

EARLY U.S. PRIMARIES



REPUBLICANS FACE OFF IN EARLY PRIMARIES

As Obama faces tough questions on everything from the economy to immigration, Republicans fight for the nomination in November.

WHEN REPUBLICANS converge on Iowa and New Hampshire to seek the presidential nomination, they will face people with their minds on economic issues, such as unemployment, taxes and government spending, and social issues,

like gay marriage and abortions.

In some towns, like the majority Latino town of West Liberty, Iowa, immigration and welfare dominate the discourse. In Unity, New Hampshire, people have the high cost of gas and joblessness on their minds

Over the past few weeks, Reuters sent reporters and photographers to small towns in both states to learn what their greatest concerns are and how they expect the presidential candidates address those concerns.

IN IOWA, BACHMANN IS EARLY FAVORITE FOR VOTE



AND ONE MORE THING: U.S. Rep. Michele Bachmann (R-MN) addresses her hometown crowd at an event the day before the official announcement of her entering the 2012 presidential race, in Waterloo, Iowa June 26, 2011. **REUTERS/JEFF HAYNES**

BY JAMES B. KELLEHER
INDEPENDENCE, IOWA, JULY 11

Only two weeks after announcing she was seeking the 2012 Republican presidential nomination, Tea Party favorite Michele Bachmann is already looking like the candidate to beat in Iowa's first-in-the-nation

caucuses in February.

The Minnesota congresswoman is tapping into the same vein of voter discontent at government spending that drove Republican victories at midterm elections last year.

Bachmann, 55, is running neck-and-neck with Mitt Romney among Republicans in Iowa. But Romney, a former Massachusetts

governor, has signaled that he will not campaign hard in the state so he can concentrate his energies elsewhere.

"Iowa's is hers to lose," said Brent Parks, 45, an accounting software salesman who chairs the state's Buchanan County Republicans.

Beyond Bachmann's credentials as a fiscal hawk, the local-born former tax lawyer ticks

the boxes for social conservatives who back her opposition to abortion and gay marriage.

"She's been a leader on all the big issues," said Mark Torgerson, 35, a high school math teacher in the town of Independence, a few miles from Bachmann's birthplace in Waterloo.

Unlike fellow Tea Party backer Sarah Palin to whom she is often compared, Bachmann holds office as a member of the U.S. House of Representatives and has a recent record of conservative votes on major national issues.

"I trust her more than any of the other ones to stick to her conservative values and push the conservative agenda by lowering the debt ceiling, by lowering the spending, by getting the social agenda passed with the marriage amendment passed," said Richard Wearmouth, pastor of the Christian Life Church in Independence.

"The conservative basic policies, she'll push to the nth degree," he said.

Iowa has played an outsized role in the picking of U.S. presidents. In 2008, Barack Obama's victory here over Hillary Clinton in the Democratic caucuses was a turning point in his presidential victory.

But even if she did win the Iowa caucuses, that would be no guarantee Bachmann could go on to successes in other early voting states like New Hampshire.

Mike Huckabee won the Republican



TEA PARTY SURGE: A sign welcomes people to Independence, Iowa July 4, 2011. REUTERS/JESSICA RINALDI

caucuses here in 2008, upsetting John McCain and Romney, the party's apparent front-runners. But within two months, Huckabee was out the race.

Independence played a small part in the Tea Party surge last year that stripped Democrats

of their control of the U.S. Congress and also gave Republicans victories in state legislative and gubernatorial races.

Voters in the 23rd District in the Iowa House of Representatives threw out the Democratic incumbent and replaced him with Tea Party-approved Republican Dan Rasmussen at the statehouse in Des Moines.

CONSERVATIVE IOWA

REPUBLICANS IN the midwestern state have become increasingly conservative, an advantage for Bachmann.

Referring to the list of Republican aspirants, pastor Wearmouth declared it "the best lineup for conservatives in many, many years. The majority are very conservative. Not moderate but conservative. That's a wonderful change."

But he said Bachmann was head and shoulders above the others.

A poll by the Des Moines Register newspaper in June found Bachmann in a statistical dead heat with Romney. The survey was conducted before Bachmann officially kicked off her campaign in Iowa, which has drawn big enthusiastic crowds.

But long-time Iowa political observers, and some Republican activists, say they are not sure Bachmann's current momentum can last.

David Redlawsk, a political science



'YES!': A Republican party float is seen during the Independence Day Parade in Independence, Iowa July 4, 2011. REUTERS/JESSICA RINALDI



FUNKY CAMPAIGN: Rep. Michele Bachmann (R-MN) addresses a gathering of supporters to formally launch her campaign for the 2012 Republican presidential nomination in her childhood hometown of Waterloo, Iowa, June 27, 2011. **REUTERS/JEFF HAYNES**

professor at Rutgers University in New Jersey, thinks her current popularity is driven by media coverage of the gaffe-prone candidate.

That, he says, has pushed up her name recognition among conservative-leaning Republicans in Iowa but will do nothing to increase the appeal among more moderate primary voters in places like New Hampshire.

"I think people are also responding to the media attention and she got a lot of it ahead of the Des Moines Register poll."

Republican presidential rivals are also sure to step up criticism. Former Minnesota Gov. Tim Pawlenty this week questioned Bachmann's record in Congress, calling it "non-existent."

BLOG

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<http://r.reuters.com/wej62s>

Former Alaska governor Palin and Texas Governor Rick Perry are two Republican heavyweights who could still step into the presidential nomination race and give Bachmann a serious challenge in Iowa.

It is unclear whether Palin will enter, although Perry is reckoned to be preparing a campaign.

Not all Tea Party activists are impressed with Bachmann's campaign.

"WITH BACHMANN'S CAMPAIGN, HERE'S THE MEDIA CIRCUS, SHE SPEAKS TO YOU, SHE'S OUT."

Judd Saul, a Tea Party activist from Cedar Falls, said he's been put off by her early rallies in the state, which have featured lots of sign-waving supporters and reporters but were short on the kind of one-one-one access to the candidate that lowans normally enjoy.

"Bachmann's campaign is funky," Saul, 31, said after watching Ron Paul at one event and waiting for Rick Santorum to appear at another.

"Every other candidate that comes though here, you get private time with them, you get to talk with them, you get to ask some questions.

"With Bachmann's campaign, here's the media circus, she speaks to you, she's out. Boom she's in. Boom she's out. Stump speech. There's no sit and answer questions," Saul said.

(Additional reporting by Jessica Rinaldi, editing by John Crawley)

NEW HAMPSHIRE FEELS PAIN OF U.S. ECONOMY



BOTTOMING OUT AND STAYING THERE: George McLellan puts out fresh eggs for sale at the end of the driveway to his farm in Unity, New Hampshire July 5, 2011. REUTERS/BRIAN SNYDER

BY ROS KRASNY
UNITY, N.H., JULY 18

The month of May was a happy milestone for New Hampshire as the jobless rate fell to 4.8 percent, the lowest since December 2008 and the third best rate in the United States.

The state's relatively sound economic health should be good news for President Barack Obama's 2012 re-election hopes in the New England state that often is seen as

a barometer for the national political mood.

But not so fast -- despite weathering the recession and weak recovery better than most of the country, New Hampshire residents are still gloomy about the economy. That makes it more difficult to predict which way the state will go when Obama faces re-election in 2012.

"The economy seems to have bottomed out and kind of stayed there," said George McLellan, 50, who is a farmer and also looks after developmentally

disabled adults in Unity.

Obama's job performance rating in New Hampshire -- a state he won in 2008 with 54 percent of the vote -- remains low, according to an opinion poll last month.

The poll, conducted by the University of New Hampshire Survey Center for WMUR television station, showed Obama with a 46 percent job approval rating against 49 percent disapproval.

Fifty-six percent of New Hampshire adults disapproved of Obama's handling of the

economy and barely one in three felt the country is headed in the right direction.

New Hampshire has diversified its economy in recent years, with tourism, high-tech, professional services and agriculture all supplying jobs.

But many residents just do not feel positive, partly because of high gas prices and the high national jobless rate of 9.2 percent.

Many Unity residents work in the larger nearby towns of Newport and Claremont, or in Keene, almost an hour away on country roads. "For a \$10 an hour job, with \$4 a gallon gas, that's tough," McLellan said.

Political trend-watchers and opinion surveys suggest former Massachusetts governor Mitt Romney is likely to win the New Hampshire Republican primary. Also the front-runner in the national Republican race, Romney criticizes Obama on an almost daily basis about the high unemployment rate.

The group Public Policy Polling says that if an election had been held earlier this month, Romney would have pipped Obama in New Hampshire, 46 percent to 44 percent.

"Obama's slipped a lot from 2008 in New Hampshire but at this point it looks like the GOP has to nominate Mitt Romney to take advantage of the president's declining

popularity," said Dean Debnam, president of the polling group.

STILL HOPE FOR OBAMA

THE GOOD NEWS for Obama, if any, is that he still could have time on his side, said Andrew Smith, director of the survey center at the University of New Hampshire in Durham.

"The economy is not looking good right now but the first quarter economic figures for 2012 will set the tone for the campaign," Smith said.

Romney, who has an 11-acre vacation estate

housing bust that first plunged the nation into recession in December 2007.

New Hampshire's forestry and paper milling industry has been in a long decline, driving up joblessness in the northern part of the state. The more recent slowdown in construction has been another blow.

In Unity, coppersmiths Steve and Cathy Morse have almost abandoned their business of making whimsical weather vanes in the shape of dogs, cows and dragons. No home construction means no demand for weather vanes.

"THE FIRST QUARTER ECONOMIC FIGURES FOR 2012 WILL SET THE TONE FOR THE CAMPAIGN."

on Lake Winnepesaukee, about 25 miles from Unity, has made the economy and jobs the focus of his campaign so far.

Romney has been the front-runner in every New Hampshire Republican poll taken this year and the latest WMUR survey showed him with 35 percent support. Minnesota Representative Michele Bachmann was second with 12 percent.

New Hampshire residents have felt the trickle-down impact of the residential

"Business has been really slow. Three years ago I was very busy and then it just dropped of the edge," said Steve Morse, 58, who does odd-jobs such as lawn-mowing to scrape by.

Across the state, in Carroll County, voters have traditionally leaned Republican in federal elections. Obama in 2008 became the first Democrat to win the county since 1912.

A repeat performance in 2012 now looks unlikely.



LIKELY TO WIN NEW HAMPSHIRE: U.S. Republican presidential candidate and former Massachusetts Governor Mitt Romney speaks at a town hall meeting campaign stop in Derry, New Hampshire July 14, 2011. **REUTERS/BRIAN SNYDER**

HOPE OUTWEIGHS FEAR IN A TOWN CALLED LIBERTY



HANGING AROUND: Turkeys are hung up to be processed at the West Liberty Food processing plant in West Liberty, Iowa July 7, 2011. **REUTERS/JESSICA RINALDI**

BY JAMES B. KELLEHER
WEST LIBERTY, IOWA, JULY 20

THE HISPANIC POPULATION in this small town in eastern Iowa has surged in recent years as immigrants from Latin America have come to work in a local turkey slaughterhouse.

In 2010, the town's many Hispanic residents officially grew to 52 percent of West Liberty's population, according to the

U.S. Census. That made the town of 3,700 people the first white-minority community this overwhelmingly Caucasian state has seen in nearly 100 years.

Yet while immigration-driven demographic change elsewhere in the country has often sparked fear and reaction, residents say

the transformation has occurred relatively amicably, without triggering the concern and punitive policy-making seen in places like Arizona and Indiana.

"The people are united in West Liberty," said Cruz Martinez, 42, who grew up in town and now volunteers at the Diversity Service

*"THE PEOPLE ARE UNITED IN WEST LIBERTY.
I'VE ALWAYS FELT THAT."*

Center Of Iowa in nearby Muscatine, which advocates on behalf of immigrants.

"I've always felt that."

Signs of the presence -- and purchasing power -- of the town's new majority abound. Along the small main drag in downtown West Liberty, the tienda and the tacqueria sit comfortably alongside the feed store and the Strand Theatre.

At the BP service station on North Columbus, the road connecting West Liberty to Interstate 80, the convenience store's beer specials are advertised mostly in Spanish.

"This is home," said Francisco Martinez, a 40-year-old slaughterhouse worker who has lived in West Liberty for 15 years and has two children in its public schools.

"It's a peaceful, quiet, friendly town. People leave each other alone."

Darel Sterner, 80, used to run a barbershop on the corner of Third and Spencer in downtown West Liberty until 1995, when Mexican investors bought his building and he decided to go into semi-retirement.

Sixteen years later, Sterner still cuts hair in a shop he set up in his basement, and he says Hispanic residents are among those who come for a trim and shave.

*"IT'S A PEACEFUL,
QUIET, FRIENDLY TOWN.
PEOPLE LEAVE EACH
OTHER ALONE."*

"They're good customers," he said.

One sign of West Liberty's embrace of its demographic, cultural and linguistic shift is the popularity of the Dual Language Program in its public schools, which is offered from pre-kindergarten through the 12th grade.

Students enrolled in the voluntary program, now in its 13th year, are taught in English half of every school day and in Spanish the other half.

The point of the program, administrators say, is not only to make students bilingual, bi-literate and bicultural -- but to make West

Liberty a place where assimilation is a two-way street.

OCCASIONAL TENSIONS

THE PROGRAM HAS even drawn a small influx of young, non-Hispanic families back into West Liberty, led by parents like Richard and Linley Heath, who believe fluency in more than one language can open opportunities for their three sons.

In recent years, even as school budgets have come under pressure, West Liberty's Dual Language Program



IS THERE SOMETHING ON MY BACK?: A worker fastens a plastic cover over a kevlar sleeve made to protect his arms as he returns from a break at the West Liberty Food processing plant in West Liberty, Iowa July 7, 2011. REUTERS/JESSICA RINALDI



VRROOM!: Wesley Heath, 2, plays with a toy truck at his home in West Liberty, Iowa July 8, 2011. REUTERS/JESSICA RINALDI



DAY AT THE RACES: Doug Haack flags racers at the West Liberty Raceway in West Liberty, Iowa July 7, 2011. REUTERS/JESSICA RINALDI

has remained fully funded.

"That's due to the leadership of the town, the churches and businesses," said Rosa Mendoza, 51, an executive with the Diversity Service Center Of Iowa.

To be sure, the changes in West Liberty have not come without occasional tensions, some of which linger.

Many Hispanics complain some police departments in nearby counties engage in racial profiling, pulling over people guilty of doing nothing more than "driving while brown," said Oscar Garcia, a 57-year-old former corrections officer from Muscatine who now works with autistic children in West Liberty.

Some whites, meanwhile, still grumble openly about the immigrants, some of whom have limited English skills even after living in the town for decades.

A new subdivision on the outskirts of town suggests some whites are moving away from the city center, where the cultural influence of the Hispanic population has rapidly grown. An anti-immigrant rant scratched on the

bathroom door of the BP station hints at anxiety felt by some who can't move away.

But overall, Hispanic residents say they feel welcomed, understood and valued in West Liberty -- though politically they remain outsiders with control of the city council and the board of education firmly in white hands.

"The community itself - the relationship between the Anglos and the Hispanics -- is

*"THE RELATIONSHIP
BETWEEN THE ANGLOS
AND THE HISPANICS
IS GREAT."*

great," said Garcia.

"The average Anglo here has no problem with us and we have no problem with them."

The accommodation that has apparently been reached in West Liberty ultimately just makes economic sense, says Rene Rocha, a political scientist at the University of Iowa.

While true integration may take time in

small towns like West Liberty, economic integration in these unusual diverse rural communities happens very quickly.

For proof of that, Rocha points to the example provided by Postville, Iowa -- a historically white town whose

ethnic composition changed rapidly as its biggest employer, a meat-packing plant, relied more and more on Hispanic labor.

In 2008, immigration agents swooped down on Postville, arresting one-in-five residents and ultimately deporting several hundred of them.

"The raids just decimated the town," Rocha said, and served as a stark lesson to other small towns with big immigrant populations how important those communities are to the health of the whole.

"Once the Latinos were driven out of the town, landlords didn't have tenants, restaurants didn't have customers ... The consequences were quite dramatic."

(Editing by Cynthia Johnston)



ONCE EAGER FOOT SOLDIERS: Jose Zacarias, 56, (L), walks with Carlos Rich, (R), in West Liberty, Iowa July 7, 2011. REUTERS/JESSICA RINALDI

IOWA HISPANICS UPSET WITH OBAMA

BY JAMES B. KELLEHER
WEST LIBERTY, Iowa, July 16

Back in 2008, when Barack Obama was fighting for the Democratic presidential nomination, local Hispanics like Jose Zacarias were eager foot soldiers for him in this critical battleground state.

Encouraged by Obama's promise to pursue comprehensive immigration reform, Zacarias hosted parties to raise money for the candidate and helped register new voters in the Hispanic community.

When election day arrived, Zacarias and other Hispanics helped get out the Democratic vote.

Those efforts paid off, aiding Obama in winning Iowa's first-in-the-nation caucuses in January 2008 -- a victory that transformed his campaign -- and to go on to capture the

state's seven electoral votes in the November 2008 general election that swept him into the White House.

But three years later, as Obama seeks re-election, conversations with Hispanics voters here reveal a deep disappointment with the president, especially on immigration.

As a result, the enthusiasm his candidacy generated in 2008 is now hard to find in this city, which became Iowa's first majority

Hispanic town in 2010, according to the U.S. Census.

"The passion that was there is not there now," Zacarias, 56, said.

Hispanics here acknowledge the many challenges Obama faced in his first term,

from the recession to the wars in Iraq and Afghanistan to the takeover, in last fall's midterm elections, of the House of Representatives by Republicans opposed to nearly everything he campaigned for.

LETDOWN

BUT THE DISENCHANTMENT is still there. "He's really let us down on immigration," said Francisco Martinez, a 40-year-old worker in

*"THE PASSION THAT WAS THERE
IS NOT THERE NOW."*

the local turkey processing plant who will be eligible to vote for the first time in 2012.

"He's had to fix everything that (ex-president George W.) Bush broke. But immigration's one of the things that's broken and needs to be fixed."

Obama's Hispanic problem extends beyond West Liberty, says Rene Rocha, an assistant professor of political science at the University of Iowa, and could suppress voter turnout in the community in 2012.

"It's safe to say that there's been a significant amount of disappointment with the Obama administration among Latino elites," Rocha said.

"And one of the big questions is the extent to which this disappointment will filter down to the popular level and ordinary Latino voters."

One of the ironies of Obama's first term

-- a bitter irony for Hispanics here -- is that deportations of illegal immigrants have risen during his first term as the administration has adopted tougher border and workplace enforcement.

That increase, which comes even as Mexican migration to the United States has fallen, "has not gone unnoticed in the community," Rocha said.

But the biggest gripe Hispanics here have with Obama is that he has done nothing to address the problems faced by the estimated 12 million undocumented workers who are already in this country, working, paying taxes

and raising taxes, but without any clear path to normalizing their status.

They saw the political capital Obama was willing to spend on behalf of the millions without health insurance and wonder why those immigrants didn't get the same attention.

"SUFFERING"

"OUR PEOPLE ARE suffering," said Oscar Garcia, a 57-year-old former corrections officer in nearby Muscatine who now works with autistic children in West Liberty. "They need to become legal."

Obama, Garcia said, "has done nothing for immigrants. He hasn't kept his promises. When healthcare came along, he pushed it to the limit. He didn't care what the Republicans were saying. Why couldn't he do the same thing for immigration reform? Why didn't he push it the limit?"

If there's good news here for Obama, it's that Republicans are regarded with deep suspicion by most local Hispanics, not just on

"THE REPUBLICANS LEAVE A BITTER TASTE IN MY MOUTH."

immigration issue but on workplace safety and business regulation.

But that only adds to the sense of frustration among Hispanics.

"There isn't any other real choice," said Ismael Sanchez, 69, who came of age in Arizona as Cesar Chavez's National Farm Workers Union was organizing during the 1960s and retired in West Liberty after working for many years in a Tysons packing plant in Columbus Junction.

"The Republicans leave a bitter taste in my mouth. They don't seem to be interested in our votes."

Zacarias, who came to West Liberty in the early 1980s speaking no English to work in the turkey plant and now is a citizen and a middle manager at a plant in Iowa City, agrees.

"The Republicans would be happy to get rid of the unions and undo labor laws and the EPA -- you name it -- and take things back to the old-fashioned game of letting industries regulate themselves," he said.

"If we let these guys running the packing plant police themselves we'll be in big trouble."

(Editing by Jerry Norton)



SENSE OF FRUSTRATION: Esmeralda Aleman (R), 15, and Araceli Neri, 33, watch as teams compete in a Friday night softball game in West Liberty, Iowa July 8, 2011. **REUTERS/JESSICA RINALDI**



DONE NOTHING: U.S. President Barack Obama has his picture taken as he stops at Ross' Restaurant in Bettendorf, Iowa, June 28, 2011. **REUTERS/KEVIN LAMARQUE**

MORE COVERAGE



Click below for a link to more coverage from Iowa and New Hampshire.

<http://r.reuters.com/zas72s>

COVER PHOTOS: Top row (L to R) Former Massachusetts Governor Mitt Romney speaks at the first New Hampshire debate of the 2012 campaign at St. Anselms College in Manchester, New Hampshire June 13, 2011. The sun rises over the farm of partners George McLellan and Clint Taber in Unity, New Hampshire July 7, 2011. **REUTERS/SHANNON STAPLETON;** Former Utah Governor Jon Huntsman speaks at a rally after announcing his candidacy for the Republican U.S. presidential 2012 campaign in Exeter, New Hampshire June 21, 2011. **REUTERS/ADAM HUNGER;** Former Alaska Governor Sarah Palin wears a New Hampshire sweatshirt during a stop at a clam bake at a private residence in Seabrook, New Hampshire June 2, 2011. **REUTERS/BRIAN SNYDER.** **Middle row (L to R)** Rep. Michele Bachmann (R-MN) addresses a gathering of supporters to formally launch her campaign for the 2012 Republican presidential nomination, in her childhood hometown of Waterloo, Iowa, June 27, 2011. **REUTERS/JEFF HAYNES;** Former Minnesota Governor and candidate for the 2012 Republican Presidential Nomination Tim Pawlenty addresses the Council on Foreign Relations in New York, June 28, 2011. **REUTERS/MIKE SEGAR;** Former U.S. Speaker of the House Newt Gingrich, a potential Republican U.S. Presidential candidate, laughs during the Wild Irish Breakfast, a charity event on St. Patrick's Day in Nashua, New Hampshire March 17, 2011. **REUTERS/BRIAN SNYDER.** **Bottom row (L to R)** Former U.S. Senator and likely Republican presidential candidate Rick Santorum (R-PA) speaks at the Americans for Prosperity Foundation's "Presidential Summit on Spending and Job Creation" in Manchester, New Hampshire April 29, 2011. **REUTERS/BRIAN SNYDER.** Texas Congressman Ron Paul speaks during his announcement of an exploratory committee in Des Moines, Iowa April 26, 2011. **REUTERS/BRIAN C. FRANK;** Businessman and likely Republican presidential candidate Herman Cain speaks at the Americans for Prosperity Foundation's "Presidential Summit on Spending and Job Creation" in Manchester, New Hampshire April 29, 2011. **REUTERS/BRIAN SNYDER.**



SKIES ALIGHT: Fireworks explode over Lake Ossipee on Independence Day, in Freedom, New Hampshire July 4, 2011. **REUTERS/BRIAN SNYDER**

FOR MORE INFORMATION CONTACT:

ALISTAIR A BELL,
EDITOR IN CHARGE, POLICY, POLITICS AND RISK
 +1 202 789 8559
alistair.bell@thomsonreuters.com

ROS KRASNY,
BOSTON BUREAU CHIEF
 +1 617 856 4343
ros.krasny@thomsonreuters.com

JAMES KELLEHER
 +1 312 408 8130
james.kelleher@thomsonreuters.com