

THE WHITE HOUSE ***BULLETIN***

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SUBJECT: TODAY'S BRIEFING

DATE: THURSDAY, AUGUST 12, 2010

OFF THE WIRES:

- **Jobless Claims Tick Up.** The Department of Labor reports this morning that first time claims for jobless benefits rose by 2,000 last week to 484,000. Economists had expected claims would fall to 465,000. The four-week moving average, which irons out week-to-week volatility, rose sharply from 459,250 to 473,500.
- **Mortgage Rates Hit Lowest Point On Record.** Freddie Mac announced today that mortgage rates have again hit historical lows. The rate on a 30-year fixed loan is down to 4.44 percent from 4.49 percent last week, while the rate for 15-year loans is down to 3.92 percent from 3.95 percent last week. Freddie has tracked mortgage rates since 1971. Rates have fallen since this spring as investors have sought the safety of Treasury bonds, lowering their yields. Mortgage rates generally track those yields.
- **GM Posts \$1.33 Billion Q2 Profit.** General Motors said today that it notched a \$1.33 billion profit in the 2nd quarter, up from an \$865 million profit in the 1st quarter. Overall revenue in the 2nd quarter was \$33.2 billion, up 5.3 percent from the 1st quarter. While the quarterly profits are significant, they pale in comparison to the \$88 billion GM lost in the five years prior to filing for bankruptcy last June and the \$43.3 billion in bailout funds received from the government. Meanwhile, CEO Ed Whitacre said today that he would step down on September 1.

IN THE WHITE HOUSE AND AROUND TOWN:

- **Democrats Concerned Obama Unable To Sell Economic Plan On Campaign Trail.** Despite the public glee at the White House and the Democratic National Committee about the outcome of Tuesday's primaries, Democratic strategists are still worried that President Obama has yet to devise a winning approach to the economy as a political issue. Democratic insiders say the Republicans have nominated a series of conservative candidates who will have a hard time making their case to independent and moderate voters in the general election in November. But at the same time, Obama has yet to make a persuasive case that he and fellow Democrats have an effective prescription for what ails the economy and especially for dealing with the high unemployment rate. "The problem," says a senior Democrat who formerly advised President Bill Clinton, "is they keep talking about the stimulus but their economic strategy is not properly articulated. Stimulus is not a strategy." A major flaw in Obama's economic message is his decision to reward his support base rather than deal with the economy as a whole, the senior Democrat says. This was clear in this week's legislation, signed immediately by Obama, to protect the salaries of teachers and hospital workers with another federal stimulus package. The President needs to develop a cohesive economic strategy that combines education reform with a federal push for innovation and opening global markets, the senior Democrat said. -- *Bulletin exclusive from U.S. News*
- **Senate Passes Border Security Bill.** The Senate returned briefly from recess today and passed a \$600 million measure to boost border security, sending it to President Obama's desk. The House passed the measure on Tuesday. The Senate passed a similar measure before it adjourned for recess, but had to

pass it again for technical reasons. The legislation provides funding for more unmanned drones along the nation's southern border, along with funding for about 1,500 Border Patrol, immigration and customs officials.

Reid Calls For Comprehensive Reform. Senate Majority Leader Harry Reid used the legislation's passage today to call for comprehensive immigration reform. In a statement, Reid said, "We need comprehensive immigration reform that secures our borders, cracks down on unscrupulous employers, and requires those here illegally to get right with the law, learn English, pay taxes, pass criminal background checks, and go to the back of the line. This morning, the Senate passed a \$600 million border security package that will help law enforcement officials in the fight against smuggling and other criminal activities in the border area. But I continue to believe that increased enforcement along our borders is only one part of a sound, comprehensive solution to fix our broken immigration system, and more work remains to achieve that ultimate goal."

Reid added, "Democrats are open to working with Republicans toward a bipartisan solution on comprehensive immigration reform. And we are hopeful that Republicans will match our commitment to fix our broken system in a way that respects our laws and honors our values as a nation."

- **Administration Announces Member Of Housing Finance Conference.** The administration today released the details of its August 17 Conference on the Future of Housing Finance. The event is designed to provide a forum for public input as the administration develops a "comprehensive housing finance reform proposal" that it plans to deliver to Congress in January. Jeffrey A. Goldstein, Under Secretary of the Treasury for Domestic Finance, said, "Across the spectrum, stakeholders agree that our current system of housing finance requires fundamental reform. This conference is an opportunity for us to broaden our perspectives on a number of key issues in a transparent way to make certain that all of the best ideas are on the table." The panel will be moderated by Treasury Secretary Tim Geithner and HUD Secretary Shaun Donovan. The participants will include:

Barbara J. Desoer, President of Bank of America Home Loans

Ingrid Gould Ellen, Professor of Urban Planning and Public Policy at New York and Co-Director of the Furman Center for Real Estate and Urban Policy

Bill Gross, Co-founder and Co-chief Investment Officer of PIMCO

Mike Heid, Co-president of Wells Fargo Home Mortgage

S.A. Ibrahim, Chief Executive Officer of Radian Group Inc.

Marc H. Morial, President and Chief Executive Officer of the National Urban League

Alex Pollock, Resident Fellow at the American Enterprise Institute

Lewis Ranieri, Chairman of Ranieri and Company, Inc.

Ellen Seidman, Executive Vice President for Mission and Strategy, at ShoreBank Corporation, and Chair of the Board of Directors at the Center for Financial Services Innovation

Michael A. Stegman, Director of Policy and Housing for the Program on Human and Community Development of the John D. and Catherine T. MacArthur Foundation

Susan Wachter, Richard B. Worley Professor of Financial Management, Professor of Real Estate, Finance and City and Regional Planning at the University of Pennsylvania's Wharton School

Mark Zandi, Chief Economist of Moody's Analytics

- **Madoff Victims Seek Further Changes In Wall Street Reform.** On the heels of the passage in Congress of the sprawling Wall Street Reform and Consumer Protection Act, lawmakers backed by victims of the Madoff Ponzi scheme are seeking additional changes that will protect small investors wiped out when investment houses go belly up. Today, the newly-formed Network for Investor Action and Protection, or NIAP, said it was cheered by plans from the House Financial Services Committee's capital markets subcommittee to consider legislation that addresses a key issue faced by Bernie Madoff's victims: Paying back long-ago-earned money from depleted accounts. The committee, headed by Rep. Paul Kanjorski, wants to assess the limitations of the Security Investor Protection Act, or SIPA, that include how Ponzi scheme victims are handled. He's scheduled a September 23 hearing at the request of New York Rep. Gary Ackerman who is proposing the Ponzi Scheme Investor Protection Act. His act would prohibit the trustee of a Ponzi scheme from seeking to recover money and profits from any Ponzi scheme investor unless such investor's participation in the Ponzi scheme was either complicit or negligent, thereby protecting innocent investors. NIAP President Ron Stein said the Ackerman's act would address "the deep

concern we have over indiscriminate clawbacks of innocent investors. The notion that investors who were innocent victims of fraud perpetrated by regulated broker-dealers may be required to return funds withdrawn over the years for living expenses is contrary to the basic notion of investor protection. For ages, investors have relied on dividends and other income from their brokerage accounts. Investors in their retirement years should not have to worry about being forced to return those earnings." -- *Bulletin exclusive from U.S. News*

- **Ex-NASA Director Recovering, Family Says.** Friends and family of former NASA Administrator Sean O'Keefe are developing an email network and web page to keep his associates and friends updated on his recovery from the Alaska fishing plane crash that took the life of Sen. Ted Stevens and three others. O'Keefe, who has held key jobs in Washington since the mid-1980s and who now heads the North American unit of European Aeronautic Defense and Space, was recovering this morning along with his injured son, Kevin, at an Anchorage hospital. He continues to be listed in critical condition but a statement released by his family this morning said that he is expected to survive. To help keep his friends updated, the family has asked Paul Pastorek, the Louisiana state superintendent of education and a family friend, to act as spokesman. They have also created a web site at www.caringbridge.org to accept notes and tributes. In their statement today, the family said that O'Keefe's wife Laura has new confidence of Sean and Kevin's recovery. "Laura is holding up well. She has visited with both Sean and Kevin at the hospital, was heartened by seeing them and has communicated with both of them. Laura is very encouraged by the excellent medical attention they are getting and is particularly grateful for the valiant and heroic efforts that were made to rescue the passengers. She appreciates the outpouring of support that they have received and asks that we continue praying for all those who have been affected by this tragedy," said the statement provided to the Bulletin. -- *Bulletin exclusive from U.S. News*
- **Johnson Continues To Edge Feingold.** A new [Rasmussen Reports](#) poll shows challenger Ron Johnson (R) leading Wisconsin Sen. Russ Feingold (D) 47%-46%, little changed from a 48%-46% Johnson lead last month. Businessman Dave Westlake (R), however, trails Feingold 48%-39%. Wisconsin Republicans won't select their nominee until September 14, though Johnson is considered the frontrunner. The poll surveyed 750 likely voters on August 10.
- **Poll Shows Tight Race Between Kirk, Giannoulis.** A new poll out from [Rasmussen Reports](#) shows the Illinois Senate race between Rep. Mark Kirk (R) and state Treasurer Alexi Giannoulis (D) tied at 40% apiece. A similar poll taken at the end of July showed Giannoulis up 43%-41%. The poll surveyed 750 likely voters on August 9.
- **Blunt Up 7 Over Carnahan In Rasmussen Poll.** A new poll out this morning from [Rasmussen Reports](#) shows Rep. Roy Blunt (R) leading Secretary of State Robin Carnahan (D) 50%-43% in the race for the seat of retiring Sen. Kit Bond (R). Two weeks ago, a similar poll showed Blunt leading 49%-43%. The poll surveyed 750 likely voters on August 10.
- **Walker, Neumann Top Barrett In Wisconsin Gubernatorial Race.** Both Republicans vying for their party's nod in the Wisconsin gubernatorial race now lead likely Democratic nominee Tom Barrett (D) in a new [Rasmussen Reports](#) poll. Scott Walker tops Barrett 49%-41%, while former Rep. Mark Neumann leads 45%-43%. The GOP will select its nominee in a September 14 primary. The poll surveyed 750 likely voters on August 10.
- **Political Notes. President.** The [Washington Post](#) reports Citizens for Ethics and Responsibility "filed a lawsuit Wednesday against the Federal Election Commission, arguing that the panel routinely makes it impossible to appeal its decisions."
Governors. The [Atlanta Journal-Constitution](#) reports that ex-Secretary of State Karen Handel (R) conceded the Georgia GOP nomination for governor to ex-Rep. Nathan Deal (R) "on Wednesday, and the Georgia Republican Party breathed a huge sigh of relief" that there would be no recount. ... The [Denver Post](#) reports that Colorado's GOP "leadership Wednesday struggled to accept" businessman and political neophyte Dan Maes (R) "as the gubernatorial nominee," and "the silence" from "top Republicans throughout the state, as well as nationally, on his surprise win Tuesday over" ex-Rep. Scott McInnis (R) "indicated that full support may not be forthcoming." ... The [AP](#) reports Tom Foley (R) and Dan Malloy (D), the winners of Connecticut's gubernatorial primaries on Tuesday, yesterday began "reaching out to

the unaffiliated, the largest block of state voters." ... In a report on ex-Sen. **Mark Dayton's** win in Tuesday's DFL gubernatorial primary, the [Minneapolis Star Tribune](#) reports that state Democratic leaders "converged on the State Capitol to embrace a candidate who shunned their party's endorsement and won over primary voters instead."

Senate. In a report on newly-minted GOP Senate nominee **Ken Buck** (R), the [Denver Post](#) that the Weld County District Attorney "took advantage of free" TV "face time Wednesday, carpeting cable and radio with a twofold message to Colorado's electorate: I am the one who understands what it's like out there, and this campaign is not all about money." ... The [Connecticut Mirror](#) reports that in the Connecticut Senate contest, **state Attorney General Richard Blumenthal** (D) and ex-WWE CEO **Linda McMahon** (R) "set out to establish competing narratives," with Blumenthal seeking to reinforce "an image cultivated over 20 years as attorney general with a new ad" which highlights his willingness to "fight" for the state, while McMahon "sounded a counter theme she will develop and amplify with the most expensive campaign in state history: He's lied about his military record, and 'He's not who we thought he was.'"

House. [CO-Roll Call](#) reports, "Republicans deny they've moved three vulnerable Democratic Members," **Reps. Jason Altmire, Walt Minnick, and Zack Space**, "down their list of top targets, despite a recent newspaper report that indicated otherwise." ... On [MSNBC's Hardball](#), guest host Chuck Todd reported that **AZ3** candidate **Ben Quayle** (R), the son of the former Vice President, is on the air with a new [campaign ad](#) that says, "Barack Obama is the worst president in history, and my generation will inherit a weakened country."

POLL WATCH:

Obama Approval At 47% In NBC/WSJ Poll. An NBC News/Wall Street Journal poll of 1,000 adults taken August 5-9:

Obama Approval

- 47% said they "approve" of the job Barack Obama is doing as president; 48% said "disapprove"; 5% were not sure.
- 44% said they "approve" of the way that Obama is handling "the economy"; 52% said "disapprove"; 4% were not sure.
- 50% said they "approve" of the way that Obama is handling "the aftermath of the Gulf Coast oil spill"; 38% said "disapprove"; 12% were not sure.
- 44% said they "approve" of the job that Obama is doing handling "the war in Afghanistan"; 45% said "disapprove"; 11% were not sure.
- 49% said they "approve" of the way that Obama is handling "the situation in Iraq"; 40% said "disapprove"; 11% were not sure.
- 12% said Obama has done "better" than they expected; 29% said "worse" than they expected; 58% said "just about as expected"; 1% were not sure.
- 32% said that "things in the nation" are "generally headed in the right direction"; 58% said "things are off on the wrong track"; 6% volunteered mixed; 4% were not sure.

Congressional Approval

- 21% said they "approve" of the job Congress is doing; 72% said "disapprove"; 7% were not sure.
- 1% said they rate the "overall performance and accomplishments of this year's Congress" as "one of the best"; 5% said "above average"; 31% said "average"; 28% said "below average"; 32% said "one of the worst"; 3% were not sure.

2010 Elections

- 42% said they would like to see the elections this year produce a Republican-controlled Congress; 43% said a Democrat-controlled Congress; 15% were not sure.

Party Favorables

- 11% said they have a "very positive" opinion of the Democratic Party; 22% said "somewhat positive"; 22% said "neutral"; 18% said "somewhat negative"; 26% said "very negative"; 1% were not sure.
- 6% said they have a "very positive" opinion of the Republican Party; 18% said "somewhat positive"; 28% said "neutral"; 24% said "somewhat negative"; 22% said "very negative"; 2% were not sure.
- 14% said they have a "very positive" opinion of the Tea Party movement; 16% said "somewhat positive"; 23% said "neutral"; 12% said "somewhat negative"; 22% said "very negative"; 13% were not sure.

Democrats Vs. Republicans

- 46% said the Democratic Party would do a better job “protecting the environment”; 13% said the Republican Party; 21% said “both about the same”; 17% said neither; 3% were not sure.
- 40% said the Democratic Party would do a better job “dealing with global warming”; 13% said the Republican Party; 18% said “both about the same”; 22% said neither; 7% were not sure.
- 36% said the Democratic Party would do a better job “dealing with energy policy”; 20% said the Republican Party; 22% said “both about the same”; 17% said neither; 5% were not sure.
- 35% said the Democratic Party would do a better job “providing oversight of Wall Street and banks”; 22% said the Republican Party; 17% said “both about the same”; 21% said neither; 5% were not sure.
- 30% said the Democratic Party would do a better job “dealing with natural disasters like Katrina and the oil spill”; 17% said the Republican Party; 29% said “both about the same”; 21% said neither; 3% were not sure.
- 41% said the Democratic Party would do a better job “dealing with health care”; 29% said the Republican Party; 12% said “both about the same”; 16% said neither; 2% were not sure.
- 30% said the Democratic Party would do a better job “dealing with Social Security”; 26% said the Republican Party; 19% said “both about the same”; 21% said neither; 4% were not sure.
- 33% said the Democratic Party would do a better job “getting the country out of a recession”; 30% said the Republican Party; 15% said “both about the same”; 19% said neither; 3% were not sure.
- 31% said the Democratic Party would do a better job “dealing with the economy”; 34% said the Republican Party; 16% said “both about the same”; 16% said neither; 3% were not sure.
- 27% said the Democratic Party would do a better job “dealing with immigration”; 32% said the Republican Party; 15% said “both about the same”; 22% said neither; 4% were not sure.
- 28% said the Democratic Party would do a better job “dealing with taxes”; 35% said the Republican Party; 16% said “both about the same”; 18% said neither; 3% were not sure.
- 21% said the Democratic Party would do a better job “dealing with Afghanistan”; 28% said the Republican Party; 25% said “both about the same”; 22% said neither; 4% were not sure.
- 24% said the Democratic Party would do a better job “reducing the federal deficit”; 32% said the Republican Party; 15% said “both about the same”; 25% said neither; 4% were not sure.
- 24% said the Democratic Party would do a better job “promoting strong moral values”; 32% said the Republican Party; 20% said “both about the same”; 21% said neither; 3% were not sure.
- 23% said the Democratic Party would do a better job “controlling government spending”; 37% said the Republican Party; 14% said “both about the same”; 25% said neither; 1% were not sure.
- 20% said the Democratic Party would do a better job “dealing with the war on terrorism”; 39% said the Republican Party; 25% said “both about the same”; 13% said neither; 3% were not sure.

Political Affiliation

- 42% described themselves as a Democrat or as leaning towards the Democrats; 35% described themselves as a Republican or as leaning towards the Republicans; 16% as “strictly independent”; 5% volunteered something else; 2% were not sure.

Obama Approval At 47% In PPP Poll. A Public Policy Polling (D) survey of 606 likely voters taken August 6-9 shows:

- 47% said they “approve” of the way Barack Obama is handling his job as president; 48% said “disapprove”; 5% were not sure.
- 46% said they “support” “President Obama’s health care plan”; 48% said “oppose”; 7% had no opinion.
- 49% said that George W. Bush “is more responsible for the current state of the economy”; 40% said Obama; 10% were not sure.
- 50% said they would rather have Obama as president right now; 43% said George W. Bush; 7% were not sure.
- 39% described themselves as a Democrat; 35% as a Republican; 25% as an independent or something else.

LAST LAUGHS:

Late Night Political Humor.

Jay Leno: "I'm sure you've heard by now" that a JetBlue "flight attendant went batty on the plane. Yelled obscenities over the PA. In fact, he dropped the 'f' bomb so many times, he got a thumbs up from Joe Biden."

Jay Leno: "And the world champion New Orleans Saints visited the White House earlier this week. You probably saw this. They presented President Obama with a Saints jersey with the number 44 on it, in honor of his approval rating."

Jay Leno: "Remember, a year ago, the President's numbers were above 70" and Tiger Woods' "numbers were below 70. Now, they've changed."

Jay Leno: "Congressman Charlie Rangel told the House yesterday he will not resign despite 13 charges of ethics violations. Rangel admitted he may have been stupid, he may have been negligent, but he is not corrupt. ... That shows you how low our expectations are for Congress now, when stupid and negligent is an endorsement."

Jimmy Fallon: "Did you guys hear that Levi Johnston is running for mayor of Wasilla, Alaska. ... Well, the current mayor, he said that Levi Johnston should get his high school diploma and keep his clothes on if he wants to win. And then Levi was like, 'Dude, he just told me how to win. What an idiot. So stupid, that guy.'"

Jon Stewart: "For the last 18 or so months, Barack Obama's been the President and Democrats have controlled both houses of Congress. Purely by coincidence, that's the exact same amount of time that Republicans have expressed a newfound concern for our nation's financial stability."

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