



Obama's Campaign Towards The Fiscal Cliff

The Election Is Over, But Obama Is On The Campaign Trail In Pennsylvania Nearly A Month Before The Thelma And Louise Democrats Plunge Us Over The Cliff

Today, Obama Will Be In Pennsylvania For A "Campaign-Style" Event Meant To Increase Pressure On Congress To Reach A Deal On The Fiscal Cliff. "Administration officials said Obama will hit the road this week for a campaign-style series of events with ordinary Americans, including a visit to a toy manufacturer in suburban Philadelphia on Friday. That trip and others will be aimed at increasing pressure on Congress to reach an agreement on heading off a series of automatic spending cuts and tax increases that are scheduled to begin in January." (David Nakamura and Zachary A. Goldfarb, "Obama Public Relations Effort Aims To Avoid 'Fiscal Cliff,'" [The Washington Post](#), 11/27/12)

AS OBAMA HITS THE ROAD TO PENNSYLVANIA, HIS FELLOW DEMOCRATS IN D.C. ARE STARTING TO SING THE SAME TUNE ON GOING OFF THE CLIFF

"Call Them The Cliff Jumpers. A Growing Bloc Of Emboldened Liberals Say They're Not Afraid To Watch Defense Spending Get Gouged And Taxes Go Up On Every American If A Budget Deal Doesn't Satisfy Their Priorities." (Seung Min Kim, "Fiscal Cliff: Will They Jump?," [Politico](#), 11/25/12)

The Washington Post Headline: "Democrats Threaten To Go Over 'Fiscal Cliff' If GOP Fails To Raise Taxes." (Lori Montgomery, "Democrats Threaten To Go Over 'Fiscal Cliff' If GOP Fails To Raise Taxes," [The Washington Post](#), 7/15/12)

The Washington Post's Greg Sargent Reports That White House Meetings About The Fiscal Cliff Have Conveyed A Willingness "To Go Over The Fiscal Cliff If Necessary." "I'm told that representatives of major unions and progressive groups met privately this morning with senior Obama administration officials at the White House — and were pleased with what they heard. Things can always change at a moment's notice. But attendees at this meeting came away convinced — for now — that the White House firmly believes it has the leverage in the fiscal cliff talks, and has no intention of budging on the demand for higher tax rates from the rich or on other core priorities. Indeed, one person at the meeting — which included people from the AFLCIO, AFSCME, SEIU, MoveOn and others — came away convinced that the White House would ultimately prove willing to go over the fiscal cliff if necessary, rather than give ground on core demands, though this is not by any means a desired option and isn't

being discussed as a strategic possibility.” (Greg Sargent, “Reasons To Be Encouraged About Fiscal Cliff’s Endgame,” [The Washington Post’s The Plum Line](#), 11/23/12)

OBAMA AND THE DEMOCRATS ARE WILLING TO GO OFF THE FISCAL CLIFF DESPITE ITS DISASTROUS CONSEQUENCES FOR PENNSYLVANIA – AND THE COUNTRY

Obama’s Plan To Raise Taxes Would Cost Pennsylvania 30,800 Jobs. (Drs. Robert Carroll and Gerald Prante, “Long-Run Macroeconomic Impact Of Increasing Tax Rates On High-Income Taxpayers In 2013,” [Ernst & Young LLP](#), 7/12)

- **Obama’s Plan To Raise Taxes Would Cost Pennsylvania \$7.8 Billion In Lost Economic Output.** (Drs. Robert Carroll and Gerald Prante, “Long-Run Macroeconomic Impact Of Increasing Tax Rates On High-Income Taxpayers In 2013,” [Ernst & Young LLP](#), 7/12)
- **Nationwide, “Employment In The Long-Run Would Fall By 0.5% Or, Roughly 710,000 Fewer Jobs.”** “Employment in the long-run would fall by 0.5% or, roughly 710,000 fewer jobs, in today’s economy.” (Drs. Robert Carroll and Gerald Prante, “Long-Run Macroeconomic Impact Of Increasing Tax Rates On High-Income Taxpayers In 2013,” [Ernst & Young LLP](#), 7/12)

Pennsylvania Is Expected To Lose 78,454 Jobs From Sequestration. “As the chart on the right shows, the Virginia economy will be crushed by the cuts, suffering a loss of 207,571 jobs. Florida is expected to suffer a loss of 79,459 jobs while Pennsylvania is expected to lose 78,454 jobs.” (Greg McNeal, “Virginia, Florida, And Pennsylvania Among States To Be Hardest Hit By Sequestration,” [Forbes](#), 10/1/12)

According To A Study By George Mason University, The DOD And Non-DOD Spending Cuts In Sequestration Would Result In Pennsylvania Losing A Total Of 35,087 Small Business Jobs. (Stephen S. Fuller, Committee On Small Business, U.S. House Of Representatives, [Testimony](#), 9/20/12, p. 8)

- **The Non-Defense Spending Cuts In Sequestration Would Result In Pennsylvania Losing 16,025 Small Business Jobs.** (Stephen S. Fuller, Committee On Small Business, U.S. House Of Representatives, [Testimony](#), 9/20/12, p. 8)

The Defense Spending Cuts In Sequestration Would Result In Pennsylvania Losing 39,941 Jobs. (Stephen S. Fuller, “The Economic Impact Of The Budget Control Act Of 2011 On DOD And Non-DOD Agencies,” [Report](#), 7/17/12)

- **The Defense Spending Cuts In Sequestration Would Result In Pennsylvania Losing 19,063 Small Business Jobs.** (Stephen S. Fuller, Committee On Small Business, U.S. House Of Representatives, [Testimony](#), 9/20/12, p. 8)

The Congressional Budget Office Has Warned Of A Recession In 2013 If The Nation Goes Off The Fiscal Cliff, With The Unemployment Rate Rising As High As 9 Percent. “Such fiscal tightening will lead to economic conditions in 2013 that will probably be considered a recession, with real GDP declining by 0.5 percent between the fourth quarter of 2012 and the fourth quarter of 2013 and the unemployment rate rising to about 9 percent in the second half of calendar year 2013 (see Summary Table 2).” (“An Update To The Budget And Economic Outlook: Fiscal Years 2012 To 2022,” [Congressional Budget Office](#), 8/22/12)

Federal Reserve Chairman Ben Bernanke Has Said That “A Fiscal Shock Of That Size Would Send The Economy Toppling Back Into Recession.” FEDERAL RESERVE CHAIRMAN BEN BERNANKE: “First, the Congress and the Administration will need to protect the economy from the full brunt of the severe fiscal tightening at the beginning of next year that is built into current law--the so-called fiscal cliff. The realization of all of the automatic tax increases and spending cuts that make up the fiscal cliff, absent offsetting changes, would pose a substantial threat to the recovery--indeed, by the reckoning of the Congressional Budget Office (CBO) and that of many outside observers, a fiscal shock of that size would send the economy toppling back into recession.” (Chairman Ben S. Bernanke, [Remarks At The New York Economic Club](#), New York,

NY, 11/20/12)

The Tax Increases And Government Spending Cuts That Are Anticipated To Come At The Fiscal Cliff “Have Already Begun To Cause Companies To Hold Back On Hiring And Investments.” “With the economy having slowed in recent weeks, business leaders and policy makers are growing concerned that the tax increases and government spending cuts set to take effect at year’s end have already begun to cause companies to hold back on hiring and investments.” (Rebecca Berg, “Fear Of Year-End Fiscal Stalemate May Be Having Effect Now,” [The New York Times](#), 7/11/12)

AS THE FISCAL CLIFF APPROACHES, OBAMA’S FIRST INSTINCT IS TO CAMPAIGN

White House Press Secretary Jay Carney Got Cornered On Why Obama Was Going To A “Blue State That He’s Carried The Last Two Elections” To Deliver A Message On The Fiscal Cliff. REPORTER: “The President is going to Pennsylvania, a blue state that he’s carried the last two elections.” WHITE HOUSE PRESS SECRETARY JAY CARNEY: “This is not about politics, David.” REPORTER: “But why not go to a –” CARNEY: “It’s about a policy debate that’s happening in Washington.” ([White House Press Briefing](#), Washington, D.C., 11/27/12)

Bob Woodward Notes That This Kind Of “Permanent Campaign” Is Integral To Obama’s Team. “In the modern media age, it was important to act, get out there, be part of the daily conversation, shape the perception. No one tried harder at it than Obama. It was part of the permanent campaign, and at the moment the messaged seemed more important than the sensitive negotiation with Boehner. In the rapid-fire move and countermove of a presidential campaign, no one tipped the other side to the next move. One of the principles of campaign warfare was surprise. So, no one thought to give a heads-up to the speaker or his staff. The instincts of the former campaign manager carried the day.” (Bob Woodward, *The Price Of Politics*, 2012, p. 253)