

## Democrats Need to Back Obama (Huffington Post piece)

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**Subject:** Democrats Need to Back Obama (Huffington Post piece)

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Here is my take on the tax deal.

Democrats should move quickly to back the president on the tax bill or risk turning themselves into a minority party in Congress for a long time to come. By becoming reverse tax protesters (chanting "raise taxes"), the liberals are sending out all the wrong messages to a country that overwhelmingly backs the key elements of the bipartisan deal the president struck.

Obama took the first step this week in seeking to save his floundering presidency by moving to the center. His execution was far from perfect but his actions were sound.

First, when it's done, the president will sign major legislation unequivocally backed by super-majorities of the American public. Yesterday's Gallup poll shows that 66 percent support both extending the tax cuts and extending unemployment benefits for the next two years -- the two key components of the package. While the far-right squabbles over the unemployment extension, and Obama's liberal base is unhappy with the tax cuts, most of America -- and the moderate wings of both parties -- support the extension of both. Gallup found that 78 percent of moderate Republicans support the tax cuts, and 62 percent feel the same about unemployment extension; 85 percent of moderate Democrats are in favor of the extension of benefits, and 64% approve of the tax cuts for all. This deal attracts exactly the moderate and swing voters Obama needs to attract if he wants a shot at a second term.

Second, the Democrats have got to stop returning to class warfare. The Democrats -- and Obama in particular -- were on their way to becoming the party of the upwardly mobile professionals making over \$100,000 in income, especially young professionals. This was one of the party's fastest growing constituencies. This was evident in the 2008 election returns as Obama got 49 percent (tying McCain here) of the voters earning over \$100,000 and a majority 52% of the voters in households earning over \$200,000. And this has become no small group -- \$100k households were 26 percent of the 2008 electorate -- up from just 9 percent in 1996. But by failing to make this tax deal before the election, Obama lost a lot of ground with those new Democratic voters, who voted Republican by an 18-point margin in 2010. These voters will favor the social policies of the Democrats and many progressive Democratic domestic policies as long as they don't think they are being taken to the cleaners when it comes to tax policy.

Third, Obama has between now and the State of the Union to build a forward-thinking agenda to renew America's promise in this new time. The center of Obama's electoral and economic problem is in the Midwest and its root is in the region's failure to modernize as fast as some other areas of the country as demand for manufacturing declined worldwide. The President should declare a mega-enterprise zone in key Midwestern states of a scale never proposed before with almost no taxes for 4 years on companies that create jobs there. These states are where the Democrats lost 16 points in the midterm election and where the Republicans are blocking his potential reelection; the Republicans would be hard pressed to vote against such a bold plan. This is also the zone of greatest suffering in terms of unemployment - we need to target massive relief there instead of further programs that are diffused throughout the country or through the financial system.

Another way to attract the new professional couples is to back tax reform proposals that value labor as much as capital. Right now brain power-based labor in the professions is the most highly taxed source of income while capital gains from trading stocks held over a year is the least taxed source of income. We have every disincentive against the very skills we need. Obama also needs to jam the Republicans on immigration reform because the other fastest-growing electorate remains the Hispanic community. And he has to back an innovation agenda that lifts the country's exports, invests in math and science education, and heavily backs our efforts in new medical and energy technologies. The only way that the President will get the country out of its fiscal mess is to promote the U.S. as the center of the next wave of the continuing technological revolution.

The President should be uncompromising on his social policy beliefs when it comes to gay rights and choice, but he needs to get more involved in issues that show his full values - issues like the pursuit of deadbeat dads, protecting kids from internet stalking, personal privacy, and zero tolerance of drugs in schools. These issues set an important tone on how the President is preserving and protecting our families in times of turbulent change.

Fourth, he needs to rally Democrats behind his new direction. He must reassure them that the goals of getting all Americans the best health care, a first-rate education, and a good job underpin all his actions. Obama believes in the need to reduce our budget but only if it is consistent with those values. And the great body of moderate Democrats will follow him if he shows them that these bi-partisan actions are designed to bring the country together and lift it up out of the economic mess it faces. At the end of the day this bill is another stimulus for the economy.

Obama has now gone down a path he cannot and should not retreat from -- governing from the center. That is why he was elected and the only way he will be reelected. Democrats in Congress, by their actions, are labeling themselves the "pro-spending" and "pro-tax party" and distancing themselves from the president in all the wrong ways. He is not triangulating -- they are doing it for him. Unless they join with the President, Democrats in Congress will be increasingly isolated to the 22 per cent of the country that classifies themselves as liberals. Rather than win with the President in 2012 if he is successful in recalibrating his presidency, they could find themselves with continued losses and a permanent desire for divided government. They should back him.

