

DEMOCRACY CORPS
JAMES CARVILLE ♦ STANLEY GREENBERG ♦ ROBERT SHRUM
10 G STREET, NE ♦ SUITE 400 ♦ WASHINGTON, DC 20002
202-478-8330 (TEL) ♦ 202-289-8648 (FAX)
WWW.DEMOCRACYCORPS.COM

Date: March 7, 2002

To: Friends of Democracy Corps

From: Stan Greenberg
James Carville
Bob Shrum

RE: OUR TURN
Tackling the Country's Biggest Challenges

The ball is now in the Democrats' court. They have the immense opportunity to be heard by the country and to make political gains in advance of 2002. Some may think this is a moment for caution because of the President's popularity. But his popularity is no obstacle to Democrats being heard. In fact, the President's position is eroding, as one would expect, and his domestic agenda wins only tepid support. The country now waits for a clear direction from the Democrats.

As we shall see in this memorandum, Democrats can capture the attention of the country if they raise fundamental questions about Bush's direction, if they respond to the country's aspiration to solve national problems, and if they advance ambitious ideas and real policies. This is not a time for tactics, smallness, hit and run or caution. The nation wants to know whether the Democrats have ideas that enable the country to overcome its biggest challenges.

This memorandum, based on intensive discussions and a national survey, sets out what we think is a strategy and message that can shift the balance sharply toward the Democrats.¹

We begin with a recognition that the President is weakening, but also with recognition that that is hardly enough. While the Congressional vote is now tied, Democrats are not gaining. Such a gain depends on Democrats understanding this moment, and offering an alternative view of the world and alternative directions. This is a serious moment for the country and voters will insist on no less. Our country has drawn on our inner strengths – unity, resolve, optimism and can-do attitude – to fight back against the

¹ The Democracy Corps conducted a national survey of 1000 likely voters, February 26th - March 3rd. Stan Greenberg would like to thank the progressive activists, academics and journalists who met to discuss a progressive agenda and who stimulated many of the themes tested in this survey, including Bob Borosage, Alan Brinkley, Liz Cohen, Jeff Faux, Theda Skocpol, Roger Wilkins, William Julius Wilson, and others.

terrorists. Voters are looking anew at the Republicans and Democrats, and want to know what is next for the country, particularly at home.

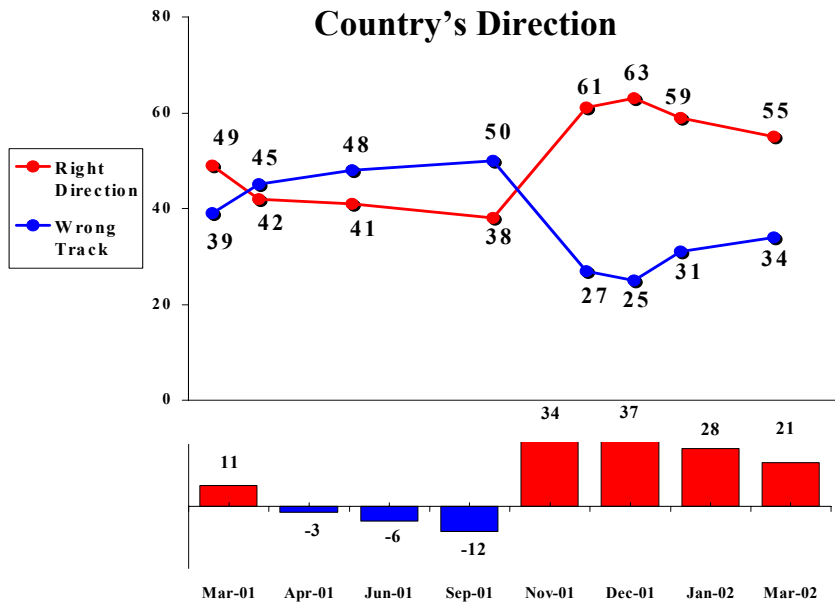
Now is the moment for Democrats to make their case for America.

Falling Back to Earth

George Bush is still popular but less so, which should be giving Democrats confidence that they can be heard. The erosion of the Bush and Republican position is happening on nearly all fronts:

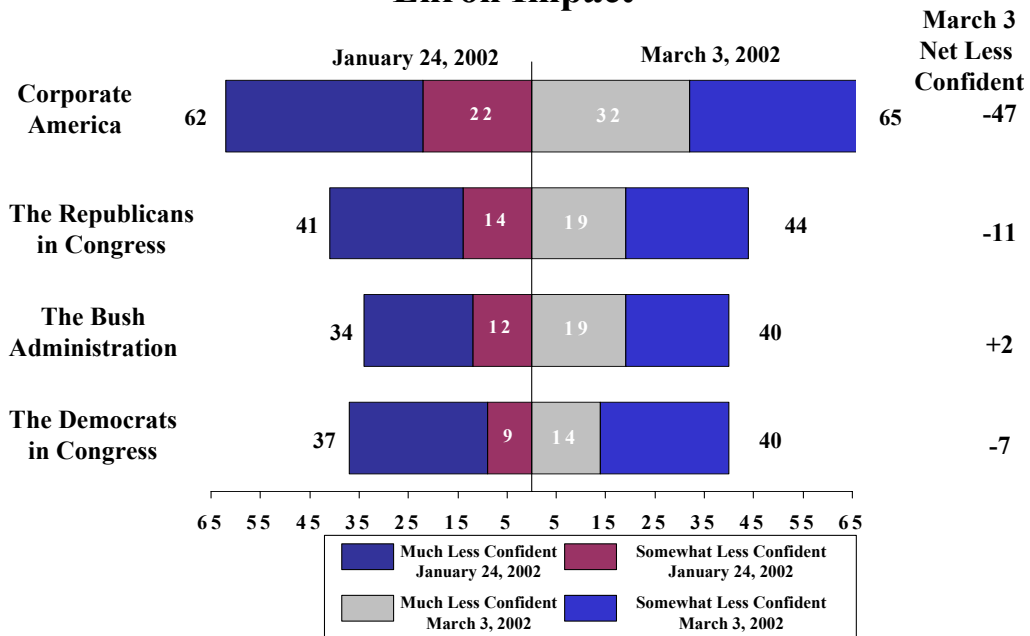
- Confidence in the country's direction under President Bush has been falling steadily over the past three months – from a net +37 points in December, to +28 points and now down to +21 points. (See graph on page 3.)
- Bush's job approval has fallen from 82 percent in December, to 79 percent at the beginning of the year, and now to 75 percent.
- Favorable views of the Republicans have fallen from 59 to 49 to 47 percent.
- On the handling of Enron, 40 percent say they now have less confidence in the Bush Administration on the issue – a 6-point jump in the last month.

This is also a period in which the public has grown skeptical of corporate America, whose interests the Administration advances as a matter of instinct. Today, 65 percent say they are less confident of corporate America because of Enron.



"Generally speaking do you think things in this country are moving in the right direction, or do you feel things have gotten pretty seriously off on the wrong track?"

Enron Impact

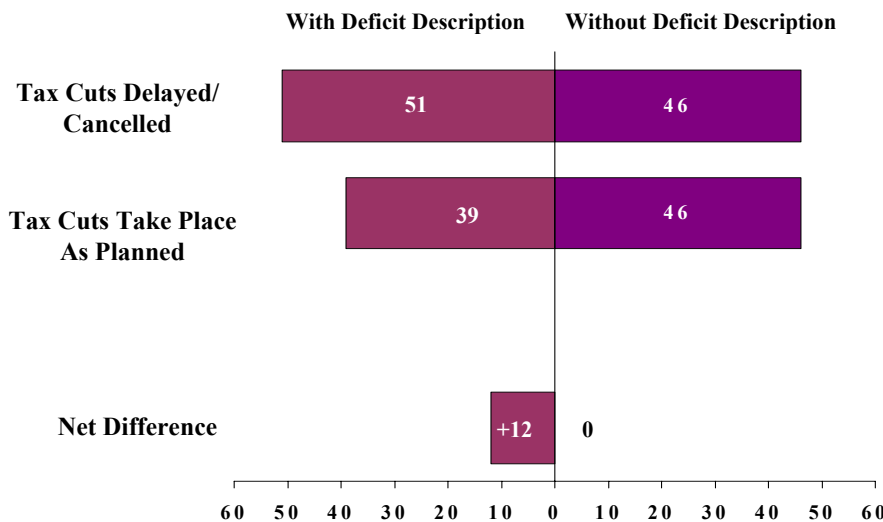


Now, thinking about what has happened with Enron, please tell me whether you are feeling more or less confident about each of the following....

At the same time, the public hardly rushes to support the President’s main domestic initiative – his budget and tax cut proposals. When we ask whether voters support Bush’s budget, just 56 percent say they do – which is no higher than the support Bush received on his budget a year ago. Just 52 percent support his multi-year, \$1.3 trillion tax cut, and 40 percent oppose it. That is quite remarkable and surely reflects an underlying caution about the Republican tax cut direction.

As a result, voters do not rally to defend the tax cut. Even before any presentation of information or arguments, about half the public (46 percent) would delay or cancel the tax cut, and a comparable number would have it go ahead as planned – hardly a mandate for the President’s approach. However, simply letting voters know that there are projected deficits over the next 10 years, produces a majority for delay: only 39 percent support continuing on the current course. A sense of responsibility in the public, if not the government, leads people to second guess the current course.

Delay or Continue Tax Cuts



“The budget passed last year includes new rounds of tax cuts scheduled nearly every year for the next 10 years. Should those tax cuts take place as planned or should the tax cuts be delayed or canceled?”

Right now, a plurality of the country opposes the proposed new tax cuts of \$665 billion (47 to 42 percent). There is no more support for the idea even when the proponents make their economic argument. Half the country opposes the new Bush tax cut proposal (50 percent) because it would mean higher deficits and less spending on programs.

The eroding standing of the President and the public caution about his signature domestic policy leaves the potential Congressional contest at parity (44 to 44 percent) – even at this moment of relatively high Presidential popularity. The public polls have also

moved from a marginal Republican advantage in the Congressional race to parity in the last few weeks.

But all this is happening without a comparable gain in standing for the Democrats. The Democratic favorability rating is down slightly; the Democrats have not yet regained their advantage on party identification (which is now even); and Democrats have not made gains on the economy or as the party willing to take on the powerful special interests.

Changing this dynamic is the core recommendation of this memorandum.

Solving the Nation's Problems

In our earlier research, we highlighted the current mood of the county: a seriousness of purpose about the challenges facing America and an impatience with small issues; a commitment to community, a feeling that we need each other and are stronger together; a patriotism that believes the interests of the nation should overshadow selfishness and greed; and a can-do optimism about our ability to tackle challenges and our mastery of technology that will make us successful in war, economically and as a society.

George Bush gets a fair amount of credit for understanding this and seeming to want to tackle big challenges facing the country. The public clearly disagrees with many of the major specific policies, but voters see him at least advancing ideas on terrorism, education, Social Security reform and the economy, and appearing to want to tackle major national problems. Behind his ideas is a relatively coherent philosophy – small government, individual freedom, and national self-reliance. The policy proposals – tax cuts, privatizing Social Security, vouchers, pursuing terrorists – are advanced with an unrelenting consistency.

Whether Bush succeeds on domestic policy – or whether Democrats succeed – will depend on a fundamental judgment by the public. In this period, Americans are subjecting their leaders to a rigorous test and question: are you advancing big ideas and solutions for addressing the country's problems and making it stronger?

Voters want to know that Democrats have ideas, an approach and policies for tackling big problems. They will not be satisfied with peripheral issues. They will not be won over by a grab bag of specific policies, no matter how popular each one. They will not be won over, if they think Democrats are simply protecting old programs.

Voters need to know that the Republicans are keeping America from solving its domestic problems, and that Democrats are excited about their own ideas to deal with our biggest challenges.

Republicans: Keeping America from Solving its Problems

The Democrats must confront the Republican direction at the most fundamental level:

We accuse the Republicans of squandering the opportunity to solve our most pressing national problems – to secure Social Security and provide health care coverage during retirement.

Reflecting the seriousness of the country and its optimism about our ability to address problems, Democrats should underscore that Republican policies, rather than solving problems, are making them unsolvable. They should hold Republicans accountable for squandering our assets and letting down the country, when the public asks so much of us.

This survey identifies a broad range of areas where voters have strong doubts about the policy priorities and direction of the Republicans and Bush Administration. Far from resisting such criticisms, 70 percent of the country says that it has serious doubts about many of the things that the Republicans are doing.

At the top of the concerns is the strongest formulation of the Social Security criticism, reflecting the current mood: “Instead of preserving Social Security for 75 years for future retirees, the Bush Administration uses the money for huge tax cuts, most of which goes to the wealthiest Americans.” This raised serious doubts for 70 percent, including 42 percent very serious doubts – by far the highest in our list. The criticism gains power from three elements:

1. It leads with the charge that the Bush Administration gave up the chance to solve a major national problem.
2. It contains, implicitly, the raid on the Social Security trust fund which people believe was created to deal with just such future challenges. (That criticism alone, as we see below, raises serious doubts for 68 percent.)
3. It focuses on a tax cut “mainly for the wealthy.” An identical criticism, without those words, was 11 points weaker on very serious doubts.

Criticizing the Republican Direction	Very Serious	Total 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.	42	70
It slashes by 37 percent the President's own proposal on prescription drugs, leaving 60 percent of seniors with no coverage at all.	35	71
The budget uses \$2 trillion out of the Social Security and Medicare trust funds to pay for the \$2.5 trillion in tax cuts.	36	68
Instead of saving Social Security surpluses to prepare for future retirees, the budget diverts \$1.5 trillion to other government programs.	32	68
It proposes \$300 billion in potential cuts to Medicare -- the health insurance program for seniors.	34	66
Instead of preserving Social Security for 75 years, the Bush budget uses the money for huge tax cuts over 10 years.	31	66
It proposes going ahead with Social Security privatization, which according to the White House commission and Republican leaders, will require lower guaranteed monthly benefits for future retirees.	30	58

“Let me read you some statements about President Bush's proposed budget. For each statement, please tell me whether this description, if accurate, raises very serious doubts, serious doubts, minor doubts or no real doubts in your own mind.”

The second strongest criticism focused on prescription drugs. People believe the rising cost of these drugs represents the biggest single problem in the health care system, particularly for seniors. In this argument, the Bush Administration is held accountable for retreating from its own pledge and leaving 60 percent of seniors with no coverage at all. (See the graph above.) Had the question been worded consistent with the current message, it could have been even stronger: “Instead of addressing the biggest health care problem facing the country, the rising cost of prescription drugs, the President has slashed his proposal by 37 percent and would leave 60 percent of seniors with no coverage at all.”

We have no doubt that Medicare represents a comparable opportunity. The uncertainty over \$300 billion in Medicare funding raises very serious doubts, as we see above, but it too could have been formulated within the larger message framework: “With health care the biggest problem on the horizon for current and future retirees, the President proposes \$300 billion in potential cuts in Medicare – the health insurance system for seniors.”

Democrats should hold the Republicans and the Bush Administration responsible for squandering the opportunity to solve some of our country’s biggest problems because they prefer huge tax cuts for their most privileged supporters.

The Democratic Alternative: Themes

The burden on Democrats is to show that they have ideas and a perspective that will enable them to step up and address the country’s problems. In the Democracy Corps survey, we tested a number of themes for Democrats – all consistent with ideas that have broad currency in the Democratic Party. What they demonstrate is that Democratic thinking on how to attack our problems receives very strong support in the country.

In this memorandum, we set out the three strongest themes as a point of discussion. When faced with the national challenges of this period, Democrats want greater investment, a war on terrorism that emphasizes both military and non-military means, and a challenge to the corrupt political-corporate culture that leaves out ordinary people. Each of these formulations have about equal strength (55 percent a great deal of truth and 85 percent a great deal or fair amount) and equal importance in giving voters a sense of what Democrats are for at a thematic level.

Democratic Themes	Great Deal	Total Truth
This is a time to invest in our country to make it strong -- better education and affordable college, roads and mass transit, more border control and security at home, technology and new energy sources, affordable health care, including prescription drug coverage and a secure retirement system. Such investments make us strong, more secure, with more opportunities for the future.	55	87
We have to meet our increased military obligations in fighting terrorism, but this war will not be won with military forces alone. We need strong alliances and cooperation with other countries and we need to help improve literacy, health care and women's rights in many countries around the world. An effective war on terrorism requires all of those things.	54	86
Enron betrayed its own employees and investors, but this is about more than Enron. Enron, like many of the biggest corporations, used money and political influence to get their way, at the expense of the public. We need leaders who will attack the abuses by big corporations that have too much influence over what happens in Washington.	58	84

“Thinking about what is going on in the country right now, please tell me how much truth you think there is in each of the following statements - a great deal of truth, a fair amount of truth, not very much truth or no truth at all.”

The first contains a simple idea: Democrats believe we should invest in the country to make it stronger and more secure. The message contains the economy, education, homeland security, and energy. Democrats believe in meeting these challenges through investment on behalf of the nation. And investment is activist: it shows optimism that we can act together to solve take on problems.

Democrats are committed to using the military to attack terrorism, but stand for a stronger, broader approach to fighting this war and making America secure, including working with other countries to improve literacy, health care and women's rights, so that the world produces fewer future terrorists. Without attacking the President, this theme says that Democrats are more likely to bring a long-term solution.

Thirdly, and equally important, Democrats want to end the Enron political culture that allows big corporate interests to dominate in Washington. That influence comes at the expense of the public and at the expense of our capacity to address the country's problems.

The Democratic Alternative: Policies

The public is strongly supportive of a broad range of big ideas consistent with our themes: three-quarters support the top five ideas and most are supported by two-thirds of the public. This is not an exhaustive list, rather a set of proposals that provides an idea of how clearly the public responds to Democrats on specific policy thinking – when policies are big and integral to an overall approach to addressing America's challenges.

Reflecting the seriousness of the country, the proposals that test the strongest relate to the central challenges – energy security, homeland security, major political reform, college, and health care affordability. We are not proposing that the Democrats immediately act on all five, but voters do need to see Democrats persist and consistently advance their policy ideas – just as Republicans continually come back to tax cuts or vouchers.

It is striking that energy security is at the top, with the strongest response (63 percent strongly favor and 88 percent favor). Voters respond well to the Democrats' commitment to making America independent of Middle East oil, a can-do attitude on energy, including fuel efficiency and alternative fuels, and a long-term plan to get it done. (In fact, the President's proposal is defeatist and short-term with little faith in America's technology and know-how.)

Voters respond very favorably to an expansive homeland security policy that focuses on airports and borders to be sure, but also community police, transport, public health and energy conservation.

Though banning soft money is an important step in political reform, it is only a step. Democrats need to raise the more fundamental critique of big money controlling

what happens in Washington, and press ahead with reform efforts to minimize the role of powerful interests.

There is strong support for a policy that makes college education affordable and universal. The Clinton Administration achieved real gains in this area, but why have Democrats dropped the continuing pursuit of the more ambitious goal? There are many younger voters still looking for the Democrats to advance policies that will affect their lives and opportunities. Further, there is support for Democratic policies that make health care universal, including an employer mandate. While that may not currently be on the table, it underscores the electorate’s openness to Democrats when they pursue big ideas.

In effect, voters are saying: If you keep advancing proposals to solve problems that matter to people and the country, we will pay attention and give you credit. The mix of proposals that get a response reflect the period that emerged after September 11th, but the interest is more enduring than that. Voters are looking for Democrats to advance their solutions and policies to make America better.

Democratic Proposals	Strongly Favor	Total Favor
An energy security plan to reduce dependence on Middle East oil -- including higher fuel efficiency standards for cars, more solar power and research, and fuel cell technology to make America more independent of oil over next ten years.	63	88
<hr/>		
A major investment in homeland security that will also create jobs. This includes safer airports, more secure borders, community police, better transportation, improvement to public health systems, safeguards for nuclear facilities, and energy conservation that reduces dependence on oil companies.	51	86
<hr/>		
A clean elections law that bans large unregulated campaign contributions, ensures equal funding between two candidates, and requires broadcasters to provide free or reduced television advertising time to reduce the need for private contributions.	52	74
<hr/>		

Now, I'm going to read you a series of major proposals made by Democratic leaders. Please tell whether you favor or oppose each of these proposals.

Democratic Proposals (continued)	Strongly Favor	Total Favor
Making a college education affordable to all high school graduates by covering the equivalent of a state tuition for all who meet admission to any college.	49	76
A plan to make health coverage universal and affordable -- by requiring that employers provide health insurance and helping small businesses cover the increased costs.	44	75
A new flat income tax simplified with only 3 rates. Deductions for mortgages and health care would be maintained but all other deductions and loopholes would be eliminated. 75 percent of taxpayers would pay a flat 10 percent.	38	67

Now, I'm going to read you a series of major proposals made by Democratic leaders. Please tell whether you favor or oppose each of these proposals.

Conclusion

While the President's and the Republican Party's reduced support, especially on domestic issues, has brought the Congressional vote back to a tie, the greatest potential gains for Democrats lie ahead.

The Bush Administration, while given credit for advertising big issues, even when voters disagree, is vulnerable on its signature domestic policies. Social Security is a critical entry point for Democrats, but they have to make the case in terms of a basic choice: That instead of preserving Social Security for 75 years, the Bush budget uses that money for huge tax cuts that primarily benefit the wealthiest Americans. Then Democrats need to set out big ideas on the environment and energy security, on homeland security, on a wider approach to fighting terrorism, on education and health care – and voters will respond. The country is not only ready but also anxious for this big picture approach. Even a simplified tax system, with no loopholes and only health care and mortgage deductions is favored by 67%.

Underlying all this, and steadily undermining the credibility of the Bush Administration and Congressional Republicans, is the Enron politics which leads voters to be-

lieve that the Republicans in general, and the White House in particular, favors powerful corporate interests over ordinary Americans. In the post-Enron era, a larger political reform agenda – one that even reaches beyond the current campaign finance reform – is a more salient issue and potentially a more powerful one for Democrats than ever before.

But the case does not make itself. Democrats have to make it. They cannot rely on a downward trend in the approval ratings for President Bush and the Congressional Republicans, even on domestic issues. Democrats can win by advancing their beliefs and big policies to fulfill them; indeed, that is the only road to victory in 2002.

Democrats cannot run or win from a crouch. The opportunity – not just for party, but for country – is to stand up, speak out, define the Democratic purpose in large terms and, while supporting the war on terrorism, advance an agenda to meet the nation's other central challenges.