



# The Phyllis Schlafly Report

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## Important Issues for the 2010 Elections

### ***Obama Takes Illinois Mistakes Nationwide***

“Unsustainable” is a scary word that recently entered political discourse, coming authoritatively from Congressional Budget Office (CBO) Director Douglas Elmendorf. Unsustainability is the operative moniker for Barack Obama’s massive deficit spending, which Elmendorf said “cannot be solved through minor tinkering.”

The CBO predicts an increase in our public debt from \$7.5 trillion at the end of 2009 to \$20.3 trillion at the end of 2020 if Obama’s fiscal 2011 budget is implemented. As a percentage of gross domestic product, the debt will rise from 53 percent to 90 percent.

Senator Kent Conrad (D-ND) sharpened the focus by asking the CBO Director: “What’s going to be necessary [is] either a 25 percent increase in taxes or a 20 percent reduction in spending, or some combination thereof. Is that correct?” Elmendorf replied “yes.”

Americans are beginning to wonder if Greece is the picture of America’s future. But we need look no further than the place where Obama and his team were trained in community organizing and bully tactics to redistribute the wealth: Illinois.

Illinois was the stomping ground for years for Obama, his top advisers Rahm Emanuel, Valerie Jarrett and David Axelrod, and his appointees such as Secretary of Education Arne Duncan. After they promoted themselves to Washington to run the country, other Obama associates who didn’t make the cut continued to run Illinois into the ground as the Illinois unemployment rate jumped from less than 5% to nearly 11%.

For years, we thought California was the most fiscally irresponsible of all 50 states, but Illinois has now taken the lead. A lengthy news article in the *New York Times* was headlined: “Illinois Stops Paying Its Bills, but Can’t Stop Digging Hole.”

Under years of Democratic leadership, Illinois has refused to honor its obligations, cut its spending, or trim its shockingly large deficit, which at \$12 billion per year approaches nearly half its annual budget. As a result, Illinois’ credit rating has been downgraded and it pays a massive amount in interest on its loans.

The big-majority Democratic state legislature, defying Illinois’ balanced-budget law, has been passing deficit budgets for years. The new definition of a liberal is no longer tax-and-spend; it’s borrow-and-spend.

It’s no surprise that unemployment keeps increasing, and the reason why the rate isn’t higher than we are told is that the government has stopped counting people who have given up looking for a job. Employers are not hiring because taxes and regulations are expected to rise.

Starting January 1, 28 million middle Americans will be socked with a massive Alternative Minimum Tax (AMT) which George W. Bush had eliminated. That’s a “gotcha” which penalizes taxpayers in ways they never expect, adding big tax penalties based on an “alternative” way of calculating taxes due.

Upper-income Americans will see a big jump in their marginal tax rates. Their accountants are already telling them that the more they work, the less additional money they will take home, so they may be already slowing down, canceling investments, or retiring to draw Social Security.

Hardworking parents who are saving for their children’s future will be hit by the reinstatement of the massive “death tax” on January 1. They may wonder why they work hard and save if their money will go to Uncle Sam and to people who choose not to work.

Marriage penalties will hit couples hard, both in the income tax law and in Obamacare. Obama’s financial favoritism toward unmarried women, his second biggest voting bloc, has become common knowledge.

Those who choose to control their own health care through Health Savings Accounts will be slapped with new taxes. That’s just one more way to promote Obama’s goal of moving all health care to government control.

Employers are not hiring because they know they will soon be paying not only higher taxes but also more health care costs or penalties. Depreciation allowances for investment in equipment will be lowered from \$250,000 to \$25,000, which means businesses will do less investing.

Our ability to compete in the marketplace, of course, de-

depends on our advanced research and development. New taxes will hit R&D hard, which means more slowdowns and more outsourcing overseas.

The expiration of the Republican tax cuts will impose the largest tax hikes in history, affecting all taxpayers. The nearly 50 percent who pay no taxes will also be hurt by more loss of jobs.

There is only one antidote for these depressing prognostications. On November 2, American voters will have the chance to choose real change from Obama's failed Illinois borrow-and-spend policies by electing Republicans who commit to extend the expiring tax cuts.

### ***Jobs Are Still Political Job #1***

The spectacular loss of American jobs is devastating to more Americans than the oil spill in the Gulf, but Barack Obama still doesn't get it. He continues to falsely claim that our economy is "getting stronger by the day." He claims to be adding jobs, but nine-tenths of the jobs he created are government jobs.

The U.S. Labor Department reports that the number of long-term unemployed, defined as Americans out of work for 27 or more weeks, is at its highest level since the Labor Department began collecting such data in the 1940s. Unemployment of young men is the highest in 61 years of record-keeping, according to the Center for Labor Market Studies at Northeastern University in Boston. The numbers for minority teenagers are tragic. When a decline in unemployment is reported, it's usually because the government stopped counting people who have stopped looking for work.

Obama's \$787 billion federal stimulus program was packaged in mental images of construction workers in hard hats. However, most of those hired with Stimulus dollars were government employees. More than half of stimulus jobs were in education, mostly women, which was part of his payoff to the feminists. Many states expanded staff for teaching and education administration at the same time that they had a declining enrollment of students.

The rest of America may be suffering from a recession, but it's boom time for federal employees. On average, federal employees are paid \$71,206 per year compared to \$40,331 for private sector workers. Those figures are just the start of the comfort of being a federal employee. When you include benefits such as health care and retirement, federal employees make almost double what private sector employees receive: \$119,982 versus \$59,909.

Federal employees receive raises practically every year. From December 2007 through June 2009, average federal government salaries increased 6.6% while private sector salaries increased 3.9%. Most federal workers also get periodic pay hikes, called steps, which average 1.5% per year. Federal employees don't spend much time worrying about being

laid off, or about their jobs being transferred to China or Mexico, the worry that hangs over private sector workers. Under Obama, federal jobs keep increasing in number, not diminishing; 19% of federal employees make more than \$100,000 a year. That's before benefits, overtime pay and bonuses are counted.

Rep. Jason Chaffetz (R-UT) commented, "I about fell off my chair when I saw that the number of federal employees making more than \$150,000 has more than doubled in the last 18 months."

The best way Obama could create jobs is to cut taxes on those who create jobs (corporations and investors), but that's absolutely not his game plan. He wants redistribution of wealth from taxpayers to non-taxpayers and a larger percent of our population economically and attitudinally dependent on government.

The second best way to create jobs would be to stop importing foreign workers. Each year, a million and a half foreigners are brought into our country and given work permits. That's a million and a half jobs a year that do not go to Americans.

At least 8 million illegal aliens also have jobs in the United States. The enforcement of E-Verify would make those jobs available to our own unemployed. Don't let the liberals get by with the lie that Americans won't do those jobs — illegal aliens work less than half of the jobs in every one of the categories where they cluster.

It's not only low-paid jobs that aliens take from Americans. The Census Bureau found that 34% of all software engineers are immigrants, despite the Institute of Electrical and Electronic Engineers reporting that 48,000 U.S. software engineers are unemployed.

This is the 20th year of the H-1B program, which was supposed to admit only foreigners who can work jobs that require special expertise for which no U.S. employee can be found. From the start, this program has been a racket to allow big corporations to bring in cheap workers with limited skills to work ordinary jobs.

The Times Square would-be bomber, who was only a "B" student, once entered the United States on an H-1B visa. We haven't heard about any bureaucrat being fired for that mistake or even admonished.

### ***The Problem of Government Unions***

One of the reasons why government employees are so well paid is that they enjoy the advocacy of the richest and most powerful unions, the Service Employees International Union (SEIU) and the American Federation of State, County and Municipal Employees (AFSCME). Last year was the turning point when government employee unions were able to boast more members than private sector unions.

According to an article in *The Hill*, the SEIU expects to

spend \$44 million to influence the 2010 elections, and AFSCME will spend \$50 million. Most will be spent to help Democrats keep control of Congress and to implement Obama's agenda.

An important milestone was reached last year when, for the first time, the majority of union members (51.4%) were federal or state government employees. The political power of government workers unions is a major reason why government spending is now out of control.

Unions today promote big-government solutions to every problem. That's because of the dramatic change in the membership of powerful unions. Older Americans may fondly remember bygone days when some unions played a positive role in our free economy; in the 1950s, many unions expelled Communist agitators.

Washington labor lawyer, Joseph Sandler, who is described as a "renowned expert on election law," has created a nest of front groups whose goal is to undermine the Tea Party movement. These groups have funneled vast amounts of union dues money, including \$10 million from the American Federation of State, County and Municipal Employees (AFSCME), into fronts with innocuous names such as "Patriot Majority" and "Citizens for Progress."

To defeat Proposition 8, the California ballot initiative to protect traditional marriage, the SEIU spent \$500,000 and the California teachers union spent \$1,250,000. After the voters approved Prop 8, over 50 unions (including the national AFL-CIO) signed a brief asking the courts to overturn the will of the people.

SEIU plays rough. It was a bunch of SEIU thugs, clearly identified by their purple shirts emblazoned with "SEIU," who attended a Rep. Russ Carnahan (D-MO) Town Hall Meeting and beat up Kenneth Gladney, a black man passing out flags with the inscription "Don't Tread On Me."

The unions are big supporters of Card Check, a bill to eliminate the secret ballot by which employees have the right to vote yea or nay on authorizing a union as their bargaining agent. Card Check would replace the secret ballot with allowing union officials to intimidate employees into just signing a card.

### ***Candidates Must Oppose Mexican Trucks***

Pundits are predicting that Republicans could pick up 40 to 100 seats in the U.S. House this November. But Democrats think they have a secret weapon to keep Nancy Pelosi in her catbird seat. What could be the magic bullet with the potential to discredit the Republican Party as a vehicle for Americans opposed to Obama's radical changes?

The answer is Mexican trucks, a foolish idea left over from the Bush era, and some Republicans are on the verge of drinking the Kool-Aid. Obama's Transportation Secretary Ray LaHood, the former Republican Congressman from Peoria, told a Senate subcommittee that he plans to announce a plan

to allow Mexican trucks to drive their loads on U.S. roads. He said the timing of this decision is "closer than soon." A similar promise was made in March by Obama's Trade Representative Ron Kirk. As mayor of Dallas, Kirk supported a "NAFTA Freeway" between the U.S. and Mexico.

The political danger of this issue to Republicans is best illustrated by what happened to a favorite conservative Congressman, the great track star Jim Ryun of Kansas. In 2006 Ryun unexpectedly lost his seat to Democrat Nancy Boyda, a feminist who pretended otherwise by rejecting the support of EMILY's List.

Boyda quickly cemented her popularity in 2007 by sponsoring a bill to ban Mexican trucks from venturing beyond the border zone where they were then required to transfer their cargo onto U.S. trucks. Boyda's bill passed the House by the overwhelming vote of 411 to 3, and the Senate passed a similar bill 75 to 23. Even then-Senator Obama and then-Representative LaHood both voted for the ban.

The Bush administration then exploited a loophole by starting a so-called demonstration program 30 days before the ban took effect.

When Jim Ryun tried to reclaim his seat in 2008, he foolishly defended the indefensible Mexican truck plan. Because a Republican cannot win if he allows a Democrat to get to the right of him on an issue people care about, Ryun was denied renomination by his own party.

The campaign to invade America with Mexican trucks relies on misrepresentations and falsehoods, mostly designed to mislead Republicans. Among these is the claim that the Mexican truck ban is a payoff to James Hoffa's Teamsters union, which helped elect Obama in 2008. Most Republicans instinctively oppose anything supported by the Teamsters. But the exact same position against Mexican trucks is held by the Teamsters' chief rivals, the non-union independent drivers and owner-operators, who mostly vote Republican.

Another fallacy is the argument that the United States is somehow obligated by treaty to let in the Mexican trucks. But NAFTA is not a treaty; it was never ratified by two-thirds of Senators as the Constitution requires.

NAFTA is merely a law passed in 1993 by a simple majority vote of the Democrat-controlled Congress, and no Congress can be bound by a previous Congress. The only so-called obligation was issued by a secret NAFTA trade tribunal, not a real court whose judgments are binding.

A ban on Mexican trucks inserted into U.S. law in 2009 by retiring Senator Byron Dorgan (D-ND) has now expired, so the pressure to admit Mexican trucks is intensifying. On March 1, 56 Members of Congress (including 29 Republicans) signed a letter asking the Obama administration to reopen our borders to Mexican trucks.

In response, opponents gathered the signatures of 78 Members of Congress on an April 14 letter calling on Con-

gress to permanently ban cross-border trucking. That letter included only six Republicans.

Of the 72 Democrats who signed the letter opposing Mexican trucks, many represent swing districts that Republicans expect to win on November 2. A strong position against admitting Mexican trucks could be the secret weapon that enables dozens of vulnerable Democrats to save their seats.

A Rasmussen poll, taken last August when Obama flew to Guadalajara, found that "just 19% of Americans say the U.S. Congress should let trucks from Mexico cross the border and carry their loads on American highways, as Mexican President Felipe Calderón requested"; 66% opposed, and 15% were not sure.

Mexican truck loads cannot be effectively inspected. If an occasional truck is discovered carrying illegal drugs, the cartels would consider that just a cost of doing business. U.S. voters and truck drivers cannot be baited into ending their opposition by the reciprocal offer to allow U.S. trucks to drive into Mexico. American truckers know they would take their lives into their hands by driving into the drug-war zone south of the border, where murders, dismemberments, and kidnappings are daily occurrences.

If Republicans expect to pick up congressional seats on November 2, they had better get on the right side of this issue or they will risk losing the opportunity of a century to win a majority in Congress.

### ***Social Issues vs. Fiscal Issues***

The media are forever trying to create a division in the Republican Party between those who care most about so-called social issues and those who want priority for fiscal issues. Indiana Governor Mitch Daniels is the most recent politician to fall into this trap by asserting that the next president "would have to call a truce on the so-called social issues."

The truth is that social and fiscal issues are locked in a political and financial embrace that cannot be pried apart. Those who emphasize runaway government spending and out-of-control debt and deficits must face the fact that those trillions of dollars are being spent by government on social problems.

Those who care about Big Brother's dictatorial intrusions into our daily lives and privacy must come to grips with how and why Big Brother has vastly increased his regulatory power. Government powers, as well as the money in government's hands, have expanded to deal with social problems.

In order to reduce government's size and power, and restore the limited government sought by fiscal conservatives, they simply must address the social issues. It's the breakdown in our culture that has caused millions of Americans to depend on government for their living expenses and for solutions to their personal problems.

In the not-too-distant past, we had a society where hus-

bands and fathers were the providers for their families. The 1.7 million out-of-wedlock babies born last year (41% of all births) and their unmarried moms now look to Big Brother as their financial provider. The decline of marriage is not only the biggest social problem America faces today, but it's also government's biggest financial problem.

The famous 1965 Moynihan Report on how families were destroyed by giving welfare handouts only to women, thereby making husbands and fathers irrelevant, is now recognized as one of the most prophetic government reports ever written. The many financial incentives written into federal appropriations laws which promote cohabitation rather than marriage must be eliminated.

Even Obamacare contains a marriage penalty by reducing the insurance subsidy when cohabiting couples marry. Financial incentives that penalize marriage are a reason why unmarried cohabiting couples soared from 430,000 in 1960 to 6.8 million in 2008.

To save marriage, we also must have policies that bring back sustainable manufacturing jobs for working-class Americans. Jobs used to be available to the average middle-class guy which enabled him to support his wife and children in their own home, but millions of those jobs have now gone overseas.

The decline of marriage is the major cause of the growth of the welfare state. This year we the taxpayers are spending \$350 billion to support single moms, and this amount increases every year. That's only the start of the costs because social problems come out of female-headed households: crime, drugs, sex, teen pregnancies, suicides, runaways, and school dropouts.

The left is content to let this problem persist because 70% of unmarried women voted for Barack Obama for president. They vote for the party that offers the richer handouts.

Abortion is another major factor in the social-fiscal controversy. The feminists who demand the right to abortion also demand that the taxpayers pay the costs, and the people who opposed Obamacare discovered that the abortion-funding issue almost enabled defeat of Obama's Health Control Law.

Fiscal and social conservatives need each other. Remedying the culture and restoring a marriage society is the only way to reduce the size and costs of the welfare state.

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