

Date: January 10, 2000
To: Friends of Democracy Corps
From: James Carville
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RE: LESSONS FROM THE CLOSING BUDGET BATTLE
Observations based on a national survey released by Democracy Corps

Experience has taught us well that the battle for the budget and the closing fights in Congress have an immediate electoral impact. The Democratic defeats and divisions on the crime bill contributed significantly to the Democrats' collapse in 1994. In 1996, the Republicans cut their losses by passing health care and welfare reform and raising the minimum wage, and they were greatly aided by the mid-October campaign-finance controversy. Then in 1998, Democrats made gains as voters reacted against the impeachment process and the education issue emerged as the last point of contention in the final budget negotiations.

Luckily for Democrats, 1999 was not an election year, because had it been, Republicans would have gotten a small lift at the close, perhaps even enough to keep their hold on the Congress.

We are writing this memorandum to highlight and understand the success of the Republican tactics, even on an issue as strong for Democrats as Social Security and retirement. We are also writing this memorandum as an early alert to Democrats – First, never let the voters forget the threat posed by the Republicans. Second, have a closing strategy that puts the Republicans on the defensive.

This memorandum contains our personal observations on the budget process. However, we are using surveys publicly released by Democracy Corps in October and December of last year as the foundations for our observations. Each survey is based on a 1000-person sampling of the likely presidential-year electorate.

The Republican Tax Threat

In our October survey, we underscored the extent to which the public opposed the 800-billion dollar Republican tax cut that threatened budget stability, denied funds to protect Medicare and Social Security, and favored the wealthy. By 57 to 36 percent, the voters favored a Democratic approach as better for the country, for the middle class, and for retirement security.

The result was a series of polls – including that of Democracy Corps – that showed the Democrats ahead on almost every major issue. Democrats emerged with gigantic advantages on traditionally strong issues such as education, the environment, health care, and helping families. The Democrats also had a 22-point advantage on the critical issue of retirement security.

Perhaps most important, the Democrats were favored over the Republicans on handling the budget and the budget surplus (+ 6 points). They trailed the Republicans by only 2 points on handling taxes.

The Republican leadership clearly got the message. By the end of the budget session, the Republicans no longer spoke about their massive tax-cut proposal, and neither did the Democrats. That diminished the immediate threat to budget stability and retirement security and, along with the Republicans' focus on Social Security, diminished the sense of Republican threat.

In early October, Social Security and retirement were the public's top issue concern, but at the end of the session, the issue had fallen to 4th place. Concern with the issue dropped 7 points overall. Concern with the national debt dropped 4 points and the economy, 6 points. The electorate at the very end of 1999 was simply less worried that the Republicans posed a danger on these important issues.

There was, however, increased concern with health care, an area where the Democrats had aggressively worked to keep the Republicans on the defensive.

Impact of the Budget Debate and Agreement

Democracy Corps conducted surveys in early October and at the end of November with the close of the budget battle. On most issues, Democrats maintained their standing, without much change – *health care, the economy, keeping America prosperous, helping families, the environment, and education*.

However, by backing off of their tax cut and focusing on their “lockbox” proposal for the Social Security trust fund, the Republicans made very specific and significant gains:

<i>Handling taxes</i>	<i>6-point Republican net gain</i>
<i>The federal budget and surplus</i>	<i>7-point Republican net gain</i>
<i>Retirement and Social Security</i>	<i>11-point Republican net gain</i>

After the passage and signing of the appropriations bills, the Republicans moved to an 8-point advantage on taxes and cut in half the Democrats' advantage on Social Security, to only 11 points.

Electoral Consequences and Looking Ahead

Our early October poll showed the Democrats with a 5-point lead in the generic congressional contest (47 to 42 percent). However, by the end of the year, the Democrats had lost that lead – down to a 1-point advantage (45 to 44 percent). In the core electorate of most likely voters, the Democrats trailed by a point.

It is important to keep in mind that the Democrats still enjoy important advantages on a broad range of issues, including Medicare, Social Security and retirement and maintain a small lead on the economy. The major public debates – from taxes, the budget, and retirement security to family and children issues to employment and economic stability – favor the Democrats. We suspect the Democratic natural advantage in this period has re-emerged.

The important lesson in these findings is not to underscore an end-of-year Republican gain. Rather, it is to highlight the fact that the Republicans made gains because they made themselves look less threatening and because the Democrats were on the defensive on Social Security.

With these findings in mind, it is our hope that Democrats in the year ahead, and especially in the fall, will not let the Republicans out of their own trap. The Democrats need to underscore the threat posed by Republican budget proposals – ***a combination of big tax cuts and big increases in defense spending, combined with locked-up Social Security funds, can only mean big cuts in Medicare, education and many other vital areas.*** The Republican plans are irresponsible and a danger to ordinary families – to their education, to their health care, and to their retirement.

We should not and must not be caught on the defensive again. We should be on the offensive, using the legislative process and the presidential contest to expose the Republican threat to ordinary families.