at 48% in 1984, 39% in 1996, and 44% in 2004, at roughly the same time.

63% say they are likely to be better off financially a year from now. This is about what people were saying at this time leading up to the 2004 election.

The expectation of those Americans who are not yet retired is that they will not be able to retire until age 67. This is up from age 60 in 1996 and 64 in 2007. 55% of us think we will not have enough money to live comfortably in retirement. Only 32% had that view ten years ago. 33% of future retirees see Social Security as a major retirement funding source. This is up from 27% who had that view a decade ago.

57% of Americans say they have “little or no” control over their efforts to “build and maintain” their retirements savings in the current environment. This is an improvement from September 2011, when 65% had that view.

Gallup’s job creation index, at +19, is about where it has been for the last few months. This has generally been the high point of the index during Obama’s tenure. When Obama took office the index was at -5. The job creation index for the private sector is currently +23, but for the government it is -3. (This index was started in 2008.) [Gallup]

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The Bureau of Labor Statistics reported a seasonally adjusted unemployment rate of 8.2% for the month of May (includes 16 years of age and older). This is a tick up from the 8.1% reported in April. A year ago the rate was 9.0%. Here is how it breaks down by selected subgroups.

Adult women	7.4%	8.0% a year ago
Whites	7.4%	8.0% a year ago
Adult men	7.8%	8.9% a year ago

Blacks	13.6%	16.2% a year ago
16-19 years old	24.6%	24.1% a year ago.

While considerable attention is paid to the unemployment rate of those 16-24 years of age, a far worse problem exists among those 45-64 years of age. While their overall unemployment rate of the latter group was 6% in May, 39% of the almost 3.5 million people had been unemployed for a year or more. [WSJ 6/12]

Gallup reported a seasonally unadjusted unemployment rate of 8.0% for mid-June of this year. This is down from 9.1% in February. It also reported an unadjusted rate of 18.0 % in the number of people unemployed or who are working part-time, but want full-time employment.

Keep in mind that in all of the above, including the Bureau of Labor Statistics data, there is a group of people who are not counted because they have not been looking for work in the last four weeks. And there is another group, that may be 2.5 times the size of the group described in the sentence above, who are described as marginally attached, and therefore not counted. These are folks who used to work, may work again, but are no longer looking for work.

You might ask why the government does not include this population in the published unemployment rate. WW has tried on a couple of occasions to get mainstream media organizations to use the real unemployment numbers. The reason they give for not using them is that it would complicate the comparisons to the past.

Gallup reports both a seasonally adjusted and an unadjusted number in its report of unemployment. However, it only reports an unadjusted number of those working part-time, but wanting full-time work. So, when compiling the total of the two, Gallup uses the unadjusted numbers.

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Identification of unemployment as the most important problem facing this country today appears to be driven, at least in part, by the levels of unemployment among various groups in the country.

36% of African-Americans list unemployment as the most important problem facing the country. 24% pick the economy. 13.6% of this group are unemployed.

24% of whites and Hispanics list unemployment as the most important problem. 32% of whites and 37% of Hispanics pick the economy. 7.4% of whites and 11% of Hispanics are unemployed. [Gallup]

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66% of American voters think it is “extremely or very” important to fully fund the country’s transportation infrastructure. However, when it comes to actually funding those improvements, 71% say no to new gas taxes; 64% say no to new tolls; and 58% say “no” to replacing the gas tax with a mileage fee. [Time 6/25/12]

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60% of Americans had a “great deal/quite” a lot of confidence in U.S. banks in 1978. By 1992 the confidence level had fallen to 30%, and then by 2004 the confidence level was back up to 53%. Since then the confidence level has dropped 32 points to 21%. [Gallup]

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The New York Times (6/17/12) recently published a chart showing the 2011 compensation of 200 chief executives from large public companies that filed proxies for last year by June 1.

The list was headed by the person receiving the most total compensation, \$377,996,537, to the least, \$10,870,000. For a variety of reasons, companies are paying increasing amounts of executive compensation in stock and stock options. Cash pay (base salary, cash bonus, perks/other) ranged from \$35,000,196 to \$386,000. Eight of the executives received cash compensation of less than \$1,000,000. Two were working for no cash compensation other than perks.

Stock awards ranged from \$376,180,000 to zero. Option awards ranged from \$62,668,200 to zero.

Here are the Median and Average values of their compensation.

	<u>Median</u>	<u>Average</u>
Base salary	1,222,500	1,322,908
Cash bonus	3,108,000	4,210,909

Perks/other	248,936	446,808
Cash pay	4,786,975	5,980,624
Stock awards	6,302,372	9,682,362
Option awards	2,629,019	4,138,498
Total Compensation	14,468,486	19,801,485

The following is a picture of the Cumulative Distribution of Total Money Income (salary and investments) earned in 2009 by individuals 15 years of age and older.

Lowest 20 th percentile	10,000
Lowest 40 th percentile	20,000
50 th percentile	26,197
70 th percentile	43,000
90 th percentile	80,000

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There is a company whose top person received total compensation of \$377,000,000 in 2011, while a sales person in one of the company-owned stores was making about \$25,000 per year plus benefits. The company has announced it is reviewing how much it pays these folks after the New York Times began inquiring about its compensation program. [NYT 6/24/12]

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U.S. household net worth fell by 35% between 2005 and 2010 bringing the median net worth down to \$66,740. [WP 6/24/12]

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Notwithstanding the growing disparity between the wealthy and the non-wealthy in this country, in May, 63% said they believe the country benefits from having a class of rich people. In 1990 it was 62%. Even 52% of Democrats and 59% of Independents hold this view. In fact, 64% of Democrats and Republicans, and 63% of Independents, say they would like to be rich. However, 72% say it “not very or at all” likely they will ever be rich. This is up from 68% who had that view in 2003. [Gallup]

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43% of us believe that the overall state of moral values in the country are poor. This is more than twice the number (20%) who believe the values are excellent or good. 73% believe these values are getting worse.

However, 89% of adults, including 82% of Catholics, find birth control to be morally acceptable.

The number of “pro-choice” Americans is now at 41%, a substantial drop from 1995 when 56% had that view, and even from 2006 when 51% had that position. Those who describe themselves as “pro-life” number 50%, which is up from 33% in 1995 and 41% in 2006. [Gallup]

On the other hand, Pew Research found that 53% of the public (including 51% of men and 55% of women) believe that abortion should be legal in all or most cases. [2011-12]

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66% of Americans believe that immigration is a good thing for the United States today. 29% take an opposite view. This survey was conducted by Gallup before President Obama ordered the end to deportation of certain people who came to the United States illegally as children.

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According to the Census Bureau, the United States will grow by some 61 million people over the next 18 years, to a total of 373 million. The Hispanic population will grow by 63%, the Asian-American population will grow by 55%, the African-American population will grow by 27%, while the number of whites will grow by only 4%. About 64% of the current population is white. By 2030, that number will be 56%.

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ODDS AND ENDS

As of close of business on Friday, March 30, 2012, nine men and women, the Justices of the U.S. Supreme Court, likely knew the general substance of the Court’s decision as to the constitutionality of the Patient Protection and

Affordable Care Act of 2010. Earlier in the week, the Court had heard what may have been an unprecedented three days of argument on a single case.

Shortly thereafter, the Justices' clerks (each Justice apparently has four) knew the decision. It is possible that the clerks for retired Justices got the word. Over time, the Chief Justice's Chief of Staff and a few others knew. And, then as time went on, the information was known to the staff of the Court responsible for printing and distributing the final decision. All in all, sixty to seventy people may have come to know the substance of the decision, prior to its announcement.

Broadcast and cable news programs aired endless stories about what might happen. Newspapers and magazines used up endless amounts of ink. Bloggers had a field day. Panels of experts were surveyed and voiced their opinions. Politicians commented about the implications of a decision one way or another. InTrade sold shares on the outcome. (As of June 23rd, shares representing the view that the "individual mandate would be held unconstitutional" could be purchased at a cost of \$77.00 and could be sold for \$76.30.)

Yet, until Chief Justice Roberts announced the court's decision on Thursday, June 28th, there was not a single authoritative leak made public as to the primary substance of the decision. What are the chances of that happening in either the Executive or Legislative branches of the Federal government, or any other level of government for that matter?

As an aside, the Court has handled this case rather expeditiously. During the 2010-2011 term of Court, the average number of days between oral argument and opinion in any decision that was as close or closer than a vote of 7-2, took 130 days. The argument- to-opinion time frame in this case was 90 days. [Tom Goldstein/SCOTUSblog]

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There is considerable angst about what is described as the "conservative bent" of the court being led by Chief Justice John Roberts. The argument is made that the Court's decisions, like the decision in Citizens United which changed Federal campaign financing, represent decisions that are being made by a Court driven by partisan politics more than the Constitution. The decision in the Affordable Care Act does to some extent undercut that argument.

There was a time, not so long ago, when conservatives complained as loudly

about the Court's direction as liberals are today. It is another example of what goes around, comes around.

Many observers say that the Court led by Chief Justice Earl Warren from 1953 to 1969 was as liberal, if not more so, than the current court is conservative. The cases that marked his era include: *Brown v Board of Education*, ending school desegregation; *Baker v Carr*, the "one man one vote" case; *Gideon v Wainwright* mandating a "right to counsel;" *Mapp v Ohio*, the "search and seizure case;" *Engel v Vitale*, "outlawing mandatory school prayer;" and *Griswold v. Connecticut* "protecting the right to privacy."

Because of the composition of the Court at the time of his retirement, the Court continued in the direction pointed by Warren throughout the term of the next Chief Justice, Warren Burger, who was a conservative. The whole period under the two Chief Justices is probably the only time the Court has been described as left of Center.

Burger was followed by Chief Justice William Rehnquist, who led the court from 1986 until 2005. It was Chief Justice Rehnquist who led the transition of the Court from its philosophically liberal posture to the philosophically conservative Court of today.

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The Gallup organization has asked a variety of questions about the U.S. Supreme Court over the years. Gallup has asked Americans whether they approve of the way the Court is handling its job and whether they have confidence in the Court.

As of September 2011, 46% approved of the way the Supreme Court was handling its job, while 40% disapproved. Over the last dozen years there have been only two times when the Court's approval rating was in the forties. Most recently, in June 2008 it had a 48% approval rating and a 38% disapproval rating. The low point of the period was in June 2005, when its approval rating was 42% and its disapproval rating was 48%. The latter is the only time when disapproval was higher than approval.

The high point during these years was in 2001, when 62% approved of the way the Court was handling its job. The most recent high point was September 2009, when 62% approved the job being done.

Over the last 40 years, Gallup has asked respondents how much confidence they have in the Court. In June 2012, 37% of Americans expressed a great deal/quite a lot of confidence in the court. During the preceding forty years, this level of confidence has been as low as 32% in June 2008, and as high as 56% in 1988 and 1985. High confidence has not broken 40% since 2006.

Finally, when Americans were asked in September 2011, how much trust and confidence they have in the three branches of the Federal government, the Federal judicial system does quite well when compared to the other two.

	Great deal/ <u>Fair amount</u>	Not very much/ <u>None</u>
Judicial branch, headed by U.S. Supreme Court	63%	36%
Executive Branch, headed by The President	47%	52%
Legislative Branch U.S. House and Senate	31%	69%

By way of further comparison

State government	57%	42%
Local government	68%	32%

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The Pew Research Center has also examined attitudes toward the Supreme Court. In April, it found 52% of Americans with a favorable attitude toward the Court. Favorability toward the Court reached a high of 80% in 1994. Since then it has fallen as low as 57% in 2005, bounced back up to 68% at one point and then down again to 57% in 2007. The Court's unfavorable score in April was 29%, approaching its previously high unfavorable score of 30% in 2005.

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Americans are just about as positive about Hillary Clinton as they have been

at any time in the last twenty years. 66% rate her favorably. The high point was in 1999, when 67% had that view. Even 41% of Republicans rate her favorably, as do 65% of independents, and no surprise, 91% of Democrats. Currently, 29% rate her unfavorably, and there have been occasions over the last two decades when her unfavorability score reached 50%. [Gallup 5/12]

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Democrats (34%) have more confidence in TV news than Republicans (17%) or Independents (17%). Only 29% of Americans have confidence in the public schools. Republicans (21%) have the least confidence in public schools, as compared to Independents (28%) and Democrats (36%).

Republicans (16%) are the most confident in the Congress, whereas only 12% of Independents and 10% of Democrats give that body high marks. [Gallup]

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The following is probably not all that scientific, but WW thinks it is a reasonable representation of where Americans get their information about national issues and how much they trust those sources.

The News Source numbers are from a survey done by a capable and well respected pollster. The Trust information comes from the AllState/National Journal/ Monitor Poll XIII.

In the News Source survey, respondents were asked to list their two main sources of news on national issues. Respondents volunteered their sources and were not presented with a list. In the Trust survey they were asked how much they trust various specific sources. The two surveys do not match up, that is to say that there are sources of information listed that were not on the Trust survey, and there is information on the Trust survey about sources not included in the Source survey.

The most trusted source is public TV and radio. The least trusted source is social media.

	Trust	
	<u>Great Deal/Some</u>	<u>Not very much/Not at all</u>
6% - Public TV and NPR radio	75%	22%
30% - Newspapers	71%	25%

40% - Cable News Networks/CNN		
	Fox/MSNBC	70% 27%
21% - Network news/ ABC, NBC, CBS	64%	34%
5% - Magazines	57%	36%
4% - Talk radio programs	53%	40%
19% - Websites of news organizations	---	---
11% - News pages of internet service	---	---
22% - Local TV news	---	---

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Internet

The generational divide on the use of the internet is diminishing.

- 82% of all adults 18 years of age and older use the internet.
 - 67% use it on a typical day
- 53% of American adults age 65 or older use the internet or email
 - 70% use it on a typical day
 - 34% use social networking sites like Facebook
 - 18% use such sites daily
- 34% of adults older than 75 use the internet or email daily [Pew 4/12]

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Among those age 13–17 years of age

- 90% have used social media at one time or another
- 67% text daily
- 51% visit a social media site daily

However, contrary to what has become the popular belief, the internet is not this age group's way to communicate with their friends

- 49% prefer in-person communication
- 33% prefer texting

- 7% prefer social media sites
- 4% prefer the telephone [Wash Post 6/27/12]

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In the age of the internet, the media is ubiquitous.

There are

- 364 million English language websites
- 41 million German language
- 31 million Russian
- 30 million Japanese
- 29 million Spanish
- 29 million Chinese
- 25 million French
- 8 million Arabic

835 million people are on Facebook, and the following number of items were shared per day

- 2 billion items in 2010
- 4 billion in 2011
- 32 billion a day by 2014

About 7 trillion text messages will be sent this year

About 140 million people will send out tweets in 2012

- The median twitter user is followed by 187 people in 2011
- 340 million tweets are sent per day
- 124.1 trillion tweets are sent per year

PRESIDENT OBAMA

With just over 4 months to go before the general election, the public's grade for the job President Obama has done so far is better than 3 of the last 8 Presidents at this point in their first term.

The President's current job approval rating in Gallup is 49% approval and

49% disapproval. This places him number 5 in the list of the last 8 presidents.

	<u>App</u>	<u>Dis</u>
Eisenhower	70	20
Nixon	55	33
Reagan	53	37
Clinton	52	42
Obama	47	48 (6/22-24)
GBush (II)	47	49
G Bush (I)	38	55
Carter	33	55

Throughout his term, women have expressed a stronger approval of Obama's job performance than men. Most recently, Gallup showed a 6 point more positive score by women over men, 50% to 44%.

The following are several additional cuts at the President's job approval rating over the last 18 months.

	<u>NBC/WSJ</u>	<u>NYT/CBS</u>	<u>WP/ABC</u>	<u>CNN/ORC</u>
June2012	47/48%	---	----	----
May2012	48/46%	----	47/49%	---
Apr 2012	49/46%	48/42%	50/45%	49/48%
Mar 2012	50/45%	41/47%	46/50%	51/45%
Feb 2012	---	50/43%	50/46%	50/48%
Jan 2012	48/46%	45/47%(CBS)	48/48%	47/51%
Dec 2011	46/48 %	44/46 %(CBS)	49/47%	49/48%
Oct 2011	44/51%	46/46%	42/54%	45/52%
Aug 2011	44/51%	48/47%	44/46 WP	44/54%
Jan 2011	53/41%	49/49%	54/43%	53/45%

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The President continues to get bad marks on handling the economy. By 53% to 42%, Americans disapprove of the job he is doing on the economy. This is roughly where his rating has been since the beginning of this year. It is slightly better than it was for the last part of 2011, when his disapproval was in the 57% range. [NBC/WSJ 6/12]

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Currently, 48% of us have positive feelings toward the President and 38% have negative feelings. At this same time in 2004, President Bush was enjoying positive feelings from 48% and negative feelings from 44%.

There has been little change in the President's year-to-year score on this question. A year ago, it was 49% to 37%, and two years before that it was 47% to 40%. In his first year in office it was 60% positive to 27% negative. [NBC/WSJ 6/12]

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One of the best things that President Obama has going for him is Michelle Obama. 66% have a favorable view of the First Lady. She has carved out a place for herself relating to women and families. It is unclear whether she will take to the political stump during this campaign. If she does, her popularity might fall as it did when Hillary Clinton campaigned for President Clinton in 1996.

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44% of Americans say they have no idea what Obama's religious faith is (44%). This is almost the same amount of people who think he is either a Christian (34%) or think that he is a Muslim (11%). [Gallup]

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2012 REPUBLICAN PRESIDENTIAL NOMINATION

Some 22 people were tempted or did, in fact, join the race for the Republican nomination.

Mitt Romney secured the commitment of sufficient delegates to assure his nomination on May 29th. Historically, it took Romney longer to secure his Party's nod than all non-incumbent Republican nominees going back to at least 1980.

2008 – John McCain	March 4 th
2000 - George W. Bush	March 14 th
1996 – Bob Dole	March 19 th
1988 – George H.W. Bush	March 29 th
1980 - Ronald Reagan	May 20 th

Since securing the nomination there has been a perceptible change in Romney on the road. It's no surprise that he seems more comfortable and assured. He has stepped up his fundraising in a big way, and the Republican Party, formal and informal, is increasingly stepping up to the fray on his behalf. At his recent retreat in Utah, the participants were entertained by a variety of Republican Party luminaries and media commentators. Many of the very same media commentators had for many months been for anyone but Romney.

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THE MONEY

Four questions are generating the most chatter relating to campaign financing and the 2012 election.

First, will the Obama campaign be able to greatly outspend the Romney campaign the way it outspent the McCain campaign in 2008? The Obama campaign spent more than twice as much as the McCain campaign.

Second, how much money will be spent in one way or another on the Presidential general election campaign?

Third, how much money will be spent, the source of which is not disclosed?

Fourth, outside of the campaigns, will more money be contributed by major conservative donors as opposed to liberal donors?

The answer to the first question is easy. Romney will not be financially outgunned, as McCain was in 2008. Some 700-800 big givers and fundraisers showed up at a "retreat" in Utah. It was an impressive conglomeration of individuals, campaign and party officials, and Super PACs (some of which have associated 501(c)(4)s).

The more interesting question may be whether the Obama campaign will be outspent by the Romney campaign. It is a possibility, especially if all the Party, Super PAC, and 501(c)(4) spending is included in the equation.

The second question, on how much will be spent, is all but impossible to

answer. There will be sources of spending brought to bear that are beyond anything we have experienced.

To the third question, we know a lot of money will be spent on the campaign, the source of which is not disclosed. But does it really make any difference? A very large number of really excellent Presidents of this country were elected with large amounts of money of unknown origin, including most of the money spent by the campaigns directly.

As often as not, at least among public officials, whether they are for or against campaign finance disclosure is much determined by whether they think it works for or against their interests.

While the amount of money that is spent on political communication can obviously affect elections, it is doubtful that voters entering the voting booth in 2012 will have this issue on the list of items on which they will base their votes.

When all is said and done, if you have a great deal of money that you want to spend on the coming Presidential or Congressional campaigns, you can do it without limit.

Fourth, it is likely that conservative contribution dollars will exceed liberal contribution dollars, and how those dollars are spent may be quite different. Conservative funders seem primarily interested in supporting large advertising campaigns. So far, the major liberal funders have not been on the playing field. As they begin to play it seems likely that they will focus on grassroots organizing, voter registration, and turnout of Democratic voters.

Finally, there has been some speculation that at least one Justice in the majority in the Supreme Court's decision in Citizens United might be having second thoughts about the impact of that decision. If that is the case, his concerns are well hidden.

In its decision earlier this week, in the Montana case regarding a 100 year old state statute prohibiting corporate contributions to State candidates, the Court essentially reaffirmed the decision in Citizens United by throwing out the State statute.

And then, in an unrelated case, the Court put limits on the ability of unions to require nonmembers to contribute to the union's political coffers.

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There is considerable consternation in some quarters about the amounts of money that individuals and some private corporations are giving to Super PACs and 501(c)(4)s, well as 527s, if they are still in favor. This is not a new phenomenon. No one really knows how much money was spent, by whom, through the 1968 elections. Even the money given during a large part of the 1972 election season was undisclosed or unlimited.

Here are examples of giving in various elections, based on published information about these contributions, and what those contributions represent in 2012 dollars.

1964 – One prominent businessman gave Lyndon Johnson’s campaign \$18,000 (equivalent in 2012 - \$133,000)

1968 – One prominent person gave Eugene McCarthy’s campaign \$210,000 and another gave him \$500,000 (equivalent in 2012 - \$4,700,000)

2000 – A group of 10 Democrats spent a total of \$11,150,000 ranging from \$950,000 to \$1,600,000 (equivalent in 2012 - \$14,880,000)

2000 - 3 labor unions spent a total of \$56,000,000 (equivalent in 2012 - \$74,700,000)

2004 – A group of 5 individuals gave a combined total of \$78,700,000 to liberal-leaning 527 organizations (equivalent in 2012 - \$95,800,000)

2006 – One individual gave \$13,900,000 to liberal-leaning 527s (equivalent in 2012 - \$17,000,000)

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The following is an attempt to summarize campaign fundraising and expenditures for selected Presidential campaigns, national Party organizations, and the larger SuperPACs. The data does not include State political parties, 501c(4)s, or 527s. Some of the SuperPACs will also spend money on other Federal or State races.

The information below is based on Federal Election Commission reports.

The Obama campaign raised \$39.2 million in May, for a total of \$261.5 million through the end of May. The campaign has spent \$154 million and has a net \$108.5 million on-hand as of June 1st.

In the 2007-08 cycle (through 11/24/08), the Obama campaign raised \$778 million and spent \$760 million. To reach that amount, the campaign has to raise \$516.5 million between now and the 2012 election. This amounts to roughly \$103.3 million per month.

The Romney campaign raised \$23.4 million in May, for a total of \$123.6 million through the end of May, and has spent \$106.6 million, leaving a net \$17 million as of June 1st.

None of the above includes the amount that has been raised for the Democratic National Committee or the Republican National Committee, most of the resources of which will be dedicated to the Presidential campaign. To date, the DNC has raised \$189.2 million and has \$26.4 million on hand. The Republican National Committee has raised \$169.4 and has \$50.9 million on hand.

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FUNDRAISING/SPENDING/AVAILABLE CASH

2011-12 cycle
(in millions of dollars)

	<u>Raised</u>	<u>Spent</u>	<u>5/31Net Cash</u>
	<u>Mitt Romney</u>		
Romney	123.6	106.6	17.0
	<u>President Obama</u>		
Obama	261.5	154.0	108.5
	<u>National Political Parties</u>		
Republican Nat Comm	169.4	109.3	50.9
Democratic Nat Comm	189.2	165.7	26.4

SuperPACs

Republican

Restore our Future (Romney)	61.5	53.1	8.4
Winning our Future (Gingrich)	23.9	23.5	.5
Endorse Liberty (Paul)	3.7	3.7	-
Red, White & Blue (Santorum)	8.3	8.2	.3
American Crossroads	34.5	5.8	29.5
Freedom Works for America	4.5	3.3	1.2
Club for Growth	8.6	5.7	3.1

Democratic

Priorities USA Action (Obama)	14.6	10.1	4.5
American Bridge 21st Century(3/21)	5.8	5.2	.6

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* Campaign for Primary
Accountability

3.3	3.1	-
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* This committee is not engaged in the Presidential election. It is set up to challenge sitting members of Congress in both Parties. It has had some success during the Congressional primary season.

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There is considerable discussion of the real and potential impact of SuperPACs, etc., on the Presidential election. At the end of the day, these PACs may have far more impact on Congressional races, where relatively modest amounts of money can have considerable impact.

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THE PRESIDENTIAL GENERAL ELECTION

The Schedule

August 27 – 30, 2012	Republican National Convention , Tampa, FL
September 3 – 6, 2012	Democratic National Convention, Charlotte, NC
October 3, 2012	1 st Presidential Debate – Denver, CO
October 11, 2001	Vice Presidential Debate – Danville, KY
October 16, 2012	2 nd Presidential Debate – Hempstead, NY
October 22, 2012	3 rd Presidential Debate – Boca Raton, FL
November 6, 2012	Election Day

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The Conventions

The Watch will include amounts of historical information about the national Party conventions in the August issue. However, there is one point that WW would like to make now.

The national Party conventions, as we know them, should be ended. In the ordinary course, substantial amounts of money spent on political campaigns generally are wasted. It is the nature of the enterprise. But, at this date, the greatest waste of money is that which is spent on the national conventions.

Tens of millions (actually probably 100s of millions) of dollars are spent organizing and running the conventions, and transporting thousands of people to the convention city. Consider the impact if those same dollars were spent on working to increase the national voter pool. [This writer attended and worked in some part of every Democratic convention starting in 1968 and concluding with the 2004 convention.]

Having said that, here is what WW has heard about the structures of the two 2012 national conventions.

The Republican convention in Tampa will be structured like other recent conventions. There will be two sessions on Monday (morning and evening), and then evening sessions on Tuesday, Wednesday, and Thursday. As of now, all of the sessions will be held in the primary arena.

The Democratic convention will have a somewhat different structure than in the past. You may recall that, in 2008, the afternoon/evening sessions of the convention, Monday through Wednesday, were held in the principal arena. The Thursday night session was moved to a local baseball stadium so that tens of thousands of people who were not delegates or otherwise associated with the convention could serve as a back drop for then-nominee Barack Obama's acceptance speech.

In 2012, there will be no plenary session on Monday night, which happens to also be Labor Day. There will be a festival in downtown Charlotte for the delegates, alternates, guests, and, one presumes, others from the community. On Tuesday and Wednesday, there will be regular plenary sessions of a yet undetermined length.

Following the pattern of 2008, the President's acceptance speech on Thursday night will be in a football stadium that seats approximately 85,000 people.

* * * * *

The Election

On June 12, 2012, Peter Hart conducted a focus group in Denver, Colorado. WW observed that focus group online. Rather than try to describe what happened, WW will quote from a memo written by Peter describing that evening. The following is the opening paragraph of that memo.

“ PRESIDENT OBAMA IS IN TROUBLE! Returning to Denver some 46 months after his triumphal acceptance speech here, in this two-hour session one gets a stiff dose of the harsh reality facing the President. From this focus group, among a dozen voters (10 of whom supported him four years ago), he currently can count on only four votes. These participants were selected because they make up a key group of swing ticket splitters and undecided voters. Yet the story is not in the numbers, but rather, the attitudes behind the numbers and what they tell us about the President, and their greater acceptability to considering Mitt Romney despite

having neither particularly warm personal feelings toward him or much sense of his economic plan.”

Following are several additional sentences form the memo.

“The Country’s mood is gray, but voters sense foreboding bad weather ahead (chance of thunder, hail, or rain)....”

“The economy is clearly the central issue, as most participants rate it as the most important issue today.....”

“Mitt Romney is the remainder candidate of 2012....”

“Romney is credited for being a businessman.....They do not perceive him as a leader or as having a program to which voters have subscribed. For now though, he is not Obama, and he is not half bad....”

“Yet, it all comes back to Barack Obama;...There is no roadmap, no program, and no conviction of where the President wants to lead the country....As one voter put it: “when choosing my President, I want what is best for me and my country, not just someone who I think would be a cool guy to hang out with.”

* * * * *

Since the 1st of June, using the surveys below (with the exception of Bloomberg), Obama’s lead over Romney is 3.75 points, 47.5 to 43.75. If one averages the surveys for May and June, Obama’s lead averages 3.10 points, 46.75 to 43.65. [The Bloomberg survey was an outlier during this period.]

The following are general election surveys taken since April 1, 2012.

<u>2012 Presidential General Election</u>			
<u>Survey</u>	<u>Last Date</u>	<u>Obama</u>	<u>Romney</u>
NBC/WSJ	6/22	47	44
Bloomberg	6/18	53	40*
PEW	6/17	50	46
Fox	6/5	43	43
PEW	6/3	49	42

ABC/WP	5/20	49	46
NBC/WSJ	5/20	47	43
Fox	5/15	46	39
CBS/NYT	5/13	43	46
Fox	4/24	46	46
Nat/Journal	4/22	<u>47</u>	39
NBC/WSJ	4/17	<u>49</u>	43
CBS/NYT	4/17	46	46
PEW	4/15	<u>49</u>	45
ABC/WP	4/8	<u>51</u>	44

* * * * *

The last NBC/WSJ survey (6/22-24) is another dramatic demonstration that the Presidential election is not really a national election, but is, in fact, an election that will be decided in 10-12 swing States.

In this survey the swing States are Colorado, Florida, Iowa, Michigan, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Pennsylvania, Virginia, and Wisconsin.

While Obama leads Romney by 47% to 44% in the country as a whole, in the swing States his margin jumps to 8 points, 50% to 42%.

In the country as a whole Romney's image is 39% negative to 33% positive. In the swing States his negative is 41%, while the positive is 30%.

There is no real difference in Obama's image in the country as opposed to the swing States. His rating is 48% positive to 38% negative in the country as a whole. In the swing States it is 48% positive to 39% negative.

In the country, 32% think that Obama's economic policies have helped, as opposed to 33% who think they have hurt. In the swing States, 38% say they have helped and only 29% say they have hurt.

Romney's business experience is viewed more negatively (28%) than positively (23%) in the country. In the swing States, it is 33% more negative and only 18% more positive.

There is little difference between the two groups of States on the question of

whether the economy will get better or worse over the next year. 35/34% say it will get better, while 20% say it will get worse.

* * * * *

Gerry Seib makes the argument that the real battleground States are not the ten or twelve, but the four: Wisconsin, Michigan, Minnesota and Pennsylvania. [WSJ 6/25/12]

* * * * *

In June, Pew Research found that 50% of voters have a favorable view of Obama, while 48% have a negative view. 47% have an unfavorable view of Romney, while 41% have a favorable view. This latter number is an improvement from 29% who thought favorably of him in March.

* * * * *

Another striking finding of the NBC/WSJ survey has to do with why people are voting for one candidate or the other. And it proves once again that re-election campaigns are really, at the first, a referendum on the incumbent.

When asked “would you say that your vote is more for Barack Obama or more against Mitt Romney?,” 72% of Obama voters say they are voting for Obama, while 22% say they are voting more against Romney.

However, when Romney voters are asked the same question, 35% say they are voting more for Romney, while 58% are voting more against Obama.

* * * * *

Here are a number of recent Gallup survey findings related to the Presidential election.

* Obama wins the likability contest, with 81% thinking he is likable, while only 60% having that view of Romney. But the two men are tied when it comes to “changes his positions on issues for political reasons.” Each draws 60%.

* Bias against a Mormon candidate, currently 18%, is basically the same as it was in 1967.

- * 57% of union members favor Obama, while 35% favor Romney. Conversely, 48% of non-union members favor Romney and 44% favor Obama.
- * Support for Obama among whites, 38%, is six points lower than it was in Oct/Nov 2008 pre-election surveys, when it was 44%.
- * Romney leads Obama among people with an income of \$36,000 – \$89,999 and among those making more \$90,000 or more, by 49% to 45%. Obama leads among those making less than \$36,000, by 53% to 38%.
- * Romney leads among U.S. veterans by 58% to 34%, while Obama leads among nonveterans by 48% to 44%.

The Electoral College

Here are cuts at the Electoral College that WW will regularly reprint as we head toward the Presidential election. 270 Electoral votes are needed to win.

This is pretty identical to that printed in April, except that Charlie Cook has shifted 19 Electoral votes from Lean Republican to Toss Up.

	Cook <u>4/24</u>	Cook <u>5/31</u>	Rothenberg <u>4/6</u>	Rothenberg <u>6/1</u>
Solid/Likely Dem	182	186	186	186
Lean Dem	45	45	51	51
Total	227	227	237	237
Toss Up	101	120	95	95
Lean GOP	19	0	15	15
Solid/Likely GOP	191	191	191	191
Total	210	191	206	206

(* AP total is off by 4 electoral votes)

* * * * *

InTrade Prediction Market

As of 6/27 here are the bids for shares in Obama's re-election prospects.
(The higher the bid the more likely the buyer believes the prospects of victory.)

	<u>1/12</u>	<u>2/16</u>	<u>3/20</u>	<u>4/26</u>	<u>6/27</u>
Barack Obama	50.6	60.3	59.9	60.2	54.0
Romney	--	--	--	38.2	43.4

* * * * *

A Prediction

In the ordinary course, WW does not try to predict the future. However, this is an exception. President Obama will win re-election in a close race or Romney will win big.

* * * * *

THE CONGRESS

After dipping to 15% in May, approval of the job being done by Congress was back up to 17% in mid-June. This is up from 12% in March. This is the highest approval rating Gallup has found since July 2011, when 18% approved.

The Washington Post recently reported (6/21/12) on what appears to be an increasing number of incumbents seeking re-election who do not mention in their TV advertising that they are currently Members of Congress.

* * * * *

THE SENATE

There have been some changes since the last issue of the Watch. Florida has moved from Toss Up to Leaning Democrat, New Jersey has moved from Safe Democrat to Leaning Democrat, Hawaii has moved from Leaning Democrat to Safe Democrat, North Dakota has moved from Leaning Republican to Toss Up, Washington has moved from Leaning Democrat to Safe Democrat.

Given the above changes, the prospect that the Democrats will retain control

of the Senate is improving.

THE U.S. SENATE

Democrats	51
Republicans	47
Independents	2 (caucus Dem)

Here is how the 33 Senate elections, made up of 23 Democratic incumbents (including 2 Independents) and 10 Republican incumbents, look to me at this time. (D=Dem incumbent in office, R=GOP incumbent in office, I=Ind. incumbent in office). Underlining reflects retirement.

Safe	Leaning		Leaning	Safe
<u>Democrat(8)</u>	<u>Democrat(8)</u>	<u>TossUp(9)</u>	<u>Republican(3)</u>	<u>Republican(5)</u>
California	<u>Connecticut</u>	Hawaii	<u>Arizona</u>	Mississippi
Delaware	Florida	Mass.	Indiana	Tennessee
Maryland	Maine	Missouri	Nebraska	<u>Texas</u>
Minnesota	Michigan	Montana		Utah
New York	New Jersey	Nevada		Wyoming
Rhode Island	Ohio	<u>New Mexico</u>		
Vermont	Pennsylvania	<u>No. Dakota</u>		
Washington	West Virginia	<u>Virginia</u>		
		<u>Wisconsin</u>		

	<u>Democrats</u>	<u>Republicans</u>
Seats not up in 2012	30	37
Safe in 2012	8	5
Leaning in 2012	8	3
Total	46	45

Toss-ups 9 (2R/7D)

* * * * *

THE HOUSE OF REPRESENTATIVES

Potential voters seem to be ambivalent about whether they prefer a Republican or Democratic Congress. The most recent NBC/WSJ survey finds 45% preferring a Democratic Congress and 44% preferring a Republican Congress.

	<u>Dem Control</u>	<u>GOP Control</u>
6/2012	45%	44%
5/2012	44%	43%
4/2012	46%	44%
1/2012	47%	41%
6/2011	44%	44%
10/2010	46%	44%
(Democrats lost control of the House in the 2010 election)		
1/2010	41%	44%
4/2009	48%	39%

In a recent column (6/21/12), Charlie Cook wrote the following that WW thinks is worth repeating.

“the number of strongly Democratic districts – those with a score of D+5 or greater at the presidential level-decreased from 144 before redistricting to 136 afterward. The number of strongly Republican districts – those with a score of R+5 or greater – increased from 175 to 183. When one party starts out with 47 more very strong districts than the other, the numbers suggest that the fix is in for any election featuring a fairly neutral environment. Republicans would need to mess up pretty badly to lose their House majority in the near future.”

WW has regularly reprinted the “House Dashboard” published by the Cook Political Report. The data from January 20, 2011 is from the Dashboard. The Dashboard has not been published recently because of the uncertainties caused by re-districting. I am told that the Dashboard will return shortly. [As always, thanks to “The Cook Political Report.”]

THE U.S. HOUSE OF REPRESENTATIVES

	Republicans	242		
	Democrats	191		
	Vacancies	2		
	<u>1/20/11</u>	<u>3/15/12</u>	<u>4/19/12</u>	<u>6/14/12</u>
TOTAL Dem	193	---	---	182
Solid Dem	150	---	---	157
Likely Dem	27	18	17	14
Lean Dem	12	14	14	11

Toss-up	10	21	22	24
D	4	8	8	9
R	6	13	14	15
Lean GOP	15	21	19	18
Likely GOP	38	29	27	24
Solid GOP	183	---	---	187
TOTAL GOP	242	---	---	229

“The Rothenberg Political Report” has also posted a report that deals with the entire House. [Thanks to the Rothenberg Report.]

	<u>1/12</u>	<u>2/12</u>	<u>3/12</u>	<u>4/6/12</u>	<u>6/12</u>
Safe Democrat	166	164	164	162	162
Competitive	78	78	79	80	<u>75</u>
D Favored					9
Lean D					10
Tilt D					4
Toss Up					11
Tilt R					15
Lean R					13
R Favored					13
Safe Republican	191	193	192	193	198

* * * * *

RESTAURANTS

**Breakfast, lunch & dinner
at
The Inn at Palmetto Bluff
476 Mount Pelia Road
Palmetto Bluff, SC 29910
Reservations 866-706-6565
www.palmettobluffresort.com**

Debbie and I visited The Palmetto Bluff Inn in May as part of our honeymoon.

The Inn is a cluster of cottages ranging from one to five bedrooms, with

several central buildings used for restaurants and other services, all consistent with a water-located facility.

There is also a community of individually-owned homes on the some 20,000 acres that make up the Inn and its confines.

The Inn is accessed by air either through Charleston, SC, or Savannah, GA. The drive from Savannah is shorter, but the planes that fly there, at least from D.C., are smaller.

With the exception of one lunch during a day trip to Savannah, we ate all of our meals at one of the four restaurants located at the Inn. Each of the restaurants is located in a different building.

Breakfast and lunch are served at Buffalos, lunch is served at the May Grill in the golf club. Dinner is served at the River House and the Canoe Club.

Buffalos

This restaurant is located on the “Square,” across the street from the main administration building of the Inn. There is an outdoor patio that seats 32 at tables of four. There is a screened-in porch that has five four-person tables. There are also a large number of tables inside the restaurant. The indoor restaurant area also includes a bakery area with truly enticing sweets.

We had breakfast here each day and lunch on all but two of the days we were there.

The menu is diverse to say the least. There are a variety of hashes, including one called “Daised & Confused” – your choice of cheddar, spinach, country ham, tomatoes, peppers, onions, and mushrooms, topped off with Hollan “Daise.”

There are also a variety of flapjacks, waffles, and, of course, grits. And, if you are looking for something less dramatic, you can order home-smoked salmon and a bagel.

My favorite dish was called Citrus Brulee - a half grapefruit and a half orange, covered with Turbinado sugar and blueberries. The sugar is caramelized. They must use a blow torch, because the sugar is clear, but the grapefruit and orange segments are still chilled.

You can basically order whatever you like. So our other treats ranged from fried egg whites, to a seasonal fruit plate, to toasted bagels, to toast.

For lunch we had shrimp and chicken gumbo with okra and andouille sausage, a turkey club, and buffalo burgers with pimento cheese, applewood bacon slaw and house pick-a-pepper.

And oh yes, Kettle Chips.

May River Grill

The Grill sits by the side of the golf course. As you enter the restaurant there is a bar with stools to the right and a reasonably sized dining room to the left. There is an outside veranda with two tables of four. There is also a screened-in porch that has another two tables of four.

The Grill's veranda sits on the golf course, so you can watch players complete the 18th hole.

The menu is the simplest of the four restaurants. It is basically salads, sandwiches, and soups.

Debbie had a half chicken salad sandwich and a lettuce salad. I had a half corn beef sandwich and Caesar salad.

One item on the menu that jumped out was a Hot Dog wrapped in Applewood Bacon with White Cheddar Cheese on a Warm Potato roll.

River House

This is the most formal dining room at the Palmetto Bluff and is located in the administration building.

You will be told, if you ask, that dress for men is slacks and nice shirt. Most were dressed that way, with a few wearing sport coats. However, there were also folks in the dining room in shorts and shirts.

Just before entering the dining room there is an area with a small bar and a few tables where food is also served.

The main dining room has 54 seats in 2s, 4s, and 6s. A partial wall at one end separates a small area from the rest of the room. There is also a closed veranda. On one of the nights we were there that area was organized into two tables of 8. There is an open porch.

Debbie and I ate at River House twice. Between us, we had and shared the following appetizers:

- Chilled Local Blue Crab Salad with Fried Green Tomatoes, Citrus House Made Yogurt
- Chopped Baby Lettuce, pickled Red onion, confit Tomato, Humboldt Fog, and Red Wine Vinaigrette
- Melted Vidalia Onion Bisque, Benton's Bacon Gougeres, with Charred Rosemary Oil
- Roasted Beets, Goat Cheese, Upland Cress, Pine Nut Vinaigrette, and Shallots

For our Main courses we had:

- Pan Seared Wahoo with String Bean Cassoulet, local shrimp, fennel Pollen Croutons
- Buttermilk Fried Chicken, Braised Collard Greens, Flat Creek Cheddar Mac and Cheese, House made Hot Sauce
- Grilled Cap of Rib Eye Potato Puree, Baby Arugula, Pickled Pearl Onions, Crispy Maitake Mushroom
- Honey Glazed Duckling, Braised Greens, Duck Fat Potatoes.

The service was excellent, but intensive.

Canoe Club

This restaurant is located on the second floor of a large boat house in which dozens of canoes are kept. It overlooks the May River. It is limited to members of the Club and guests at Palmetto Bluffs.

In the main dining room there are eleven four tops. There is an area that is separated from the rest of the dining room by a wood and glass wall. It seats two tables of six. There is a screened-in porch that has seven four-tops.

We also had two dinners in this restaurant. Our appetizers included - Marinated Ahi Tuna, Confetti Sushi Rice, Seaweed Salad, Soy, and sandied

Sesame Seeds, Caesar Salad – Hearts of Romaine, Creamy Dressing, White Anchovies, Focaccia Croutons, Parmesan Tuile, and Corn Bisque, Roasted Corn and Basil Oil.

Our main courses included – Citrus & Rosemary Poulet Rouge; Chermoula Marinated swordfish; May River Shrimp Scampi, Toasted Garlic, Linguine & Crispy Bread Crumbs, Lemon Butter; Kobe Beef Burger, Applewood Smoked Bacon, Boursin Cheese, Romaine, Vine Ripened Tomatoes served with Fries.

Sides are ordered separately and we ate Buttermilk Whipped Yukon Gold Potatoes, Succotash and Steamed Broccoli.

We also chose several sauces, including, Red Wine Jus, Roast Shallot and Lemon Vinaigrette, Pickled Green Tomato Beurre Blanc.

Each dinner is able to build his or her own dessert. The list of options includes various ice creams, several cakes or cheese cakes, and a variety of toppings, including white chocolate shavings, Oreo pieces, burnt marshmallow, or plain old warm fudge.

The service in all of the Palmento Bluff Inn restaurants was first rate.

The men's rooms available to diners in all of the restaurants tended to be institutional and adequate for the purpose.

* * * * *

17hundred90 Inn & Restaurant
307 East President Street
Savannah, GA 31401
912-236-7122
www.17hundred90.com

We took a day trip to Savannah with a guide. Our choice for lunch as recommended by the guide was 17hundred90.

This is an old Inn and Restaurant, with tables and chairs that, while quite solid, look as if they could be from the start of the restaurant in the late 1800s.

Debbie ordered a Fried Green Tomato BLT with Fried Onion Rings. I

ordered a Smoked Turkey Sandwich on White Bread with Lettuce and Tomato.

Robert, our driver/guide, had a Caesar Salad.

The restaurant is known as the place where Jimmy Williams had dinner after his third trial for the same murder ended in a hung jury. Williams was tried one more time, this time in Augusta, GA, and was found not guilty. (If you are interested in the whole story look up Jimmy Arthur Williams of Savannah on Wikipedia.)

There is some evidence that the 14-room Inn in which the restaurant is located is haunted, although the haunting is thought to be by a friendly female ghost. The ghost is of a woman who chose to throw herself from the third floor window to the courtyard below. We did not experience any ghostly presences in the restaurant.

Here too the men's room was adequate.

Mike

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