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**To:** Friends of Democracy Corps

**From:** Stan Greenberg  
James Carville  
Bob Shrum

**RE: THE MEAT AND POTATOES STRATEGY**  
**Report on a New National Survey**

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We may finally be entering a period where tactics can shift the Congressional elections – perhaps decisively – in favor of Democrats. As the President’s popularity begins to ease and as the challenge overseas becomes more complicated and protracted, there is reason to believe that people are turning to the domestic issues where Democrats score strongly. As a result, Democrats are poised to make gains by focusing on a sharply defined set of attacks and proposals. Rather than committing all its resources to the big war on the budget and economy, Democrats should defeat the Republicans in a series of critical battles over Social Security and prescription drugs, pensions, the environment and corporate influence, and tax cuts. This may be a meat and potatoes election for the Democrats, who really can win back the Congress in 2002.

The Democrats have moved ahead in the generic Congressional race – 4 points in the Democracy Corps poll and a comparable amount in the average of all public polls over the past two weeks.<sup>1</sup> As we shall see below, this is due to a shift in the issue environment, not yet due to the efforts of Democrats. For example, Democrats have yet to make gains on handling the economy, handling the budget and deficits, domestic issues in general, or in fighting special interest influence in Washington.

Indeed, the rules of the game are changing, and as a result, Democrats are now moving up. We thought Democrats could have been heard earlier had they joined a national debate on the budget, economy, taxes and the country’s priorities, but that time passed and we cannot go back. There are new opportunities in this election year. They are not as historic, but they are powerful nonetheless and can decide this election for the Democrats.

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<sup>1</sup> Democracy Corps conducted a survey of 1000 likely voters April 2-4, 2002.

We urge progressives and Democrats to pay attention to the issue grid we advance on page 4. There is a way to win these elections.

### **The Changing Environment**

While it is early to say for sure that these trends are decisive, let us illustrate the patterns that are changing the Democrats' fortunes – even without a major engagement on the big issues.

1. ***The fading “economic issue.”*** Probably the most important and most counter-intuitive development in this election year is the role of the economy as an issue. Though the economy could still falter, voters are now less worried about a recession and more optimistic about the future. The Republicans have actually made gains on the issue. But reduced worry about the economy – without a period of more robust growth – allows voters to shift their attention away from employment to other areas of uncertainty, like retirement and health care costs. A similar thing happened to the Democrats in 1994, when early in the recovery, attention shifted away from the economy to crime, moral decline and big government. President Clinton and the Democrats only began to benefit from the economy when voters began to see year-on-year visible growth and Republicans failed to raise alternative salient issues.

When we look at predictive models that indicate how people form their views of the parties and Congressional voting, the determinative issues include (in rank order importance): which party is on your side, who is addressing America's domestic problems, which party is better on retirement security and Social Security and which party is better on the budgets and deficits. Which party is better on the economy did not emerge as a significant predictor of this year's vote.

2. ***The unsettled international environment.*** The President and Republicans gained while the international stage allowed the country to rally against the September 11<sup>th</sup> attacks and to fight a clear, determined and successful war against terrorism. But that stage, not surprisingly, is now dominated by events where there is less certainty, a lot of violence, less respect for America, and less confidence in the Administration's direction. The President's job approval ratings on foreign affairs are dropping. To be sure, voters are not voting for Congress based on these foreign policy developments, but they may be turning away from international issues and focusing even more closely on domestic issues.
3. ***Corporate influence and the 3 E's: environment, energy, and Enron.*** Do not underestimate the power of the environmental issue to reveal the character and lack of balance in the deliberations of the Bush White House and the Republicans in Congress. Before September 11<sup>th</sup>, George W. Bush was slipping badly in the polls, largely because of the Administration's energy policy that favored oil and

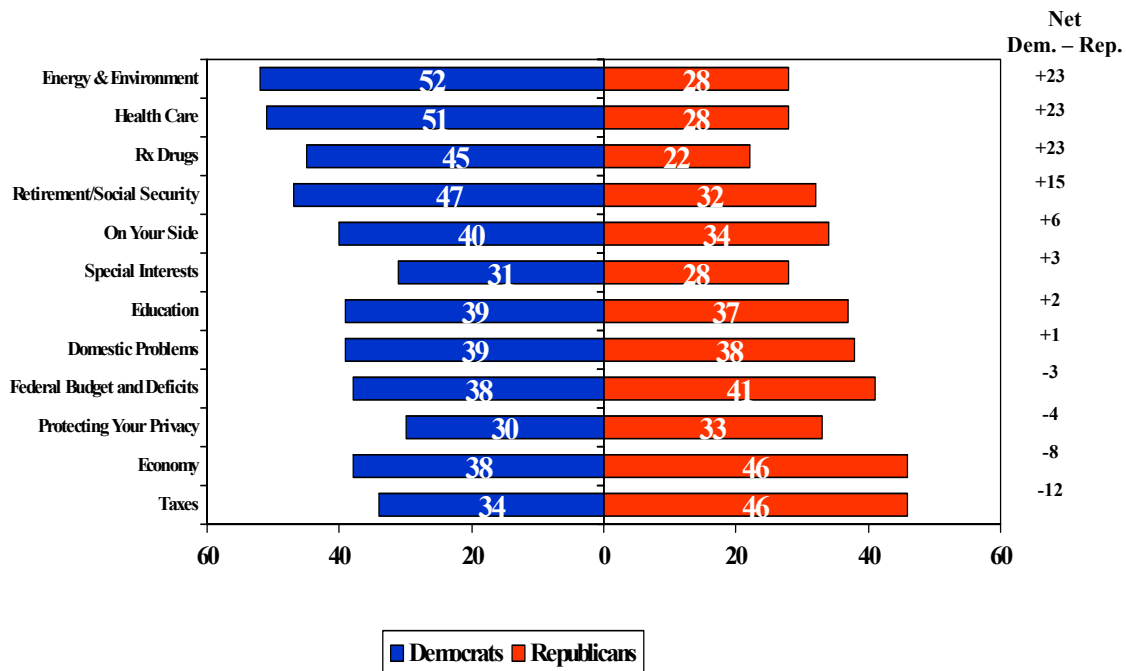
coal interests over those of the country. These issues are back, reinforced by a broad pattern of excessive corporate influence from Enron to oil drilling in environmental areas. As a result, which party is on your side has emerged (in our regression model) as the most important factor in predicting this year's Congressional vote.

4. **Return to traditional Democratic issues.** The Democrats continue to maintain their gigantic lead on a range of domestic issues that may be emerging as the agenda for this year's election. As we can see in the graph, the Democrats are up by 23 points on energy and the environment, 23 points on health care and prescription drugs and 15 points on retirement and Social Security.

### The Issue Agenda for 2002

Based on this survey and others for Democracy Corps, it is possible to construct the issue grid that will elect Democrats in 2002. Remembering that it is the Republicans who are in power in Washington, Democrats should run in the first instance, on stopping Republicans from doing things that will hurt people and the country. That is the reason to vote them out. Democrats will also need to advance an agenda that largely mirrors the attacks – giving Americans a reason to put the Democrats in, so they can make progress on security retirement, health care costs, education, and middle class tax cuts.

### Issues and Parties



We should attack the Republicans very hard for the damage they are doing to Social Security that will block future solutions and for promising prescription drug coverage, but offering a meager caricature of it. We should attack the rollback of environmental protections and the billions of retroactive corporate tax breaks, including hundreds of millions for Enron. Both of these actions reflect the Republicans' unstinting commitments to its corporate donors at the expense of the public. And we should attack the reckless budgets that will bring red ink for a decade and threaten to bankrupt our most important programs.

Our agenda should center on securing Social Security for the future and providing a prescription drug benefit for seniors. We are focused on a broad range of initiatives to address rising health care costs and to empower patients rather than HMOs. And Democrats want to cut taxes for the middle class.

In short, this is now an election about meat and potatoes. Bigger battles on priorities and the deferral of tax cuts can be fought and won later.

**The 2002 Congressional Grid**

<b>Issues Stop Them<sup>2</sup></b>	<b>Issues Our Agenda</b>
<b>Level One</b>	
Plundering <b>Social Security</b>	Securing the future of <b>Social Security</b>
Prescription drugs for only 6 percent of seniors	Prescription drug benefit for all seniors
Endangering private pensions	Pension security
<b>Level Two</b>	
Rolling back environmental protections	Maintaining environmental protections
Excessive corporate influence	Health care – Patients' Bill of Rights
Corporate tax giveaways – alternative minimum tax	
<b>Level Three</b>	
Deficits and bankrupting the country	Middle class tax cuts

<sup>2</sup> We owe some of our thinking on “stop them” to Diane Feldman, who has argued that Democrats must start by asking, “What is the problem?” The problem is that the Republicans are doing ominous things and we must vote to stop them.

**Level One: the battle for retirement security.** The Republicans will want to wage a broad election, focused on tax cuts, tax cuts and tax cuts – along with reassurances on education, prescription drugs and Social Security. But our survey suggests that Democrats can refuse to engage broadly and attack hard on retirement and Social Security. Voters are deeply distressed about the spending of the trust funds, the failure to secure Social Security for the future and the failure to address the principal problem in retirement – the rising cost of prescription drugs. That is our level one line of attack and that is our level one affirmative agenda for the Congress.

This simulated electoral battle is presented below. By 50 to 44 percent, voters choose the Democratic statement focused on retirement over the Republican statement focused broadly on taxes, education, homeland security and retirement. There is great power in the Social Security attack and retirement initiative.

## Retirement vs. Republican Message

**Democrats say, for the next 10 years, the Republican budget takes 2 trillion dollars from the Social Security trust fund for other purposes, while cutting taxes for the wealthy. Its prescription drug plan leaves 60 percent of seniors with no coverage. Instead, we should protect pensions from abuse and make retirement more secure for the future.**

vs.

**Republicans say, we have a broad agenda. We cut taxes and want to make them permanent and support new tax cuts this year to spur greater economic growth. With bi-partisan support, we passed a new education plan. We will meet our commitments on Social Security. And now we will move ahead with our proposals on homeland security and prescription drugs.**

A Democratic message on health care with a focus on prescription drugs, a Patients' Bill of Rights, and insurance companies also wins by about the same margin. That is why it is important that our retirement message focuses not on Social Security alone, but also addresses prescription drug costs, which extends the message to health care generally.

In the previous Democracy Corps poll<sup>3</sup>, the attacks relating to retirement and Social Security raised the highest levels of doubts regarding the budget advanced by the Bush Administration and Republicans in Congress:

- It slashes by 37 percent the President's own proposal on prescription drugs, leaving 60 percent of seniors with no coverage at all (71 percent serious doubts, including 35 percent very serious).
- Instead of preserving Social Security for 75 years for future retirees, the Bush budget uses the money for huge tax cuts, most of which go to the wealthiest Americans (70 percent serious doubts, including 42 percent very serious).
- The budget uses \$2 trillion out of the Social Security and Medicare trust funds to pay for the \$2.5 trillion dollars in tax cuts (68 percent serious doubts, including 36 percent very serious).
- It proposes \$300 billion in potential cuts to Medicare – the health insurance program for seniors (66 percent serious doubts, including 34 percent very serious).

Our priority here is to stop the Republicans from doing what they are doing. The passion of our attack on the Republicans will imply Democrats' positive agenda on retirement, though we should also take the opportunity to advance our core ideas for securing Social Security for the future and for providing prescription drug coverage for all seniors, while restraining rising drug costs.

***Level Two: corporate influence over the public interest.*** There is a deepening sense that excessive corporate influence is at the heart of what the White House does at home. That conclusion was set aside after September 11<sup>th</sup> in the interest of the country, but as the war recedes, the impression is rising to the surface again. This is not about specific abuses related to Enron. This is about everything – the pervasive corporate influence in the Administration that crowds out the public interest.

The environment and energy are the starting point and the symbolic center of the issue because voters are most ready to believe the worst. They believe the White House is populated by oil company types who do not balance the broader needs and interests of the public. That is why the attack on the Administration's relentless rollback of environmental protections is the opening to talk about the fashioning of energy policy, tax cuts for energy companies, and the retroactive tax cut bailout for Enron and other corporations.

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<sup>3</sup> Democracy Corps survey of 1000 likely voters conducted February 26-March 3, 2002.

In the survey just completed – even though Bush’s popularity is near 75 percent – voters are prepared to draw some very tough conclusions about the Administration on the role of corporate influence.

### Bush and Corporate Influence

	Great Deal of Truth	Total Truth
<b>When it comes to the environment, the Bush Administration always seems to do what the big corporations want</b>	34	66
<b>When it comes to domestic policies, the Bush Administration always seems to do what the big corporations want</b>	21	60
<b>The Bush Administration opposed banning unlimited big donations to the political parties, it supported industry demands to relax environmental rules and it tilted tax cuts to the wealthiest and big corporations. When it comes to problems at home, the Bush Administration always sides with special interests, not the public</b>	30	57
<b>The Bush Administration seems more interested in helping the big industries and corporations than in doing what is in the public interest.</b>	27	52

Over two-thirds say the Administration does the bidding of big corporations on the environment, and over 60 percent think this is true for domestic issues. A majority are willing to say they favor big corporations over the public interest – a pretty fundamental critique.

Little wonder that over 60 percent of the public believes “what happened at Enron is indicative of abuses by big corporations that have too much influence over what happens in Washington.”

The window into this part of the message grid is the rollback of environmental protections, which raises doubts for over 60 percent of likely voters, and in some cases, nearly 70 percent.

## Environment and the Republicans

	Very Serious	Total Serious
<b>The Bush Administration has announced that the government will no longer require the oil, chemical, and energy industries to pay for cleaning up old toxic waste sites, instead shifting the bill to the taxpayers</b>	37	70
<b>Companies are now required to notify the public when releasing chemicals into the water or atmosphere, but the Bush Administration plans to relax the public's right to know</b>	32	66
<b>The Bush Administration has replaced many mandatory requirements for clean air and water with voluntary limits, with no penalties for polluters</b>	30	60
<b>During the energy crisis in California, the Bush Administration refused to intervene to prevent price gouging by energy companies. As a result, Enron made hundreds of millions of dollars</b>	26	57

The payoff on the corporate influence message is the corporate tax cuts passed by the Republican House and advocated by the President. As Americans were uniting to address the country's most urgent problems, the Republicans were rushing to give out-landish tax cuts to their wealthiest corporate donors.

- While the economy needed help and our country was making sacrifices, the candidate voted for an economic stimulus plan that gave 75 percent of the money in tax cuts for corporations. He supported a 15-year retroactive tax cut that gave 1 billion dollars to Ford, 1 and a half billion to IBM and a half billion to Chevron/Texaco (65 percent serious doubts, including 30 percent very serious).<sup>4</sup>
- The candidate gave into the lobbyists and supported a permanent tax break of 20 billion dollars that encouraged companies to invest in foreign countries, rather than in the United States during our economic problems (71 percent serious doubts, including 33 very serious).

The real power of these messages was made clear in a number of focus groups conducted by Democracy Corps with a broad cross-section of swing voters. They were incredulous at the thought of a 15-year retroactive tax cut for large corporations, repeatedly questioning the rationale for such a policy and insisting they would vote to punish any elected official who supported such a blatant giveaway to special interests. Simi-

<sup>4</sup> Democracy Corps survey, December 2-4, 2001.

larly, voters – particularly non-college educated voters in rural Iowa – were outraged that House Republicans would support tax breaks that encourage companies to invest in foreign countries; this issue represents a clear choice between the interests of American workers and their families and the interests of big businesses and campaign contributors. Voters' anger is increased by the fact that both of these measures were passed in the wake of September 11th, as the rest of the country was pulling together in a spirit of shared sacrifice and hundreds of thousands of Americans lost their jobs.

Our strategy is to call into question what the Republicans are doing because of the pervasive influence of their corporate donors. That creates an environment where we can offer our ideas on health care – a Patients' Bill of Rights over the objections of the insurance companies and prescription drug coverage over the objections of the pharmaceutical companies.

***Level Three: deficits and middle class tax cuts.*** It is extremely important that we define what the Republicans are doing on the budget – throwing the country into deficits as far as the eye can see and destroying the future financial prospects of Social Security, just as the baby-boomers are due to retire. Since the Republicans will be running on tax cuts, we must undermine their best message by underscoring the damage they are doing.

In the Democracy Corps survey conducted in early March, 55 percent of the country expressed serious doubts when hearing that the Administration had returned the country to deficits and squandered the surplus that was there just a year ago; a similar number express serious doubts upon hearing that the long term deficits will mean no funds to address our country's domestic needs.

We will not win these elections if the entire election is about the budget, deficits and their tax cuts. However, we must advance this attack to undermine their credibility. In fact, in a head-to-head message on these issues centered on the budget and tax cuts, we break even with the Republicans (46 to 47 percent).

## Budget Choice

**Democrats say, the Republicans have squandered this opportunity for progress at home. Instead of securing Social Security for the next 75 years, they've given the wealthy gigantic tax cuts. Little money is left for prescription drugs and education. We should be using this period to invest in homeland security, education, health care, new and clean energy sources at home and a secure retirement for the future.**

vs.

**Republicans say, the Democrats opposed our tax cuts and now want to raise taxes again. They seem only interested in protecting old, inefficient programs. We need broad long-term tax cuts to put money back in people's pockets but also to spur our economy and encourage corporate investment. We should restrain federal spending, cut taxes and meet our commitments to defense, education, homeland security, and Social Security.**

But breaking even is not good enough, if we are to make gains this year. Democrats should attack the Republicans to keep them from gaining an edge on their primary issue.

Furthermore, it is very important that Democrats advance their own middle class tax cuts as part of their agenda for 2002. Voters should not be left with the impression that it is only Republicans who want to cut taxes. In our previous polls, Democrats won a direct message contrast – by as many as 13 points – when our agenda included tax cuts for the middle class.

President Clinton always understood this point – advancing a middle-class tax cut when he ran for President in 1992, the tax cut for low wage workers (EITC) in 1994, and the college tuition tax credit in 1996.

In 2002, Democrats should oppose the Republicans' disastrous budget policies that throw the country into a financial mess for a decade or more, while bleeding dry the Social Security surplus to pay for tax cuts for the wealthiest individuals and biggest corporations. At the same time, we should promote the middle class tax cuts that we supported – like child credits and abolition of the marriage penalty – and advance others that give relief to those Americans most financially squeezed.

### **Conclusion**

The President's coattails are fraying. The voters are turning back to domestic issues where Democrats have clear advantages. Democrats are now ahead in the Congressional horserace. They have strong potential to hold or even widen that lead – because the Republican message of tax cuts and generalities on issues like education loses decisively to a meat and potatoes Democratic message on Social Security, health care, and excessive corporate influence.

With signs of Republican slippage, this is a moment when Democrats should relish the opportunity to join the battles in front of us.