

*Mike Berman's*

# WASHINGTON POLITICAL WATCH

No. 106

January 13, 2012

## STATE OF THE NATION

\* \* \* \* \*

## PRESIDENT OBAMA

\* \* \* \* \*

## SuperPACS

\* \* \* \* \*

## THE REPUBLICAN NOMINATION

\* \* \* \* \*

## 2012 PRESIDENTIAL GENERAL ELECTION

\* \* \* \* \*

## THE CONGRESS

\* \* \* \* \*

## CHOCOLATE CoCoVa

\* \* \* \* \*

## A BOOK Tom Brokaw

## STATE OF THE NATION

- \* 65% say the country is on the wrong track  
29% say the economy is getting worse, while 25% say it is getting better  
40% think 2012 will be a better year for them and their family  
[CBS 1/12]

\* \* \* \* \*

If the test of economic healing is jobs, there seems to be steady progress.

- \* The BLS unemployment rate for the month of December 2011 was 8.5%.  
  
This is the lowest rate recorded since February of 2009, and is down from 9.4% in December 2011.

[Note: this still vastly undercounts the real unemployment rate. Gallup reports the number of Underemployed -- unemployed and those working part-time that want full-time -- at 18.2%. And even this number does not count those who have stopped looking for a job for more than 4 weeks.]

- \* There have been 2 years of consecutive employment growth in the manufacturing sector.
- \* There have been 22 consecutive months of private sector job growth.
- \* 212,000 private sector jobs were created in December 2011.
- \* 1,900,000 private sector jobs were created in 2011.
- \* 280,000 public sector jobs were lost in 2011.
- \* 1,600,000 net jobs were created in 2011, after accounting for job losses.

[Think Progress War Room 1/12]

\* \* \* \* \*

40% of Americans now identify themselves as Independents. This is the highest number recorded by Gallup in the last 23 years, but only a point higher than the 39% recorded in 1995 and 2007. 31% now identify as Democrats and 27% as Republicans. However, when Independents who lean to one Party or the other are included with that Party, each Party is identified by 45% of the public as its preference. [Gallup 1/12]

\* \* \* \* \*

In January, 18% of Americans said they were satisfied with the way things are going in the United States. This is a decent improvement from the 11% satisfaction rate recorded in September. The average for 2011, 17%, is the second lowest average in the 32-year history in which the question has been asked. [Gallup 1/12]

\* \* \* \* \*

87% of Americans believe this is a bad time to find a good job. Women are slightly more pessimistic than men. Those between the ages of 50-64 and college graduates are the most down about this situation, with 90% of each group saying this is a bad time to find a good job. [Gallup 12/11]

\* \* \* \* \*

When asked what is the most important problem facing the country today, respondents listed the economy in general as #1, at 31%; the #2 mention was unemployment, at 26%, and #3 was “dissatisfaction with government,” at 15%.

Then, when given an opportunity to express what worries them the most about the national economy, 27% said jobs, 16% said the national debt, and 10% mentioned “continuing economic decline/economic instability.” No other reason was in the double digits.

Those three concerns, in the same order, were noted by Republicans, Independents and Democrats in roughly the same numbers. [Gallup 1/12]

\* \* \* \* \*

Just over 200 million Americans have high-speed, wired internet access at home. Two-thirds of them receive it from their cable company.

90% of people with incomes above \$75,000 have high-speed internet access at home. Only 40% of households with incomes below \$25,000 have similar access at home. 72% of white households have this form of internet access, as well as 55% of African-American and Hispanic households.

59% of folks with incomes above \$75,000 have smart phones. [NYT 12/4/11]

\* \* \* \* \*

79% of American adults use the internet and 59% of those users (47% of all adults) connect with at least one social networking site. More than half of social networking site users are over the age of 35.

92% of social network users are on Facebook, 29% are on Myspace, 18% on LinkedIn, and 13% use Twitter.

If you can imagine, 52% of Facebook users are on the site daily, while 33% of Tweeters engage daily.

88% of teens and 69% of adults who use social networking sites report that they have “seen people be mean and cruel to others on these sites.” [Pew]

\* \* \* \* \*

Over the last 13 years the number of people who say they are better off than their parents were at the same age, has fallen from 74% to 69%. [Gallup 12/11]

\* \* \* \* \*

38% of Americans say they pay more than their fair share in Federal taxes. This has dropped from 55%, who had that view 8 years ago. But 59% believe that so much is wrong with the overall tax system that Congress should toss the whole thing out and start over. [PEW 12/11]

\* \* \* \* \*

66% believe there are “strong” conflicts between the wealthy and the poor. This is a 19-point increase from 2 years ago. Those having this view include 55% of Republicans, 66% of Independents, and 74% of Democrats.

People in households with \$40-75,000 in income have the strongest feelings, with 71% of them describing a strong conflict. Not surprisingly, among 18-34 year olds, 71% believe there is a strong conflict. [Pew 1/11/12]

\* \* \* \* \*

39% of the “1%” identify themselves as conservative. This is nearly identical to the 40% of the “99%” who identify as conservative. [Gallup 12/11]

\* \* \* \* \*

### **PRESIDENT OBAMA**

The President is 10 months from the day on which the American public will give him his report card for his first term. As he approaches that day, the public’s grade for the job he has done so far is lower than any of six previous Presidents at the beginning of their fourth year in office. (He is tied with Bill Clinton at this time.)

The President’s current job approval rating in Gallup is 42%. The following is the list of 8.

|              | <u>App</u> | <u>Dis</u>    |
|--------------|------------|---------------|
| Eisenhower   | 76         | 12            |
| GW Bush (II) | 59         | 38            |
| Carter       | 56         | 33            |
| Reagan       | 52         | 38            |
| Nixon        | 49         | 39            |
| G Bush (I)   | 46         | 47            |
| Clinton      | 42         | 49            |
| Obama        | 42         | 50 (1/7-9/12) |

Obama’s 52-week  
High 53%  
Low 38%

Obama’s all-term  
High 69%  
Low 38%

\* \* \* \* \*

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

|           | <u>NBC/WSJ</u> | <u>NYT/CBS</u> | <u>WP/ABC</u> | <u>CNN/ORC</u> |
|-----------|----------------|----------------|---------------|----------------|
| Jan 2012  | ---            | 45/47%(CBS)    | ----          | ----           |
| Dec 2011  | 46/48          | 44/46 %(CBS)   | 49/47%        | 49/48%         |
| Nov 2011  | 44/51%         | -----          | 44/53%        | 44/54          |
| Oct 2011  | 44/51%         | 46/46%         | 42/54%        | 45/52%         |
| Aug 2011  | 44/51%         | 48/47%         | 44/46 WP      | 44/54%         |
| July 2011 | 47/48%         | ---            | 47/48%        | 45/54%         |

The only major survey that shows the President having a higher job approval than disapproval rating is PEW, which, in its December survey, has the President's job approval number at 46% to 43% disapproval.

\* \* \* \* \*

On his handling of the economy Obama scores a 38% approval rating and a 55% disapproval. The President's handling of foreign policy is more favorably viewed, with 46% approving and 37% disapproving. [CBS 1/12]

\* \* \* \* \*

By 41% to 34%, the public has more confidence in Obama and the Democrats in Congress, as opposed to the Republicans in Congress, on potential handling of payroll tax cuts and unemployment benefits in February. [Gallup 12/11]

\* \* \* \* \*

It is increasingly clear that the White House has shifted into campaign mode. While the line from the White House is that the President is primarily focusing on government action, a casual look at his schedule suggests a campaign tint to the selection of the places he is visiting and plenty of time for fundraising.

\* \* \* \* \*

## SUPER PACS

In 1964, when I first became involved in election politics, there were no laws or rules regulating the amount that individuals could contribute to Federal candidates or spend themselves on such campaigns. Cash was often the financial support or contribution mechanism of choice.

Corporations were prohibited from playing in campaigns by the Tillman Act of 1907. And, while corporations might push the edge a bit in terms of providing “help” to campaigns without direct expenditure, they were basically not in the game.

In 1971 the Federal Election Campaign Act was enacted. It was basically a disclosure law and took effect in April 1971. I was running a U.S. Senate re-election campaign at the time.

Over time the 1971 Act was extended to limitations on the amounts that individuals might contribute to individual candidates, political action committees, and Party organizations. The prohibitions of the Tillman Act have been incorporated in the Federal Election Campaign Act.

There were, and still are, mechanisms such as 527s and 501(c)(4)s that can do various forms of issue-advertising, which might, in fact, affect campaigns, but no specific connection could be made to a particular candidate. Periodically, some of these groups would spend large amounts of money. An organization called “Swift Boat Veterans” operated in the 2004 Presidential campaign in opposition to John Kerry’s candidacy. Some observers think it had an outsized impact on Kerry’s ultimate loss in that election. Others think Kerry’s loss can be attributed to the fact that he stuck with Federal general election financing.

Then, in 2010, the U.S. Supreme Court, in a 5-4 decision, decided in all its wisdom that limitations on independent expenditures by corporations and labor unions were unconstitutional. From that decision a new campaign finance organization came into being, the so-called Super PACs. These are political action committees that can accept unlimited contributions from individuals, corporations, and labor unions. The groups must file with the Federal Election Commission, and the donors to these PACs are disclosed on a periodic basis. The limit on these groups is that their activity, which can be candidate-specific, must be conducted “independently” of any candidate, *i.e.*, coordination with campaigns is prohibited.

One or more of the Super PACs was active in the 2010 Congressional elections.

The value of these new organizations is currently evident in the attacks leveled against Newt Gingrich in the Republican nomination fight by a Super PAC supporting Mitt Romney. Arguably, its work was the primary cause of the nose dive Gingrich took in the Iowa caucuses.

Now, the Newt Gingrich-supporting Super PAC is setting out to trash Mitt Romney in South Carolina.

The important role that these organizations are likely to have in the coming general election is demonstrated by the reversal of position taken by President Obama as he prepares for his re-election campaign. During the 2008 campaign, Obama asked that no independent organization be created in support of his campaign. One such organization that was in the process of getting started was terminated. (The President was also the first candidate for President who did not take the Federal general election finance grant, effectively neutering that mechanism for limiting the amounts of money spent on the general election campaign. )

Now, two folks who spent a couple of years on the White House staff have created such an organization designed to be active in the coming campaign. There has been no outcry from the White House, and it has to be assumed that the two individuals involved would not have taken this action if they did not think that the Obama position has changed.

To be sure, setting up one or more Super PACs in support of the President makes good sense. While it is assumed that the President will be able to raise record-breaking amounts through the Presidential campaign committee, it must be assumed that numerous Super PACS will spend unlimited amounts of money working for his defeat.

It should not be assumed that the prohibition against coordination between the relevant campaign and a Super PAC is any obstacle to a SuperPAC operating in a way that is 99% effective in support or opposition to a candidate.

There has been some consternation about the fact that it can take some time after a particular election activity, like a primary, before there is disclosure of the donors to these Super PACs. The reality is that information about the donors is

essentially irrelevant. In this era of ubiquitous electronic communication, donor information never catches up with campaign-related information, and even if it does, the campaign-relevant information still has impact.

The era of the SuperPAC has, for all practical purposes, eliminated any limitations on campaign spending.

Some express concern that this change represents the “end of Democracy as we know it.” Well, time will tell. However, we should remain mindful that from the time of the election of the first President of the United States in 1789 and the late 1970s, democracy and the election of Presidents worked just fine without the limitations of the Federal Election Campaign Act.

[Note: Apparently Citizens United did not go far enough for those who want to eliminate all regulation of campaign finance. There are three cases proceeding through the Federal courts that would further knock out remaining limitations. In one case that has drawn particular attention, US v. Danielczyk, currently on appeal to the 4<sup>th</sup> Circuit, a District Court judge struck down the ban on direct corporate contributions to candidates. ]

\* \* \* \* \*

The increasing amounts of money involved in campaigns gives some people a severe heartburn. My experience over the last 47 years, mostly on the operating ,and to a lesser extent the fundraising, aspect of campaigns, is that it is overrated as a problem.

Of course money is very useful in campaigns, and the easier it is to gain access to necessary funds, the more time candidates have to engage with voters and the other work of position development, etc.

Evidence that the availability of large amounts of money is not the beginning and end-all of success in electioneering can be found in the current contest for the Republican nomination for President.

Rick Santorum has had very little money, yet he essentially tied for first in Iowa, and while he faded in New Hampshire, he has a fulsome campaign going in South Carolina. His early success has resulted in a flow of contributions to his campaign, but not an extraordinary amount.

Newt Gingrich complains that his campaign was sidetracked by the amounts of money that a pro-Romney SuperPAC spent against him in Iowa. However, his star was fading across the country, which suggests that his bigger problem was free media starting to raise questions about his career.

Rick Perry has spent large amounts of the money available to him, yet his campaign has not taken off. His problem turned out to be his poor performance in debates and some of the policy positions which he put forth.

Ron Paul has had large amounts of money available to him and has done quite well, but he has no chance of actually getting the Republican nomination. However, he may be successfully building a movement.

The long and the short of it is, money helps, but if that is a candidate's primary tool, success is not likely.

\* \* \* \* \*

## **2012 REPUBLICAN PRESIDENTIAL NOMINATION**

22 people have been tempted or have joined the race  
16 people have announced they are not running, quit the race, or written it off

6 people are still running

Newt Gingrich  
Jon Huntsman  
Ron Paul  
Rick Perry  
Mitt Romney  
Rick Santorum

1 + ?? remains the number of real players at the moment

The Goal – 1,142 Committed Republican Convention Delegates  
by the time of the Republican National Convention,  
August 27-30, 2012

\* \* \* \* \*

The contest has begun, and Mitt Romney seems to be riding high. Romney won in Iowa by a thread (8 votes). But in New Hampshire he won by a margin that was more than healthy -- 16.6% points ahead of the second place finisher, Ron Paul. He bested Newt Gingrich and Rick Santorum combined by 20+% points.

The next stop on the primary tour is South Carolina. If Romney wins there as well, it is hard to see how he can be denied the nomination. Gingrich and Perry are doing whatever they can, as are the SuperPACs that support them, to bring Romney down to earth, with little concern for any long lasting damage they cause to the person who may well be their nominee.

Even before Romney's New Hampshire win, 60% of registered Republican voters believed he is most likely to win the nomination. This is an increase from 39% who responded to Gallup the same way in December. [Gallup 1/8]

\* \* \* \* \*

#### How they finished

|      | <u>Romney</u> | <u>Santorum</u> | <u>Paul</u> | <u>Gingrich</u> | <u>Huntsman</u> | <u>Perry</u> | <u>Bachman</u> |
|------|---------------|-----------------|-------------|-----------------|-----------------|--------------|----------------|
| Iowa | 1             | 2               | 3           | 4               | --              | 5            | 6              |
| NH   | 1             | 5               | 2           | 4               | 3               | 6            |                |
| SC   |               |                 |             |                 |                 |              |                |
| Fla  |               |                 |             |                 |                 |              |                |

\* \* \* \* \*

Here is the delegates earned count to date as tabulated by Green Papers. Romney – 13, Paul – 9, Santorum – 6, Gingrich – 4, Perry – 3, Huntsman – 2.

\* \* \* \* \*

The following chart summarizes national polling on the GOP race from mid-July through early January:

2012 Republican Presidential  
Candidates

| <u>Survey</u> | <u>Last date<br/>of survey</u> | <u>Romney</u> |             | <u>Gingrich</u> | <u>Perry</u> | <u>Paul</u> |                 | <u>Santorum</u> | <u>Huntsman</u> |
|---------------|--------------------------------|---------------|-------------|-----------------|--------------|-------------|-----------------|-----------------|-----------------|
| Gallup        | 1/10                           | <u>31</u>     |             | 16              | 6            | 13          |                 | 15              | 2               |
| CBS News      | 1/8                            | <u>19</u>     |             | 15              | 6            | 10          |                 | 14              | 4               |
| Pew Res.      | 1/8                            | <u>27</u>     |             | 16              | 6            | 12          |                 | 16              | 2               |
|               |                                |               |             |                 |              |             | <u>Bachmann</u> |                 |                 |
| Gallup        | 1/2/12                         | <u>24</u>     |             | 23              | 7            | 13          | 5               | 6               | 2               |
| ABC/WP        | 12/18                          | <u>30</u>     |             | <u>30</u>       | 6            | 15          | 7               | 4               | 2               |
| Gallup        | 12/11                          | 23            |             | <u>33</u>       | 6            | 8           | 6               | 3               | 2               |
| NBC/WSJ       | 12/11                          | 23            |             | <u>40</u>       | 6            | 9           | 8               | 3               | 5               |
|               |                                |               | <u>Cain</u> |                 |              |             |                 |                 |                 |
| USA/Gall.     | 11/17                          | 21            | 16          | <u>22</u>       | 8            | 9           | 4               | 1               | 1               |
| NBC/WSJ       | 11/5                           | <u>28</u>     | 27          | 13              | 10           | 10          | 4               | 2               | 0               |
| ABC/WP        | 11/3                           | <u>25</u>     | 23          | 12              | 14           | 9           | 4               | 1               | 1               |
| CNN/OpRes     | 10/16                          | <u>26</u>     | 25          | 8               | 13           | 9           | 6               | 2               | 1               |
| ABC/WP        | 10/2                           | <u>25</u>     | 17          | 9               | 17           | 9           | 7               | 2               | 1               |
| USA/Gall.     | 9/18                           | 24            | 5           | 5               | <u>31</u>    | 13          | 5               | 2               | 1               |
| NBC/WSJ       | 8/31                           | 23            | 5           | 5               | <u>38</u>    | 9           | 8               | 3               | 2               |
| Fox News      | 8/9                            | <u>21</u>     | 6           | 5               | 13           | 6           | 7               | 2               | 2               |
| NBC/WSJ       | 7/17                           | <u>30</u>     | 5           | 8               | 11           | 8           | 16              | 3               | 2               |

\* \* \* \* \*

Intrade Prediction Market

At Intrade you can buy and sell shares in the prospects of candidates for President (and other offices). In other words, you are investing on the percentage probability of that event (election of that candidate) occurring.

As of 3:20 p.m. January 12, here are the bids for shares in various Republican candidates' prospects. (The higher the bid the more likely the buyer believes the prospects of victory.)

|          |      |
|----------|------|
| Romney   | 85.8 |
| Gingrich | 4.7  |
| Paul     | 3.6  |
| Santorum | 1.6  |
| Huntsman | 1.0  |
| Perry    | .7   |

If you are interested, go to [www.Intrade.com](http://www.Intrade.com).

\* \* \* \* \*

Here are the four tranches of the Republican primary....

1<sup>st</sup> tranche – January 3 – 31, 2012

2<sup>nd</sup> tranche – February 4 – March 3, 2012

3<sup>rd</sup> tranche – March 6 – 24, 2012

4<sup>th</sup> tranche – April 3 – June 26, 2012

**January 3 – 31, 2012**

Iowa (c), New Hampshire (p), South Carolina (p), Florida (p)

States in which the primary/caucus has taken place.

| <u>Iowa</u> |       | <u>NH</u> |       |
|-------------|-------|-----------|-------|
| Romney      | 24.6% | Romney    | 39.4% |
| Santorum    | 24.5% | Paul      | 22.8% |
| Paul        | 21.5% | Huntsman  | 16.8% |
| Gingrich    | 13.3% | Gingrich  | 9.4%  |
| Perry       | 10.3% | Santorum  | 9.4%  |
| Bachman     | 5.0%  | Perry     | .7%   |
| Huntsman    | ----- |           |       |

The following represents the state of the race in the remaining States in this tranche.

| <u>Candidate</u> | <u>South Carolina*</u> | <u>Florida*</u> |
|------------------|------------------------|-----------------|
| Romney           | 23                     | 36              |
| Gingrich         | 21                     | 25              |
| Santorum         | 14                     | 17              |
| Paul             | 13                     | 7               |
| Perry            | 5                      | -               |
| Huntsman         | 7                      | -               |

\* South Carolina – Insider Advantage 1/11/12

\* Florida – Survey USA 1/8/12

### **February 4 – March 3, 2012**

Nevada (c) – 2/4, Maine (c) – 2/4-10, Colorado (c) – 2/7, Minnesota (c) – 2/7, Missouri (non-delegate p) 2/7, Arizona (p) 2/28 , Michigan (p) 2/28, Washington (c) – 3/3

### **March 6 – 24, 2012**

Of the 19 primary and caucus States that commence their processes during this period, their delegates must be allocated on a proportional basis.

Assuming the Republican contest gets to Super Tuesday, the Republican Party of Virginia has managed to make irrelevant the primary that is scheduled in that State. Requirements for access to the ballot were such that only Romney and Paul managed to qualify. There has since been much gnashing of teeth by a variety of Statewide public officials, but the rules stand, unless some court overturns them.

### **April 3 – June 26, 2012**

The 21 primaries and caucuses scheduled during this period are free to allocate their delegates proportionally or on the basis of winner take all.

In gross terms, 345 delegates are selected in the States starting their processes before March 6<sup>th</sup>, Super Tuesday. On Super Tuesday, 564 delegates will be selected, bringing the total to 909 delegates, 40% of the total. (However, the number of delegates selected before March 6<sup>th</sup> may be reduced by 50%.)

[Note: For more information about the 2012 Republican Party delegate selection rules see Washington Watch, Issue 105, December 2011. Keep in mind that the Republican National Convention can change these rules.]

\* \* \* \* \*

### **Mitt Romney**

Romney seems to have the organization, the resources, and the discipline to follow a plan. The periodic malapropos that flow from his mouth make for interesting sidelights, but are not likely to cost him votes in the primary seasons.

If Romney continues on his current path, he will wrap up the nomination early and have plenty of time to prepare for the general election.

In New Hampshire, with four serious conservative challengers, Romney managed to secure the support of 40% of all Tea Party supporters, 36% of strong Tea Party supporters, 33% of the very conservative voters, 48% of the somewhat conservative voters, and 31% of white, born-again evangelicals.

But there is something not quite right about Romney as a candidate. He is essentially articulate. His speech after he won in New Hampshire was particularly good.

The problem is that he seems to lack personal connection with the folks on whom he must rely for voting support. He is a little too cool, too plastic, too juiceless.

### Newt Gingrich

Gingrich apparently had no good answers to some of the charges against him in Iowa and had no money with which to respond. The SuperPAC that supports him did not have the funds to mount a campaign. So, he spent a great deal of time attacking the attack ads in person, because he could do that without spending money.

Out of his head came his now famous attack on the judiciary.

Gingrich's campaign manager, ostensibly speaking for himself and Gingrich, compared Gingrich's failure to get on the Virginia Republican Primary ballot to the Japanese invasion of Pearl Harbor in 1941.

Gingrich, whose place in the game has slipped, seems to have decided to put away Romney, whose supporting SuperPAC put Gingrich away in Iowa and likely for the campaign. He is doing this with money provided by a wealthy backer's contribution to his SuperPAC. However, in a strange twist, the backer who provided that money has now let it be known publicly that he did not intend the money he contributed to be used to attack Romney on the basis of his business career.

\* \* \* \* \*

## Ron Paul

Say or feel what you will about Ron Paul, no other candidate in the GOP field is as explicit and forthcoming as Paul. If you ask him a question, you are going to get an answer to your question that represents what he really believes. And it comes without any effort to avoid the subject or use the answer as a springboard to a statement about something that is hardly, if at all, related.

Reminiscent of the days in the 70s when young people boarding buses to go campaign for Gene McCarthy for President were perused as they got on buses to be sure they were clean shaven and neatly dressed, before heading to Iowa, Ron Paul's younger volunteers were instructed to "cover up tattoos, be clean shaved or have neatly trimmed beards, and wear nice clothes."

Paul came up with one of the best lines of the year when he said to Romney, during a telephone call congratulating him on his New Hampshire victory, "I'm nibbling at your hills."

Paul does not seem deluded by the prospect that he might end up as President of the United States. However, he is effectively using this race as a tool to further the libertarian way that he promotes.

\* \* \* \* \*

## Rick Santorum

Ordinarily there is little that Charles Krauthammer (a former colleague) and I agree upon politically. However, his description of Santorum as a person of "authentic ideology" is pretty accurate.

Santorum surged to the top in Iowa (some folks think he actually won) and then he faded badly in New Hampshire. There is some evidence that the voters of South Carolina are more receptive to him and his message than those of New Hampshire. He must get close to the top in South Carolina or head back home to Pennsylvania, having made a valiant, but unsuccessful, effort.

\* \* \* \* \*

Jon Huntsman

Huntsman put all of his eggs in the New Hampshire basket and finished a poor 3<sup>rd</sup>, 22.6% points behind the winner. It turns out that the bulk of his vote in New Hampshire was from Democrats and Independents. He finished last among Republicans primary voters. It is just not there for him.

\* \* \* \* \*

Donald Trump

While Donald Trump's voice has all but disappeared from the scene, he did announce that millions of people are waiting for him to make an endorsement in the Republican nomination fight. Meanwhile Trump, who was a Democrat and then became a Republican, has changed his registration once again. He is now an Independent.

\* \* \* \* \*

**THE DEBATES**

Of the 15 media-sponsored Republican nomination debates to date, the largest audience – 7.58 million viewers – remains the ABC/ DesMoines Register/ Yahoo News debate on December 8<sup>th</sup>. ABC also had the third most-watched debate on January 7<sup>th</sup>. The second most-watched debate was the Fox News debate on December 15, 2011.

Republican nominating process  
Debates with one or more media sponsors

|         |  |
|---------|--|
| 5/5/11  | Fox News - 3.26 million viewers        |
| 6/13/11 | CNN - 3.2 million viewers              |
| 8/11/11 | Fox News - 5 million + viewers         |
| 9/7/11  | NBC/MSNBC/Politico - 5,400,000 viewers |
| 9/12/11 | CNN - 3,600,000 viewers                |

|          |  |
|----------|--|
| 9/22/11  | Fox/Google - 6,100,000 viewers   |
| 10/11/11 | Bloomberg/Washington Post – no ratings available<br>( Bloomberg does not subscribe to Nielsen) |
| 10/18/11 | CNN - 5.46 million viewers   |
| 11/9/11  | CNBC - 3.33 million viewers  |
| 11/12/11 | CBS/National Journal - 5.3 million viewers   |
| 11/22/11 | CNN - 3.6 million viewers  |
| 12/10/11 | ABC/DesMoines Register/Yahoo News/Iowa GOP/<br>7.58 million viewers                            |
| 12/15/11 | FOX/Iowa GOP - 6.7 million viewers   |
| 1/7/12   | ABC/WMUR - 6.25 million viewers  |
| 1/8/12   | NBC/Facebook/Union Leader - 4.715 million viewers  |
| 1/16/12  | FOX/GOP of South Carolina  |
| 1/19/12  | CNN/Southern Republican Leadership Conference  |

\* \* \* \* \*

## **THE PRESIDENTIAL GENERAL ELECTION**

President Obama’s spokesperson has announced that Obama plans to run against the Congress. Little distinction was made between the Republicans and Democrats in Congress.

Predicting the likely outcome of the Presidential election at this stage may be an interesting parlor game, but it has relatively little to do with reality. Will the Republican nomination contest be over sometime in February or early March or will it last until June? It appears now that it will be over earlier rather than later.

There are a number of questions, the answers to which will have considerable impact on the election.

What will happen to unemployment and the economy in general between now and the Fall?

Can the Republicans make the election into a referendum on the performance of President Obama or will it be a real contest?

Assuming Romney is the Republican nominee, will it be his vision of the state of America or the President's vision of the state of America that will be most attractive? Will it be faith in the specialness of the government or will it be faith in the American people that is most attractive?

Some Democrats are "gleeful" about the thought of using Romney's tenure at Bain Capital as a major point of attack in the general election. At some point, however, Romney and his team will begin to talk about who some of those who benefit from the success of the Bain Capitals of the world.

Surprisingly, it turns out that among the big winners are a whole lot of average Americans whose pension funds are some of the biggest investors. And then there are the charitable foundations who leverage their resources by similar investments.

Charlie Cook may have said it all in his column published on January 14<sup>th</sup>. "My rule of thumb has been that if unemployment is near 9 percent on Election Day, President Obama would very likely lose. If it's near 8 percent, he would likely win. But if it's around 8.5 percent, the race would be a toss-up."

Having said all of that, the following are some traditional and available markers of where the election is today.

\* \* \* \* \*

## 2012 Presidential General Election

| <u>Survey</u> | <u>Last Date</u> | <u>Obama</u> | <u>Republican (generic)</u> | <u>Sample</u> |
|---------------|------------------|--------------|-----------------------------|---------------|
| Pew           | 1/8              | 41           | 41                          | RV            |
| NBC/WSJ       | 12/11            | 45           | 35                          | RV            |
|               |                  | <u>Obama</u> | <u>Romney</u>               |               |
| CBS News      | 1/8              | 45           | 47                          |               |
| CNN/Op.Res.   | 12/18            | 52           | 45                          |               |
| USA/Gallup    | 12/18            | 50           | 48                          |               |
| NBC/WSJ       | 12/11            | 47           | 45                          |               |
|               |                  | <u>Obama</u> | <u>Paul</u>                 |               |
| CBS           | 1/8              | 46           | 45                          |               |
| CNN/Op.Res    | 12/18            | 52           | 45                          |               |
| ABC/WP        | 12/18            | 49           | 44                          |               |
| NBC/WSJ       | 12/11            | 50           | 37                          |               |
|               |                  | <u>Obama</u> | <u>Gingrich</u>             |               |
| CBS News      | 1/8              | 49           | 41                          |               |
| CNN/Op.Res.   | 12/18            | 56           | 40                          |               |
| USA/Gallup    | 12/18            | 50           | 48                          |               |
| NBC/WSJ       | 12/11            | 51           | 40                          |               |
|               |                  | <u>Obama</u> | <u>Santorum</u>             |               |
| CBS News      | 1/8              | 47           | 43                          |               |

\* \* \* \* \*

### The Electoral College

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

The Cook Political Report – Democrat vs. Republican

|            |     |            |                 |
|------------|-----|------------|-----------------|
| Solid Dem  | 186 |            |                 |
| Likely Dem | 0   | 186        | Electoral votes |
| Lean Dem   | 35  | <u>221</u> | Electoral votes |
| Toss Up    | 98  |            |                 |
| Solid GOP  | 159 |            |                 |
| Likely GOP | 37  | 196        | Electoral votes |
| Lean GOP   | 23  | <u>219</u> | Electoral votes |

The Rothenberg Political Report – Obama vs. Romney

|               |     |     |                 |
|---------------|-----|-----|-----------------|
| Obama States  | 186 |     |                 |
| Lean Obama    | 31  | 217 | Electoral Votes |
| Toss Up       | 46  |     |                 |
| Romney States | 191 |     |                 |
| Lean Romney   | 84  | 275 | Electoral Votes |

\* \* \* \* \*

The attack on President Obama by non-candidate groups was in full bloom by the end of 2011. In the 2004 cycle, the non-candidate group advertising did not begin until March of the election year. [WP 12/29/11]

\* \* \* \* \*

Battleground States

In the 8 Battleground States which have Party registration (Colorado, Florida, Iowa, Nevada, New Hampshire, New Mexico, North Carolina, and Pennsylvania) Democratic and Republican registrations have fallen since 2008, and Independent registration has risen. In those 8 States as a group the number of Independents has increased by 320,657, the number of Democrats has dropped by 834, 197, and the number of Republicans has declined by 334, 608. [Third Way]

\* \* \* \* \*

### InTrade Prediction Market

As of 9:00 p.m. January 12 , here are the bids for shares in candidates for President in the general election. (The higher the bid the more likely the buyer believes the prospects of victory.)

|              |      |
|--------------|------|
| Barack Obama | 50.6 |
| Mitt Romney  | 42.4 |

\* \* \* \* \*

### Reuters Breakingviews' Obama Re-election Calculator

This device for calculating a President's re-election prospects is adapted from work done by Ray Fair at Yale University. As designed and used by Breakingviews, the "calculator" shows how likely it is that President Barack Obama will win a second term in U.S. elections in November 2012. It is based on annual GDP growth from the last quarter of the year before the election (2011) through the 3<sup>rd</sup> quarter of the election year; inflation during the same period; and a "swing factor" – defined as the shift in the two-Party vote to/away from Obama.

At the present time the calculator shows the probability of Obama winning re-election at 54%, with a 50.3% share of the vote. [Note: Professor Fair's most recent calculation has the President's share of the vote at 50.17% making the election too close to call. - NYT 1/8/12]

If you are interested, go to [www.Intrade.com](http://www.Intrade.com).

\* \* \* \* \*

### THE CONGRESS

Congress finished 2011 with an 11% job approval rating. This is the lowest positive score ever recorded by Gallup. The most negative are Independents, who offer a positive score of 7%. They are followed by Republicans at 12%, and 14% of Democrats. As recently as May 2011, 24% approved the work of the Congress.

\* \* \* \* \*

THE SENATE

The main event that affected the Senate races since the last Watch is the decision of Senator Ben Nelson (D-NE) to forego a re-election race. This decision tilts the Nebraska seat from Toss Up to Lean Republican. And North Dakota moves from Toss Up to Lean Republican.

\* \* \* \* \*

THE U.S. SENATE

Democrats 51  
Republicans 47  
Independents 2 (caucus Dem)

Here is how the 33 Senate elections -- 23 Democratic incumbents (includes 2 Independents), 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(7)</u> | <u>TossUp(8)</u>  | <u>Republican(5)</u> | <u>Republican(5)</u> |
| California         | <u>Connecticut</u> | <u>Hawaii</u>     | <u>Arizona</u>       | Indiana              |
| Delaware           | Florida            | Mass.             | Maine                | Mississippi          |
| Maryland           | Michigan           | Missouri          | <u>Texas</u>         | Tennessee            |
| Minnesota          | Ohio               | Montana           | Nebraska             | Utah                 |
| New Jersey         | Pennsylvania       | Nevada            | <u>No. Dakota</u>    | Wyoming              |
| New York           | Washington         | <u>New Mexico</u> |                      |                      |
| Rhode Island       | West Virginia      | <u>Virginia</u>   |                      |                      |
| Vermont            |                    | <u>Wisconsin</u>  |                      |                      |

|                      |                  |                    |
|----------------------|------------------|--------------------|
|                      | <u>Democrats</u> | <u>Republicans</u> |
| Seats not up in 2012 | 30               | 37                 |
| Safe in 2012         | 8                | 5                  |
| Leaning in 2012      | 7                | 5                  |
| Total                | 45               | 47                 |

Toss-ups 8 (2R/6D)

\* \* \* \* \*

## THE HOUSE OF REPRESENTATIVES

There are an array of opinions as to whether the Republicans will sustain their majority control of the House after the November election. There are the usual predictions from this stage of the election cycle extolling how well the minority Party is doing in candidate recruitment.

At this time it appears most likely that the Republicans will retain control of the House, but with a lower margin. If that does, in fact, happen, the interesting question is whether Eric Cantor will challenge John Boehner for the Speakership.

WW has regularly reprinted the “House Dashboard” published by the Cook Political Report. The data from January 20, 2011 is from the Dashboard. However, the Dashboard is not being published at this time because of the uncertainties caused by re-districting. Therefore, the chart below (other than 1/20/11) reflects the Cook’s current Competitive House Race Chart through January 2012 . [As always, thanks to “The Cook Political Report.” ]

### THE U.S. HOUSE OF REPRESENTATIVES

Republicans 242  
Democrats 192  
Vacancy 1 (D)

|            | <u>1/20/11</u> | <u>6/21/11</u> | <u>8/12/11</u> | <u>12/8/11</u> | <u>1/5/12</u> |
|------------|----------------|----------------|----------------|----------------|---------------|
| TOTAL Dem  | 193            | ---            | ---            | ---            | ---           |
| Solid Dem  | 150            | ---            | ---            | ---            | ---           |
| Likely Dem | 27             | 22             | 22             | 18             | 16            |
| Lean Dem   | 12             | 13             | 17             | 14             | 13            |
| Toss-up    | 10             | 17             | 15             | 21             | 20            |
| D          | 4              | 6              | 6              | 8              | 8             |
| R          | 6              | 11             | 9              | 13             | 12            |
| Lean GOP   | 15             | 18             | 20             | 21             | 19            |
| Likely GOP | 38             | 42             | 40             | 29             | 31            |
| Solid GOP  | 183            | ---            | ---            | ---            | ---           |
| TOTAL GOP  | 242            | ---            | ---            | ---            | ---           |

The Rothenberg Political Report has posted a report that deals with the entire House. It reports the following:

|                 |     |
|-----------------|-----|
| Safe Democrat   | 166 |
| Competitive     | 78  |
| Safe Republican | 191 |

\* \* \* \* \*

## **CHOCOLATE**

### COCOVA

1904 18<sup>th</sup> Street, NW  
Washington, DC 20009  
202-903-0346  
[www.cocova.com](http://www.cocova.com)

Debbie found CoCoVa (formerly Biagio Fine Chocolate) when looking for a place to buy chocolates for some friends who are chocolate aficionados.

CoCoVa describes itself as “The World’s Showcase of Fine Chocolates” and, while WW is not necessarily an expert on the question of fine chocolates, this store is a real treat. It is best described as chocolate, chocolate everywhere. Around the main sales room there are little glass dishes with tiny spoons and dime size pieces of chocolate, making it possible to taste test a variety of chocolates, the names of which you have likely never heard. Oh yes, there is also some first rate toffee.

There are an overwhelming number of individual chocolates that can be selected and boxed. It can be a box that contains only a single type of chocolate or you can, with the assistance of one of the staff, create a box of chocolates in which no two chocolates are the same. In addition, the staff person creates a “map” which identifies each chocolate based on its location in the box. There are also prepackaged boxes of various chocolates available.

It is possible to order on-line, but it is really worth the effort to go to the store and have a true chocolate experience.

The store is located below street level and is reached by a set of wrought iron stairs.

If you decide to try this festival of chocolate, mention that you heard about it in the Watch.

\* \* \* \* \*

## **BOOK**

The Time of Our Lives  
A conversation about America  
by Tom Brokaw

WW does not ordinarily recommend books, because WW's editor does not read that many whole books. However, I did read Tom Brokaw's latest book and it is worth your attention. I would not try to do it justice by describing it in my own words, but I think its essence is well described in the opening paragraph of the preface.

“What happened to the America I thought I knew? Have we simply wandered off course, but only temporarily? Or have we allowed ourselves to be so divided that we're easy prey for hijackers who could steer us onto a path to a crash landing?”

\* \* \* \* \*

*Mike*

Suite 500  
2100 Pennsylvania Ave., NW  
Washington, DC 20037  
202-728-1100

[mberman@dubersteingroup.com](mailto:mberman@dubersteingroup.com)