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To: Friends of Democracy Corps

From: Stan Greenberg
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RE: HUNTING SEASON IS HERE
A Time for Boldness

The political season is now open, as apparent from the new Democracy Corps survey, as well as the NBC/*Wall Street Journal* poll.¹ The President's position is beginning to slip, but there are even bigger changes on the economy and economic policy, budget and taxes, and domestic priorities, particularly education and Social Security. With Democrats' issues strong but Democrats' image lagging behind the potential issue advantage, it is time for resolve and persistence in communication and confidence in our own beliefs. It is time to go hunting.

Security issues and the war on terrorism remains a very important back drop. Democrats need to continue to address those questions, even as they take on the more explicit political challenges.

We know that the perception of success and strong leadership is helping the Republicans in this period, but understand, there has been no shift to the Republicans, even at the high point of the President's popularity. There are problems brewing for the President on the economy and foreign policy which will change the landscape in the months ahead.

Shifting Fortunes

While the Iraq war is barely over, public sentiment on the President, the parties and issues is already shifting fairly dramatically. The President's approval reached 70 percent during the war (well below his father's standing and below George W.'s own standing after 9-11). But both in the Democracy Corps and NBC/WSJ poll, his approval

¹ Democracy Corps conducted a national poll of 1002 likely voters May 12-15, 2003. Our research also draws upon 6 focus groups with swing voters that we held in rural Iowa, suburban Tampa, and suburban Seattle. The NBC/*Wall Street Journal* national poll surveyed 1,000 adults May 17-19, 2003.

has dropped sharply in the last month – down from 71 to 62 percent in the NBC/WSJ poll.

To be frank, the Presidential vote to re-elect is singularly unimpressive. His support against an unnamed Democrat is 52 percent, with 40 percent for a generic Democrat. As you know, incumbents rarely get more than their re-elect number. His vote barely rose during the war, suggesting that he is running up against the ceiling of a polarized country.

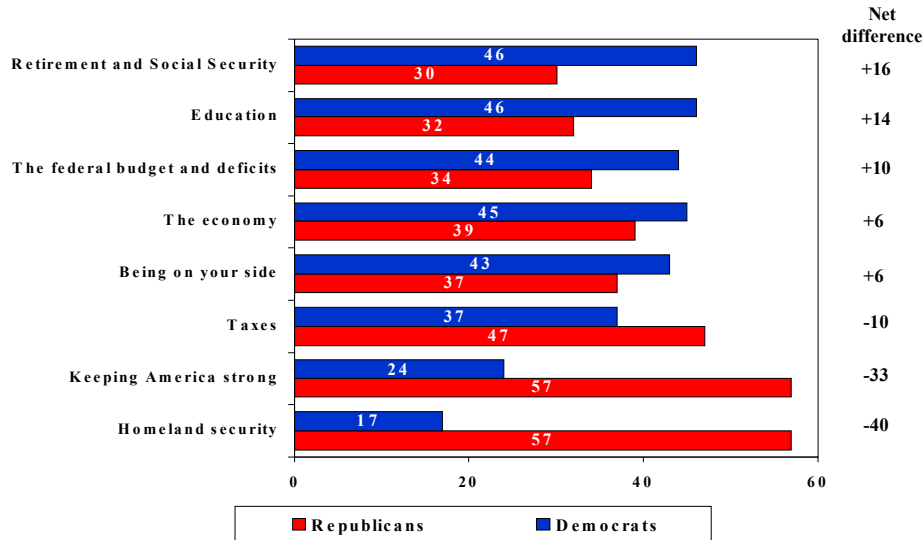
The NBC/WSJ poll has only 47 percent saying they will “probably vote for President Bush,” and that number is down 5 points in the last month.

While overall mood in the country is relatively positive in the afterglow of the war, the desire for change is breaking through fairly dramatically and will be even more clearly felt in the months ahead of us. These change areas are highlighted below.

- The economy: 52 percent say they want the country to move in “a significantly different direction,” while 43 percent want to continue in Bush’s direction.
- On retirement and Social Security, 50 percent for significant change, versus only 38 percent to continue.
- On taxes, what ought to be the signature issue of the President, just 49 percent want to continue in Bush’s direction, with 45 percent wanting to move in a significantly different direction.

The issue climate is changing sharply in favor of the Democrats, even before things have really settled in Iraq. Despite the difficulty of getting heard in the media, the public is taking away important lessons about what is happening in the budget process and the economy. The results are not good for the Republicans and the President.

Better Job on the Issues



The changes in thinking are the most revealing and helpful for Democrats as they begin to speak out more forcefully.

- On the budget and deficits, Democrats were down 1 point to the Republicans at the end of 2002, but have moved up steadily to a 5-point advantage and now 10 points (44 to 34 percent) on whom you trust to handle the issue.
- On the economy, Democrats are now preferred by 6 points (45 to 39 percent). In the summer of last year, the Democrats were down 9 points on the economy, but they have gained in every poll since then and now have the lead.
- Education is, once again, a Democratic issue as Republicans get associated with the budget cuts. Democrats are ahead on education by 14 points (46 to 32 percent), after being behind at the outset of the Bush administration. Democrats should not let the Republicans take the issue back.
- Health care is an increasing concern, and an area where Democrats have a wide advantage over Republicans in Democracy Corps polling and public polls over time.

The Republicans are well ahead of the Democrats on security issues, which we will discuss below.

Democratic Image

The two parties are at parity and nothing has changed on that score in the last 18 months. But the Democrats trail badly on party image, which will ultimately impact whether people give the Democrats the chance to lead and govern. In the Democracy Corps thermometer measure, the Republicans have a 5-degree advantage (56 versus 51 percent). Warm/favorable feelings about the Democrats lag 8 points behind the Republicans.

The NBC/WSJ poll indicates an even bigger gap – 49 percent positive reactions to the Republican Party and only 36 percent for the Democrats – a 13-point lead. Ultimately, Democrats will not win elections that are so clearly open to them unless there is a greater perception of strength, unity and direction.

The War on Terrorism and Homeland Security

The Republicans have overwhelming advantages on making America secure and even more so, on homeland security. The country believes for now that the President has done a good job here, that the war in Iraq was a success, that the country is more secure and that Saddam Hussein should have been removed. The Democracy Corps survey shows about 2-to-1 support for the war on all of those questions.

Democratic Presidential candidates are addressing the security issues, and it is important for them to continue to do so. Our nominee must pass a fundamental security threshold, and so must the party. In the regression models, security issues are as strong as domestic issues in predicting vote for President (and Congress). Let us highlight some issues related to that discourse:

- A Democratic critique of a unilateral foreign policy calling for a stronger America through the use of our military and economic power to strengthen our alliances, is almost as compelling as the Republican foreign policy narrative – when the Democrat indicates the US was right to remove Saddam Hussein. The most important result is the 71 percent who say there is considerable truth in the Democratic statement, indicating an openness to a serious debate on foreign policy.
- While voters want to continue Bush's foreign policy (54 percent, versus 39 percent who want significant change), positive assessments are 20 points below that for the war on terrorism.

- On homeland security, voters are very open to Democratic initiatives to increase America's efforts in homeland security. What Democrats can and must show is a firm commitment to keeping America safe from attack. This is not about faulting President Bush. This is about being part of the unified effort in the country to achieve greater security.
- A sizeable majority of the country (57 to 37 percent), according to the NBC/WSJ poll, are opposed to a \$60 billion package to rebuild Iraq. That represents a dramatic reversal from only one month ago when it was supported (51 to 41 percent). Iraq will very soon be part of the priorities debate before the country.

Budget and Economy

As we have seen earlier, the President is vulnerable on the economy, budget and taxes, which ought to occupy much of our political time.

Despite the *Washington Post* story suggesting that Republicans are winning the debate on taxes, all data points in a different direction. Support for the President's tax proposal stands at 50 percent, with 42 percent opposed. That is lukewarm support and absolutely unchanged since February. According to the NBC/WSJ poll, only 29 percent think the tax cuts are the best way to improve the economy and the dividend tax cut is the least popular and effective of all.

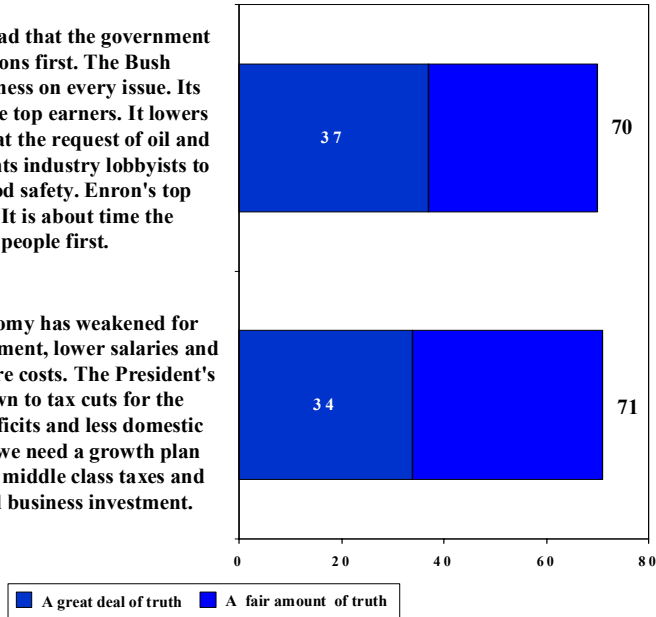
Thematically, the country is very open to a corporate-centered, people first message or a message on failed performance on the economy. About 70 percent think these are truthful statements, even though they are largely negative.

Democratic Domestic Positioning

Lines of Attack

A Democrat says, it is too bad that the government is putting big corporations first. The Bush administration backs business on every issue. Its dividend tax cuts are for the top earners. It lowers environmental regulations at the request of oil and power companies. It appoints industry lobbyists to oversee consumer and food safety. Enron's top executives remain free. It is about time the government put people first.

A Democrat says, the economy has weakened for three years- rising unemployment, lower salaries and benefits and rising health care costs. The President's economic policy boils down to tax cuts for the richest, paid for by high deficits and less domestic spending and no jobs. But we need a growth plan that builds confidence, cuts middle class taxes and increases employment and business investment.



Note that on the economy, the public does not blame the President for the weak economy. They blame him for having bad economic policies that have left people financially squeezed, with rising health care costs and rising unemployment.

The President is obviously striving to avoid his father's mistake and convey an image of concern about the economy. We tested the Democrats' balanced approach on the economy and security against the President's approach with security first, combined with a tax cut. Democrats are preferred in that case (47 to 43 percent). However, if the economy does not come back and the President must go to the country with security alone, he loses (Democrats win 54 to 36 percent). Already, a majority of the country, according to the NBC/WSJ poll, believe the President is too pre-occupied with war on terrorism and not spent enough time on the economy.

The survey shows too very strong lines of attack that combine the economy, tax cuts and domestic priorities.

- Cutting taxes by \$35 billion dollars for those earning over \$375,000 a year but cutting education by \$9 billion. That is the strongest attack tested in the most recent poll and links their policies to education. (That is more powerful than a distribution argument, i.e., the fairness of the tax cuts to different income groups.)

- Using the revenue and saving from Social Security to fund a tax cut of \$35 billion dollars for those earning over \$375,000 a year is also powerful.

Conclusion

For Democrats, this is a time for boldness. They potentially have big advantages on the most important domestic issues, ranging from the economy and the budget to health care and education – if they have the confidence to seize and run with those advantages. Democrats have a clear path to meeting and passing the security threshold with strong stands on homeland security and a call for a foreign policy that is stronger precisely because it uses American power to build up our alliances and mount a more effective attack on terrorism.

9/11 brought a transformation of our politics. The end of the Iraq War is likely to mark another such transformation. The country is ready for new and different leadership on domestic policy; even on taxes, the Republican advantage is now marginal. The country is also ready for a new direction in foreign policy – not a policy of weakness, but a Democratic alternative that actually can make America stronger. If Democrats proceed boldly on this course, in 2004 President Bush can experience the same kind of defeat his father did in 1992, and Democrats can experience far greater success at the Congressional level than in 2002.