

# THE DEMOCRATIC NATIONAL COMMITTEE WEEKLY UPDATE

BROUGHT TO YOU BY THE DNC COMMUNICATIONS DEPARTMENT

**August 5, 2011**

On Tuesday, after weeks of contentious debate the President signed a bipartisan bill that raised the debt ceiling and laid the groundwork for historic deficit reduction. The President also pushed for a deal to get FAA employees back to work, outlined new jobs programs for veterans with a speech at the Navy Yard in Washington, D.C., and celebrated his 50<sup>th</sup> Birthday.

## **Raising the Debt Limit: Putting Americans Back to Work**

On Tuesday, President Obama signed a debt limit compromise that he negotiated with Congressional leaders to raise the debt limit and cut our deficit. The bipartisan bill lifted a cloud of uncertainty that had been looming over the economy by avoiding a default on our obligations. The compromise puts in place a framework for long-term fiscal discipline and it makes a down payment on deficit reduction. The agreement also creates a bipartisan committee in Congress that opens the door for more deficit reductions including raising revenue from the wealthiest Americans and corporate America.



After signing the law, President Obama spoke about the need for leaders in Washington to come together to create jobs for the American people:

"So, we've seen in the past few days that Washington has the ability to focus when there's a timer ticking down, and when there's a looming disaster. It shouldn't take the risk of default — the risk of economic catastrophe — to get folks in this town to work together and do their jobs. Because there's already a quiet crisis going on in the lives of a lot of families, in a lot of communities, all across the country. They're looking for work, and they have been for a while; or they're making do with fewer hours or fewer customers; or they're just trying to make ends meet. That ought to compel Washington to cooperate. That ought to compel Washington to

compromise, and it ought to compel Washington to act. That ought to be enough to get all of us in this town to do the jobs we were sent here to do. We've got to do everything in our power to grow this economy and put America back to work."

You can watch and read the full transcript of President Obama's remarks [here](#). You can read more about the details of the bipartisan agreement [here](#).

## **Getting FAA Employees Back To Work**

Since July 23<sup>rd</sup>, the FAA had been operating without much of its power because members of Congress failed to re-authorize its funding before leaving for their August vacation. Without re-authorization, an industry estimated 70,000 construction and related workers were impacted and 4,000 FAA employees were furloughed without pay. President Obama and Secretary of Transportation Ray LaHood worked with leaders in the House and Senate to work out a deal to get these Americans back to work. You can read Secretary LaHood's statement on the deal [here](#).

## **Strengthening Our Commitment to Veterans**

On Friday, President Obama went to the Washington Navy Yard to lay out plans to strengthen America's commitment to veterans by helping them find work when they come home. Unfortunately, too many veterans are having trouble finding work after their service to our country. Our brave service men and women risk their lives to protect America and the skills they use in uniform could be helping businesses across the country. Speaking at the event, President Obama announced plans to increase tax credits for businesses who hire unemployed veterans and a new "reverse

boot camp” to help servicemembers transition back into the workforce. You can read more about these initiatives [here](#).

### **July Employment Numbers**

On Friday, the Bureau of Labor Statistics released employment numbers for the month of July. Private sector payrolls increased by 154,000 jobs and the unemployment ticked down to 9.1%. This marks the 17<sup>th</sup> straight month of private sector job growth with 2.4 million jobs added during that time.

### **Holding Republicans Accountable**

On Friday, DNC Communications Director Brad Woodhouse released a memo discussing how the Republican candidates for President failed to lead during the debate over raising the debt limit and continue supporting plans that would hurt the middle class. All of the major candidates came out in support of the House Republicans’ goals of protecting tax breaks for the wealthy and special interests while shifting the burden onto the middle class and senior citizens. On issue after issue, the leading Presidential candidates are following the lead of the extreme Tea Party wing of the Republican Party. In the memo, Woodhouse said:

“As we learn more and more about the Republican presidential candidates, it’s clear that they aren’t offering any new ideas. Nowhere is this more true than on the economy. The field of Republican candidates simply offer the same failed Republican economic policies of the last decade that nearly drove our country into a second Great Depression...

“Why are these candidates taking such ill-advised positions on the most important issues of our day? As we are seeing in the House of Representatives, the Republican Party is taking marching orders from the extreme Tea Party. Instead of voicing support for sensible solutions to our national problems, the leading Republican candidates for President have fully embraced the Tea Party and their ‘my way or the highway’ brand of politics. Michele Bachmann, Tim Pawlenty, Jon Huntsman, and Mitt Romney have all come out in support of the goals of ‘Cut, Cap, and Balance’ and the Ryan budget plan. Their endorsements of these radical and extreme plans show where their priorities would be if they were to be elected President.”

On Thursday, DNC Executive Director Patrick Gaspard released a memo on the fallout from the debt ceiling compromise. In the memo, Gaspard said:

“Anyone who has followed Washington in recent years won’t be a bit surprised to find out that it is a town which rushes to judgment, has a pack mentality and makes declarations of winners and losers without regard to the facts...

“Fortunately, we don’t have to depend only on the rush to judgment of a small cadre of Washington-based pundits and activists making their assessments off of one-sided leaks and spin – there is a thing called public opinion that we can look to for a more accurate portrayal.

“The fact is, since President Obama reached a debt and deficit compromise with Republicans over the weekend, CNN and Gallup polls show that a hefty majority of Democrats and Liberals support the deal while a hefty majority of Republicans, and particularly the all-important Tea Party Republicans, oppose it. If you’re waiting for the rush of stories, columns and blogs with the inside the beltway intelligentsia admitting they missed the mark on this – don’t hold your breath. The very folks who rush to judgment on these things are rarely in a rush to admit they were wrong.

“So, despite the conventional wisdom on Sunday about how this plan would be perceived, actual public opinion shows a very different story.”

The DNC and state parties continue to monitor and hold Republican presidential candidates accountable as they campaign around the country. On Thursday, the New Hampshire Democratic Party released a statement from Party Chair Ray Buckley saying:

“Jon Huntsman on the campaign trail in New Hampshire continues to run away from his record as the health care mandate-supporting, cap and trade-pushing governor of Utah. To beef up his right wing credentials he has even signed on to the GOP’s extreme proposal to end Medicare as we know it, which would deny

guaranteed benefits to 980,000 Granite Staters. As Huntsman continues to run to the far right he will leave the centrist majority of Granite State voters in the dust."

## **Key Issues in the News and Background**

### **Talking Points: Putting Americans Back to Work**

- The President has now signed a compromise to reduce the deficit and avert a default that would have been a catastrophe for our economy.
- This compromise ensures we will reduce our deficit by more than \$2 trillion.
- This was an important first step in guaranteeing that our nation lives within its means. We also made sure to protect key investments in important programs like research that can create jobs and Pell grants for our college students. We're also not cutting too drastically while the economy is still recovering.
- This is only our first step- this compromise requires members from both parties to work together on larger deficit cuts that are essential to the long-term well-being of our economy. We all know you can't close deficits simply through cuts, we must find a balanced approach where everything is in play.
- That means we will strengthen programs like Medicare to ensure future generations have access to this essential program.
- A balanced approach also means reforming the tax code so the wealthiest few Americans and large corporations pay their fair share. It's time to cut taxpayer subsidies to gas and oil companies and close tax loopholes that let billionaires pay a lower tax rate than nurses and teachers.
- We also can't reduce our deficit on the backs of folks who were hit hardest by the recession.
- Going forward, President Obama will continue fighting for what all Americans care about most: creating new jobs with better wages and accelerating economic growth.
- When Congress comes back after August recess, the President will encourage them to take immediate steps that will help the American people. These steps are bipartisan and sensible. The President will ask Congress to:
  - Extend middle class tax cuts so working folks will have more money in their pockets next year. This will help middle class families and businesses both large and small. When people have more money in their paychecks they're more likely to spend it- this will generate more business and put employers in a better position to hire.
  - We need to make sure the millions who are still looking for work are not left in the cold and are able to support their families through unemployment benefits.
  - It's time for Congress to pass a bipartisan infrastructure bill. There are more than a million constructions workers who lost work after the housing bust and America needs new roads, bridges, and electrical grids. We should connect the two by helping leveraging private companies to rebuild America.
  - Help our entrepreneurs get their ideas to the market faster by passing patent reform and streamlining the patent process.
  - Pass trade agreements that will support thousands of jobs in America by helping our businesses sell more goods and services in Asia and South America.

- These ideas all have bipartisan support and could be passed immediately. Congress can't wait- the American people need us to do everything we can to help bolster the economy.
- Democrats and Republicans need to share responsibility in Washington. Improving the economy is not a partisan issue, it's a bipartisan responsibility and the American people are counting on us.

### **Talking Points: Strengthening Our Commitment to Veterans**

- President Obama travelled to the Washington Navy Yard on Friday to announce new initiatives to strengthen our economy and strengthen America's commitment to the honorable men and women in the military.
- President Obama values the skill and determination of our service men and women and wants to make sure America understands how valuable they are not just for what they do in uniform, but what they can do when they return home.
- If you can save lives in Iraq, you can save lives as a first responder at home. And if you can manage millions of dollars of assets in Afghanistan, you can help balance the books at a business at home. America needs its veterans to help make America stronger and our businesses need skilled workers to grow. We need to connect the two.
- Veterans, who have served and defended our nation valiantly, are well-trained and highly skilled and will be an asset to any company. Unfortunately, today our veteran's face unique challenges:
  - As of June, one million veterans were unemployed and 13.3 percent of post-9/11 veterans are jobless.
  - Veterans are often young and work in sectors that were hit hardest by the recession. Post-9/11 veterans are more likely to work in construction, mining, transportation, manufacturing, and utilities- all fields that lost significant jobs during 2008-2009.
  - As we end the war in Iraq and wind down operations in Afghanistan, more than one million service members will leave the military and return home between 2011-2016.
- We have an obligation to our veterans to make sure they are able to find work in this difficult labor market and find jobs in the civilian workforce. That's why President Obama has proposed:
  - **Returning Heroes and Wounded Warrior Tax Credits:** A *Returning Heroes Tax Credit* to firms hiring unemployed veterans (a maximum credit of \$2,400 for each short-term unemployed hire and \$4,800 for each long-term unemployed hire) and a *Wounded Warriors Tax Credit* that increases the existing tax credit for businesses that hire veterans with disabilities related to their service who have been long-term unemployed (maximum credit of \$9,600 per veteran) and continues the existing tax credits for other veterans with disabilities related to their service (maximum credit of \$4,800)
  - **A Challenge to the Private Sector to Hire or Train 100,000 Unemployed Veterans or Their Spouses by the End of 2013:** President Obama will challenge businesses to hire or provide training to unemployed veterans and their spouses. The group Joining Forces will spearhead this work with businesses and industries.
  - **Presidential Call for a Career-Ready Military:** There will be a new task force led by the Departments of Defense and Veterans Affairs, working closely with the President's economic and domestic policy teams and other agencies, to develop programs to make sure all of our returning heroes receive the training, education, and credentials necessary to transition into the civilian workforce or pursue higher education. This includes the design of a "reverse bootcamp," which will give service members more counseling and guidance and make them career-ready when they leave the military.
  - **Transition to the Private Sector:** The Department of Labor will create a new program to deliver better career development and job search services packages to returning veterans at their

local One-Stop Career Centers. Also, The Office of Personnel Management will create a “Best Practices” manual to help businesses in the private sector identify and hire veterans.

### Talking Points: Employment Situation in July

- The Bureau of Labor Statistics announced Friday that private sector payrolls increased by 154,000 in July and the unemployment rate went down to 9.1 percent. Over the last 17 months, the economy has added 2.4 million private sector jobs despite a slowdown in economic growth resulting from headwinds in the first half of the year.
- While these numbers were better than expected, the unemployment rate remains too high and Americans need faster growth to replace the jobs lost during the slowdown.
- As he has said many times, the President will not be satisfied until every American who is looking for work has a job. The President continues working to promote economic growth and accelerate hiring so American families can look forward to a bright future.
- The recession and challenges in front of middle class families didn't happen overnight, nor will we find a solution overnight. It's going to take more time for a recovery because of slow economic growth and stagnant wages that were a problem long before the recession.
- Earlier this week, the President worked with leaders in Congress to avoid an economic disaster by avoiding a default and laying the framework for long-term deficit reduction. The President will continue working with members of Congress to reach a balanced approach to greater deficit reduction that instills confidence in our economy by making sure our nation lives within its means without cutting investments that will lead to future growth.
  
- Reducing the deficit is important to the long-term growth of the country because when we live within our means, it gives us the ability to partner businesses and local communities to invest in education, technology, and infrastructure. In the short term these partnerships create jobs and in the long term they help America's economy grow so we can win the future.
- Here's why reducing the deficit matters: if we can live within our means, then we have the ability to do things like partner with local communities and businesses and continue to invest smartly in education, technology and rebuilding local roads and bridges. This will create jobs in the short term and help America win the future in the long term.
- Middle class Americans have met their responsibilities, now it's time for leaders in Washington to do the same.
- It's time for Congress to take serious, bipartisan steps to help create job growth in the country. When Congress returns from recess they should immediately:
  - Extend middle class tax cuts so working folks will have more money in their pockets next year. This will help middle class families and businesses both large and small. When people have more money in their paychecks they're more likely to spend it- this will generate more business and put employers in a better position to hire.
  - Make sure the millions who are still looking for work are not left in the cold and are able to support their families through unemployment benefits.

- Pass a bipartisan infrastructure bill. There are more than a million construction workers who lost work after the housing bust and America needs new roads, bridges, and electrical grids. We should connect the two by helping leveraging private companies to rebuild America.
  - Help our entrepreneurs get their ideas to the market faster by passing patent reform and streamlining the patent process.
  - Pass trade agreements that will support thousands of jobs in America by helping our businesses sell more goods and services in Asia and South America.
- Leaders in Washington have to work with one another, reach across the aisle and put partisanship and political gain aside. It's time to focus on solving problems and finding common ground for the American people.