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Why Now?

Why did President Obama wait two and a half years to take on the issue of immigration reform?

Obama promised Latinos he would act on immigration reform during his first year as President. Instead, he waited until after the midterm. Now Republicans control the House of Representatives. Congressional action looks very unlikely.

"I don't understand how it is the President is out talking about immigration today when we've got these other issues just weighing in on us." House Majority Leader Eric Cantor (R-VA) said last week. "We've been down that road. I believe we should do things that actually produce progress and results."

House Minority Whip Steny Hoyer (D-MD) seemed a bit surprised as well. "It may not be realistic," Hoyer acknowledged, "but I think the President is correct that the issue of immigration must be addressed."

If the President's message is aimed at Latino voters, their response has been skeptical. They see little prospect of new legislation. They are critical of the Obama Administration for stepping up deportations. Sen. Robert Menendez (D-NJ) said on MSNBC, "The problem is that what the Administration has done has been all on the enforcement side and has used none of its discretionary powers, administrative powers, to provide some relief

to immigrants in this country."

If the President's message is aimed at Republicans, their response has been dismissive: what border enforcement? In his El Paso speech last week, the President insisted he has answered Republican concerns about security: more agents, more fencing, more seizures of illegal drugs, guns and currency.



"We have gone above and beyond what was requested by the very Republicans who said they supported broader reform as long as we got serious about enforcement," Obama said.

The President accused Republicans of trying "to move the goal posts." He even resorted to mockery: "Maybe they'll say we need a moat. Or alligators in the moat. They'll never be satisfied."

Indeed, they are not. Arizona Senators Jon Kyl and John McCain issued a statement saying, "We hear from our constituents on

a daily basis and, while some progress has been made in some areas, they do not believe the border is secure." Republicans cite a Government Accountability Office report that only about 44% of the U.S.-Mexican border is under "operational control."



Rather than win over Republicans, the President is trying to ratchet up the pressure on them. "The question is whether those in Congress who previously walked away in the name of enforcement are now ready to come back," he said in El Paso. They clearly are not, so the President is depicting Republicans as extreme and unreasonable.

That's a message aimed at independent voters, not just at Latinos. Doris Meissner, the top immigration official in the Clinton Administration, told the Washington Post, "He is championing what the Latinos are looking for, which is real immigration reform, while at the same time he is being a spokesperson for serious improvements in border enforcement, which independent voters support."

President Obama has another message aimed at independents: that immigration reform is key to economic growth. In his speech, Obama talked about "a massive underground economy that exploits a cheap source of

labor while depressing wages for everyone else." The solution? Immigration reform. He also said immigration reform would make the U.S. more competitive in the global economy. How? By allowing talented foreign students who are educated in the U.S. to stay here.

The dean at a top-ranked American university was once asked what happens to all the Asian students who get Ph.D.'s in engineering. "Most of them have to go back home," he said. Doesn't that mean other countries will out-compete the U.S.? "Not if we allow more of them to stay here," the dean said, "because in the end, our Asians will beat their Asians."

The President's message was also targeted at business, which responded with enthusiasm. Business groups have been lobbying for years to ease green card restrictions on highly skilled workers who hold H-1B visas. The U.S. Chamber of Commerce, which has been harshly critical of President Obama, gave his El Paso speech an "A" grade. The Chamber's senior vice president told *Roll Call*, "We were quite pleased with the ideas he put forth. We believe reform will help us with economic recovery."

If Republicans in Congress continue to block legislation, it could make President Obama look more reasonable to business groups and to independents. It will also make it a lot easier for Democrats to rally Latino voters even if—or especially if—Republicans put a Latino like Florida Sen. Marco Rubio on the GOP ticket next year.

So why is President Obama talking about immigration reform now, when it doesn't stand a chance? Simple. Because the 2012 election is coming up. ■

A Tale of Two States

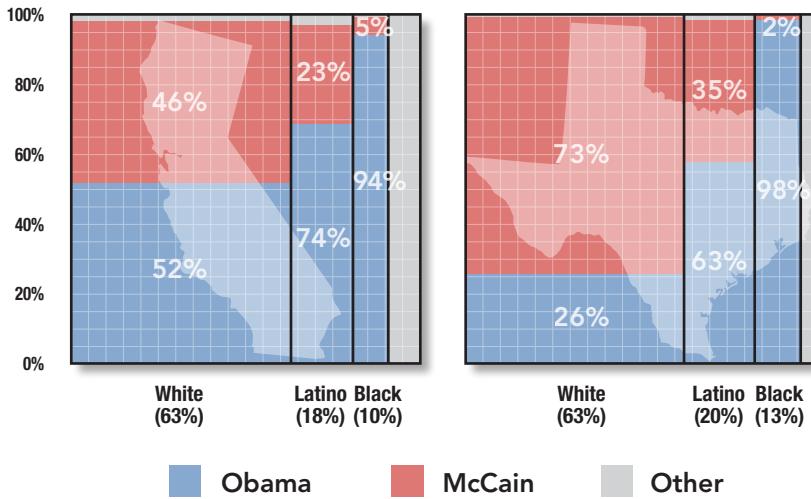
Do Democrats have a shot at carrying Texas in 2012? Texas hasn't voted for a Democrat for President since Jimmy Carter in 1976. The census bureau estimates that, since 2008, Texas has added 1.2 million eligible minority voters, most of them Latinos. A tempting target for Democrats, if only to force Republicans to spend money defending a blood-red state.

It won't be easy, however.

As of 2009, Latinos made up the same percentage of people in Texas and California: 36%. Turnout of Latino voters was actually slightly higher in Texas in 2008, according to the exit polls. But Texas Latinos were noticeably more conservative than California Latinos. In Texas, McCain got 35% of the Latino vote; in California, 23%. Two differences: more Texas Latinos have ties to the military and to evangelical Protestant churches.

Whites made up 63% of the voters in both states last time. But Texas whites and California whites are vastly different. California whites voted narrowly for Obama. Texas whites went nearly three to one for McCain.

Bottom line: until Democrats figure out a way to break into the white vote in Texas, the growing number of Latino voters won't make a lot of difference.



Source: CNN exit polling.

Incumbents Facing Unemployment



President	Year	Unemployment Rate	Outcome
Obama	2012	9.0%*	?
Ford	1976	7.8%	LOST
Carter	1980	7.5%	LOST
G.H.W. Bush	1992	7.4%	LOST
Reagan	1984	7.2%	WON
G.W. Bush	2004	5.4%	WON
Clinton	1996	5.4%	WON
Nixon	1972	5.3%	WON
Johnson	1964	4.8%	WON
Eisenhower	1956	4.3%	WON
Truman	1948	3.8%	WON

* Current unemployment rate.

Source: Bureau of Labor Statistics.

The biggest threat to Barack Obama's re-election? One number: the unemployment rate.

Ten incumbent Presidents have run for re-election since 1945. When the unemployment rate at election time was below 6%, they won. Above 6%, they lost—with one exception. Ronald Reagan got re-elected in 1984 when unemployment was over 7%. But it was coming down fast, from a peak of 10.8% in 1982.

No forecaster expects unemployment to be below 8% by November 2012. President Obama has to hope the rate is coming down next year—fast.

THE DOMINOES OF DEFAULT



Treasury bond rates rise 0.5%

Lori Montgomery and Brady Dennis, "Treasury quietly plans for failure to raise debt ceiling," *The Washington Post*, April 26, 2011. Available at: http://www.washingtonpost.com/business/economy/treasury-quietly-plans-for-failure-to-raise-debt-ceiling/2011/04/21/AFmo5PtE_story.html.

GDP decreases 1%; Mortgage rates rise 0.5%

Terry Belton, "The Domino Effect of a US Treasury Technical Default", Research Note, J.P. Morgan, April 19, 2011, p. 5. Print.

S&P 500 drops 6.3%

Matthew Craft, "How S&P's warning could actually help U.S. debt," *Forbes*, April 24, 2011. Available at: http://www.forbes.com/feeds/ap/2011/04/24/general-us-wall-street-week-ahead_8432257.html.

Based on information from the Third Way Memo "The Dominoes of Default," available at: <http://www.thirdway.org/publications/395>. For more about Third Way, please visit our website at www.thirdway.org. Illustration by Bill Rapp.

U.S. dollar loses special status

Neil Irwin, "The dollar, at risk," *The Washington Post*, May 4, 2011, p. A15. Print.

642,500 jobs lost

Independent Calculation. See William Seyfried, "Examining the Relationship Between Employment and Economic Growth in the Ten Largest states," *Southwestern Economic Review*, 2005, Winthrop University. Available at: <http://www.ser.tcu.edu/2005/SER2005%20Seyfried%2013-24.pdf>; and United States, Department of Labor, Bureau of Labor Statistics, "Table A-1," *Economic News Release*, May 06, 2011. Available at: <http://bls.gov/news.release/empsit.t01.htm>.