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## INTRODUCTION: LEARNING FROM 2004... WINNING IN 2006

So how does a President with a national job approval rating hovering at 50%, an economy that lost more than a million jobs over his four years in office, a war that has cost more than a thousand American lives and counting, \$50 a barrel for oil, and a national mood that is downright sour still secure more than enough votes to win re-election? And what does it portend for the Republican Party in 2006?

The answer? Credibility. George W. Bush had it. John Kerry did not.

The components of the Bush victory and Kerry defeat all boil down to a single candidate attribute that the President had in abundance but was AWOL from the Kerry campaign: "*says what he means and means what he says.*" In every state and national survey we conducted in 2004, no desired presidential attribute ever scored higher, and nowhere was Bush stronger and Kerry weaker. In every focus group I moderated, voters would plead for candidates who spoke from the heart and not from some speechwriter's notes.

And nowhere does the image of straight talk matter more than in areas of *security*: national security, economic security and personal security. John Kerry had had two full years to articulate a concise position on terrorism, the economy, and issues involving values. He couldn't do it. George W. Bush and Dick Cheney did it every single day.

Even during the three Presidential debates, the Massachusetts Senator gave answers that left uncommitted voters in my focus groups both confused and mystified. His critique of the current Administration's failures clearly did political damage, but the electorate could not define exactly what he would do differently. What Kerry did not realize was that referencing "*a plan*" roughly two dozen times over 90-minutes is different than actually having one. In a post-9/11 world, voters simply could not elect a President whose position on the nation's most salient issues were unknown, even to himself.

George W. Bush won because 9/11 had truly changed America and because he accurately reflected America's resolve that the War on Terror has to be won. Not waged. Won. Voters concluded that while John Kerry could adequately *manage* a terrorist attack, it was President Bush who was more likely to *prevent* one.

Two key campaign events enhanced Bush's role as America's Defender and Kerry as weak and/or indecisive. The first was the Swift Boat ads. In my focus groups, Kerry's convention performance was effective enough to change a few minds. But the blizzard of TV ads unleashed by the group of Vietnam vets blanketed the airwaves in swing states and undid whatever benefit the convention provided. True, the Swift Boat veterans never fully convinced voters that Kerry "*betrayed*" his country in wartime, but they did raise nagging and unresolved doubts about Kerry's character and judgment at the very moment that voters had begun to make up their minds.

The second key event was the Republican convention itself. Swing voters swung to Bush because of a powerfully delivered convention speech that was the right balance of domestic agenda and national security, and because he effectively communicated that he was truly a man on an unyielding mission. They heard a President who heard them, understood their concerns, addressed their fears, and made them feel safer and more secure in their homes and in their country.

The President stormed out of New York with a double-digit lead that helped him survive the first debate and sustained him through Election Day. It also helped that he had the best communication team of this era in his corner.

Sure, the Democrats have clung to a desperate belief that Bush won because he waged a campaign of fear. The exact opposite was the case. Americans turned to him precisely because they saw him as the antidote to that fear.

The results on Election Day illustrated an essential principle of electoral success: it is no longer enough to say no. Voters need someone who will say yes. John Kerry became a symbol for voters opposed to the President's policies and procedures, but not much else. Conversely, George W. Bush became the vehicle for those who wanted an affirmative, proactive, preventative approach to homeland security. Americans will tell you that it was Bush, not Kerry, who offered the hope that personal security could be restored. And in this election, hope won.

When it came to the war on terror, Americans knew where their President stood and exactly what he believed. They simply did not share the same level of confidence in John Kerry. The events and aftermath of 9/11 may not have changed everything, but it certainly changed the outcome of the 2004 presidential race.

In the end, hope won.

Turning toward 2006, it has often been said that those who do not learn from history are doomed to repeat it. That is excellent advice for the Republican Party, whose electoral position is eerily reminiscent of 1986 – when the GOP dropped seats in the House and lost control of the U.S. Senate in the sixth year of Ronald Reagan's presidency. The surprising electoral collapse crippled the Republican legislative agenda for nearly a decade – until the *Contract with America* reversed the Republicans' misfortune in 1994.

You *cannot* permit history to repeat itself. By carefully examining what happened the last time the GOP had an incumbent President at the sixth year of his presidency, it will hopefully serve as the *first* step in preventing a similar catastrophe.

Here then are the seven reasons why the Republicans did so poorly – and the Democrats did so well. In 2006, you will need to do things differently if you wish to deflect the infamous "*sixth year itch*."

- 1) **The 1980 election brought in weak Republican candidates that were finally swept out in 1986.** The Republicans made sweeping House and Senate gains during the 1980 election due to the coattail effects of Ronald Reagan. The House lost 26 of the weaker seats in 1982 thanks to a poor economy, but it took until 1986 for the Senate to catch up. The reason: weak Republican Senate candidates who normally wouldn't have won were elected and had six years before facing the voters again. In 1980, Bob Dole told reporters that *'had we known we were going to win control of the Senate we would have run better candidates.'* Said Charlie Cook, *"The crop of GOP candidates was the political equivalent of hothouse plants able to survive only under the most optimal conditions."*

**Strategy: Acknowledge the complexity of your district and the challenges you face should the political climate turn sour.** Too often Members in close elections acknowledge their electoral weakness after the election but don't address it until it is too late. If you received less than 57% of the vote, your campaign should begin today: a 20-month effort that includes fundraising, voter contact, message development and grassroots operations. And all of it should be measured on a monthly basis.

- 2) **Republicans stayed home.** Both in 1982 and in 1986, Republicans did not turn out in usual off-year numbers. So not only were there no presidential coattails but the inverse was true. Democrats turned out in greater numbers, and they turned out Republican Members of Congress.

**Strategy: Pick out issues that matter to the base and HOLD some of them until the second year of the Congress.** This is very important. Republicans will want to go to THEIR people with THEIR legislation 30-days before Election Day when it is still fresh and newsworthy. Rather than rushing to pass all the good stuff in 2005, you need to keep at least one major item that can be voted on by Congress and signed by the President in the waning days of 2006.

- 3) **There was no national theme. Local politics dominated the election.** There was no umbrella effort to unite voters across the country to keep Republicans in office. It was assumed that Reagan himself would be the unifying force and *"stay the course"* would be the message. Instead, an incredible 30% of those who voted for Regan in 1984 actually voted for a Democrat Senate candidate in 1986 – and roughly 25% voted Democrat in House races.

**Similarly, there was no presidential "bounce."** President Reagan campaigned hard to help keep Republican control of the U.S. Senate about as aggressively as George W. Bush did in 2002. However, by the sixth year of his term, Reagan was only able to achieve a 3-point bounce when he visited a state and it dissipated within a week.

**Strategy: Do not depend on a popular president to bring home the votes. House and Senate Republicans must establish their own identity in advance. People have different reasons for casting votes in Congressional elections than in a presidential contest. "Getting things done for America" is exactly what they want from the next Congress, and that's why it should be at least a sub theme of your efforts.**

- 4) **Democrats fielded unusually strong candidates.** Democrats afraid to run in 1984 lined up to take on Republicans in the off-year, and they had their best crop of candidates since 1974 (including Tom Daschle and Bob Graham). Democrat recruitment efforts started quite literally the day after Reagan's landslide election, and by January 1, 1986, the seeds for a strong comeback had already been sewn. Moreover, the entire Democrat leadership was involved in the recruitment effort. Republicans took their strength for granted, and were surprised at the disaster that unfolded on Election Day.

**Strategy: Assume that your opponent will be the toughest you'll face in your political career – and start planning your response accordingly.**  
Complacency is perhaps the biggest threat to an incumbent's re-election hopes.

- 5) **The gender gap was a chasm.** Republicans won a barely tolerable 52% of the male vote and a disastrous 42% among women. In fact, it took eight years – 1994 – until the collapse among women was fully addressed. When asked why they abandoned the GOP, the Number One complaint was the tone: too harsh.

**Strategy: Republicans need to cultivate the so-called security mom with a legislative and communication agenda targeted directly to them.** Bush did better among women, particularly younger married women, than any GOP candidate since 1988 because of *security* concerns. Security will keep these women voting Republican if they are addressed directly and personally. And since women value *time* over *money*, your strategy should include your successful efforts to promote legislation that in some way provides women more free time.

- 6) **Republicans stayed in Washington while the Democrats beat them up at home.** In the Georgia Senate race, incumbent Mack Mattingly had a 24-point lead with three weeks to go. In Alabama, Jeremiah Denton was up 15-points. Jim Broyhill was leading by 16-points. State after state, House and Senate Republicans had significant leads that evaporated because their opponents were on the ground running hard while Republicans were mired in useless debate a thousand miles away. The Democrat strategy was to emphasize face-to-face contact and contrast that with the "*out-of-touch Washington insiders.*" Republicans, stuck in DC, were dependent on paid media to get their message out – and it didn't work.

Conversely, Idaho Senator Steve Symms simply left DC and flew home – telling constituents that they were more important than whatever was being voted on in DC. He was one of the few GOP incumbents re-elected that year.

**Strategy: Go home. Stay home. This is one of the most important lessons not just of 1986 but of the last ten years as well. The earlier and more often you get home to campaign, the better off you are. Every day you stay in DC after October 1<sup>st</sup>, the more vulnerable you are.**

- 7) **The 1986 vote was a much older vote.** Voters under 30 simply did not participate in 1986, while voters 55 and older came out in larger numbers. This older shift and concerns about what Republicans might do to Social Security and Medicare helped swing a number of close races to the Democrats.

**Strategy: Republicans MUST do a better job communicating Social Security reform in 2005-06 than they did the prescription drug benefit in 2003-04.** The fact is, seniors who understood the benefit came to appreciate it – and Republicans did better among the 60+ electorate than in any presidential contest since 1988 – but too many seniors were too ill informed, and that created too much unnecessary confusion. The communication training process for Social Security must be as formal, mandatory and comprehensive as the Medicare reform effort that took place back in 1995-96. Members must make the rounds of senior centers with formal presentations to address the scare tactics sure to be employed against them.

One final thought ...

I was in high school when Ronald Reagan was elected. Throughout his first term, he did a lot to change the course of America, yet I still remember thinking of all he could have done if he had a Republican House to match a Republican Senate. That was my dream, but I, like millions of Americans, *knew* that a House majority was *impossible*.

Today, as I complete this document, Republicans are more firmly in control than at any time in my lifetime, with a courageous President, a solid House and a new class of reformer Senators ready to make real fundamental change. And I am reminded of the political chant so commonly repeated in the 1960s...

If not us, who? If not now, when?

Now is the time. This is the place. You are the people. And these are the words.

Frank Luntz

## SETTING THE CONTEXT AND TONE

### OVERVIEW

*Although Republicans and Democrats share most of the same hopes and fears, they frequently look at issues from completely different perspectives. So what do the vast majority of Americas really want?*

### TEN CONTEXTUAL KEYS

- 1) Symbols of America are as important as words. From the Statue of Liberty to the Lincoln Memorial to the American Bald Eagle, what you show can be as important as what you say. Use symbols to help convey your agenda more powerfully.
- 2) Talk about the principles of democracy and justice and explain how they fit into your policies. The public is ready for a philosophical discussion if you link philosophy to their day-to-day concerns.
- 3) It's time for the GOP to tackle and own the principle of fairness. Define fairness as *"equality of opportunity."*
- 4) When you speak of American ownership, be sure to frame it with the lens of opportunity. Ownership is limited, but **THE OPPORTUNITY OF OWNERSHIP** is limitless and the very definition of the American Dream.
- 5) People want politicians who will *humanize, personalize and individualize* their policies, as well as politicians who talk about *"the next generation."*
- 6) It is perfectly acceptable, if not imperative, that you address this values debate. And yes, it is **FAMILY VALUES** that Americans want and expect to see in you and in your policies.
- 7) Express the the day-to-day concerns of your constituents on a local/neighborhood level. No doubt you do, but you have to both show this and talk about it.
- 8) You need to be **FOR** something, rather than just **AGAINST** something.
- 9) Talk about "a more effective government" rather than no government, as well as a renewed focus on *"goals and results, not partisanship or politics."*
- 10) Start and end with **ACCOUNTABILITY**. It matters most.

## THE TONE & CONTEXT

This is different from all the other chapters in this New American Lexicon because it is meant to be more contextual than linguistic. It is my belief that if you get the tone correct, the right words will surely follow.

- 1) **The Power of Symbols.** As you are well aware, communication does not exist solely in our words, either written or spoken. Americans draw upon a shared well of symbols, images that evoke concepts fundamental to our country. As our policies are produced with these concepts in mind -- freedom, liberty, opportunity -- there are timeless American images that match them. Communicating policies within their context and harnessing these symbols to match their principles is perhaps the most powerful form of communication there is.

When you speak of the 2005 legislative agenda, do not be afraid to wax poetic about this link between American icons of freedom and opportunity and the very legislation that you are discussing. It will not seem trite. It will not appear sordid. Indeed, it will resonate with a power that cannot match that of your words and phrases. Language is your base. Symbols knock it out of the park.

That being said, not all symbols are created equally. Some pack more of a punch than others, and our research has shown us precisely those that work, and those that don't.

First, you will never find any symbol as powerful as the American flag. The flag is in many ways an American Rorschach test -- the inkblot upon which Americans project their ideals of America. It is both too easy and too vague at the same time.

Instead, you would do well to emphasize two other symbols of America that imply more specific ideals. The Statue of Liberty specifically symbolizes both freedom and opportunity -- two inherent principles of the conservative party, while also appealing to our nation of immigrants. When asked, 64% of Americans chose the Statue of Liberty as one of the greatest symbol of America and American patriotism. That is why we chose Lady Liberty as the cover picture of this document.

Next in preference is the American Bald Eagle. It speaks to American independence, American exceptionalism and American power. It too implies conservative philosophies of strength and self-sufficiency.

The American people cannot always be expected to directly grasp the connection between your policies and your principles. Symbols bridge this gap, so use them, and use them liberally.



- 2) **Get back to the fundamentals of America: DEMOCRACY and JUSTICE.** As important as American symbols are the core fundamental American principles – those components of the distinctively American creed we set forth in Philadelphia. They too must be harnessed for their own power. At the top of the list in the American mindset are Democracy (52%) and Justice (40%). These principles above all others should be essential components of the communications agenda. You must explain to voters precisely how your policies fit into American ideals of democracy and justice. Whether it is Social Security reform or outsourcing, tax simplification or energy, you must be prepared to incorporate them into these principles. If you can't, you could lost the rhetorical fight before it has even begun.

Now I'm going to list some of the most fundamental principles of America. All of these are very important, but which is the SINGLE MOST important principle? (Combined First and Second Choices)

|     |                    |
|-----|--------------------|
| 52% | DEMOCRACY          |
| 40% | JUSTICE            |
| 31% | EQUALITY           |
| 29% | OPPORTUNITY        |
| 22% | SECURITY           |
| 21% | FAIRNESS           |
| 4%  | DON'T KNOW/REFUSED |

- 3) **When you talk about FAIRNESS, talk about OPPORTUNITY.** Quite honestly, we expected the principle of fairness to test better. It didn't, but that doesn't mean you can dismiss it. Just because it isn't number one doesn't mean that you can neglect it. The Democrats have their fair share of communicators who can rally Middle America by appeals to fairness. Remove that capability and you will have the majority for a generation.

In a recent poll for the U.S. Chamber of Commerce, we gave Americans three definitions of fairness and asked them to choose the one they agreed with the most. The Number One answer:

**“Fairness means that every American has the chance to succeed even if the ultimate outcome may vary.”**

This underscores the common liberal/conservative debate over equality of opportunity versus equality of outcome. Americans believe in equal opportunity and reject programs that seek equal outcomes. The American people are, after all, realists at heart. So when you talk about fairness, talk about it in this context.

- 4) **The POWER of OPPORTUNITY: "THE OPPORTUNITY OF OWNERSHIP.** The Bush administration has wisely chosen to encapsulate their legislative agenda in a unifying theme of ownership. This is wise as it provides context and thematic undertones for their policies. However, there is a way to add to its inherent appeal: add opportunity. The notion of opportunity tests better than ownership, and the two together test better than either individually.
- 5) **"Compassionate Conservatism" still works. And so does the appeal for limited government. But describe it, don't say it.** President Bush's convention address marked the return of his primary campaign theme of 2000 – *compassionate conservatism*. But he added a twist that you should definitely consider: a definition of the role of government as both positive and limited:

**BUSH WORDS THAT WORK**

**"I am running for President with a clear and positive plan to build a safer world and a more hopeful America. I am running with a compassionate conservative philosophy: that government should help people improve their lives, not try to run their lives."**

The days of the campaign against Big Government are over. Americans have come to accept and expect some positive role for government in making things better (we lost that one), but not at the expense of our personal freedom and choices (here, we won). And that's the key to differentiating Bush's success from Kerry's failure. *Compassionate conservatism speaks to both aspirations.*

Our objective for and our vision of government offers *more choices, more opportunities, and more freedom*. Give them an example of where government doesn't work and than one where it does – and all of it set in the context of the future. Consider the following:

**GOP WORDS THAT WORK**

**The debate over whether government is the problem or the solution is old-fashioned and outdated. We have sought a new and better approach. Every day we ask ourselves how government can be of assistance in freeing and strengthening the AMERICAN SPIRIT.**

**[EXAMPLE]**

**We want to set free the hope and opportunity of American ingenuity and AMERICAN INNOVATION.**

And this concept can extend beyond the theoretical level – it can be ably applied to Americans' everyday lives, as shown by (Maryland's) Lt. Governor Steele's words to the Republican delegates in New York:

**STEELE WORDS THAT WORK**

**"I am, like many of you, a 20th century parent trying to raise 21st century kids. I realize that my responsibility for them doesn't end when I bundle them up, kiss their foreheads and send them off into the world.**

**If we expect to succeed, if we expect our children to succeed, we must look to ourselves and not to government to raise our kids, start our business, or provide care to our aging parent. What government can do is give us the tools we need and then get out of the way and let us put our hopes into action!"**

- 6) **The Democrats have attempted to redefine values and faith. You can't let them.** Several speakers at the Democratic convention addressed the value of faith but without overt religious appeals. In fact, they specifically attacked those who speak of religion or spirituality, an indirect assault on much of the GOP base. A majority of swing voters do not attend church weekly, and this appeal was, well, appealing:

**DEMOCRAT WORDS THAT WORK**

**"My friends, we are constantly being told that America is deeply divided. But all Americans value freedom and faith and family."**

**President Bill Clinton**

Democrat Vice Presidential candidate John Edwards took an even more direct route and it ended up being one of the top five sound-bites in his speech.

**EDWARDS WORDS THAT WORKED**

**"Where I come from, you don't judge someone's values based on how they use that word in a political ad. You judge their values based upon what they've spent their life doing. So when a man volunteers to serve his country, and puts his life on the line for others-that's a man who represents real American values."**

**It is perfectly acceptable, if not imperative, that you address this values debate.** Now it's your turn. The best way to communicate values is to use words and phrases that no Coke-drinking, apple-pie eating American could disagree with. ***Family. Freedom. Opportunity. Responsibility. Community.*** These are the true American values, and they should be used as part of a larger personal message. I know you don't like to talk about yourself, but if you get a values question, you need to explain what these "values" mean to YOU:

**“America is under attack from almost every direction. We have been attacked by murderous terrorists here in this great city. Our employers and jobs are threatened by low-cost, highly skilled labor from abroad.**

**American values are under attack from within.**

**Hard work, personal sacrifice, education, integrity and the foundation of family have been and always will be the source of our strength.**

**Throughout our history, when our country needed us, Americans have always stepped forward, standing up to every challenge. That's what our parent's generation did on the beaches of Normandy. We must step forward again today.”**

**-- Mass. Governor Mitt Romney**

Republicans need to enlarge the debate to include two of Americans' biggest desires today: *strong families* and *healthy communities*. Similar to the desire of Hillary Clinton and many Democrats to talk of support for our troops, Republicans can talk confidently about these things because the public knows that the President's formulation of a “compassionate conservative” agenda speaks to what middle America wants – and does not want – from government.

#### **GOP WORDS THAT WORK**

**“Morals, values, decency – all are essential in a civil society. Strong families, healthy communities – all are essential if we are to enjoy the fruits of our success. All are essential to the American Dream. We must not dismiss them or diminish them. Goodness matters. After all, what good is a stronger economy at home or victory overseas if we remain at war with ourselves?”**

### MORE GOP WORDS THAT WORK

**“The greatness of America has never been measured by the Dow Jones industrial average, the gross national product, or the combined value of our individual and corporate checkbooks. The strength of America, the true greatness of America, is in the moral fiber of her people, in the integrity of her leaders and in how we treat those who are least and most vulnerable in our midst. That is the greatness of America.”**

### A GOOD GOP VALUES RESPONSE

**It has often been said that America is great because America is good. And I believe that our goodness - our sense of right and wrong, our commitment to justice and equality - come from values. Values that are taught by parents to their children all across America. Values like opportunity and responsibility. Values like faith and community. And these are the values which our government must preserve and protect.**

**Throughout my life I have seen the wisdom of these values. As a husband, as a father, as a member of a strong and loving community, I have seen how these values make America both good and great. My opponents seems to appreciate HOLLYWOOD VALUES. I guess I'm more old-fashioned. I appreciate American values.**

- 7) **Talk more about what you WILL do as much as what you have done.** Certainly, an incumbent administration must talk about its record of accomplishments. However, this cannot come at the expense of a future agenda. Americans fundamentally reject the status quo. They want change. They want something better. You have to personify that better future. This was a key component in the President's victory. George W. Bush had a plan for America's future. He focused on the future, not the past. He offered hope and solutions. All Republicans should take a leaf out of the President's book.

## BUSH WORDS THAT WORK

**“This changed world can be a time of great opportunity for all Americans to earn a better living, support your family, and have a rewarding career. And government must take your side. Many of our most fundamental systems — the tax code, health coverage, pension plans, worker training — were created for the world of yesterday, not tomorrow. We will TRANSFORM these systems so that all citizens are equipped, prepared — and thus truly free — to make your own choices and pursue your own dreams.”**

- 8) **Make the GOP the party of BIPARTISANSHIP.** If Americans love anything, it's bipartisanship. Anything described as "bipartisan" is an automatic winner with the American public, and any candidate who can effectively portray themselves as "bipartisan" will automatically have an advantage. Call the Democrats out on their partisanship and obstructionism.

You are blessed with a record of working across the aisle to achieve a number of important legislative victories: Leave No Child Behind, support for the troops and the war effort, even tax relief. Emphasize those examples.

- 9) **Americans are looking for ACCOUNTABILITY from their government before they even consider government programs or ideology.** Skepticism of government is still running high — with the biggest suspicion that government will not do what it says and take responsibility for its actions. Americans want their government to be accountable (33%) before they want it to provide lower taxes (14%) or better services (8%). So when you talk about government, talk about the need for accountability before tackling any issue.

- 10) **In the post 9/11 era, Americans want government to make them safe and secure.** Republicans can speak to that and still maintain a conservative, limited government approach. Providing safety and security is a higher priority than wanting government to stay out of their lives or to provide them with the tools to succeed. So remember that when you are talking about your agenda, think about communicating the principles of safety and security.

- 11) **It's LIMITED but EFFECTIVE government – Americans want and demand one to accompany the other.** It's a rhetorical wrong turn for Republicans to only talk about the negative aspects of government. Those things that Americans believe the government *ought* to be doing, they want done *effectively*. Effectiveness taps into a deep well of public approval. In our research, more *effective* solutions score higher with voters than "*better*," "*more efficient*" or "*simpler*" solutions.
  
- 12) **Empathize, personalize, humanize.** It's time to end the bad habit of talking dry economic statistics, budget numbers and the alphabet soup of government programs and departments. When you talk about the issues facing America, talk about what it means to real people – families, small business owners, employees, parents, children and grandchildren – their jobs, their lives and their hopes for the future. Take the time to show them that you understand their situation, that you are familiar with the problems they face and that you have solutions to offer.

# GROWTH, PROSPERITY, & RESTORING ECONOMIC SECURITY

Recent economic numbers aside, the American people are still very concerned about economic conditions in general and the job situation in particular. There may be two million new jobs created over the past year alone, but the perception is that this is still a very tough job market and that job *insecurity* is warranted. That's why the language that follows is so important.

## THE TEN COMMUNICATION KEYS OF A STRONGER, HEALTHIER ECONOMY

- 1) **The War on Terror is inextricably linked with our Economy.** We still talk about 9-11 every day, but rarely in the context of its effect on the economy. To talk effectively about the recession and our strong economic recovery, you have to talk about the impact of the War on Terror.
- 2) **Empathize.** I've said this many times, but it's still so hard for business leaders and conservative politicians to show empathy when they talk about the economy, and **PARTICULARLY** when talking about the economic recovery. Remember, this is an issue that strikes at Americans' *hearts* as much as it does their wallets. Too often Republicans offer emotionally shallow economic principles. Show them you care.
- 3) **Don't Assert An Economic Recovery. Prove it** Ask any American whether they personally feel as though our economy is back to normal, and maybe 3 out of 10 will say yes. Unfortunately, too many in Washington don't seem to agree and gleefully trot out the latest numbers, facts, and figures to show why. To voters, an economic recovery isn't found in a pie chart, it's found in their checking book. Don't make this mistake by asserting that the recovery is here. Always talk about "*an economy that continues to grow and the new jobs that are being created every day.*"
- 4) **Have a LONG-TERM PLAN.** Rather than asserting a good economy, you must still talk about the pandemic issues that it faces and your solutions to them. No matter how good the economy gets, Americans will still believe that it could be better. In their hearts, they always believe there is more opportunity to instill and inefficiency to wring out.
- 5) **Don't talk about Tax Cuts, talk about Tax Hikes.** Do not be too quick to cite the tax cuts for the economy's improvement. It is rarely believed, even among your most fervent supporters. Instead, link potential tax increases to their negative economic repercussions and you will get a much more positive reaction. The difference between these two is truly amazing. *Americans oppose tax hikes even more than they support tax cuts.*



- 6) **Everyone must benefit – particularly HARDWORKING, OVERBURDENED AMERICAN TAXPAYERS.** The public is looking for inclusive policies that lift up all economic boats. In this outsourcing debate, it really is essential that you make a commitment that all Americans will be helped by your efforts. That's why, when talking about the economy, you need to address personally the people who make it happen.
- 7) **It's not about jobs. It's about CAREERS.** Job training and lifelong learning is at the core of a policy of long-term, sustained, genuine economic success. Job training and lifelong learning is at the core of the American Dream – the opportunity to grow a job into a career and the opportunity to grow a career into a business of your own. So even though you want to talk about creating jobs, you then want to add "...so that every American will have the career of their choice."
- 8) **American prosperity depends on INNOVATION and AMERICAN PRODUCTIVITY.** Americans have never been accused of being a humble people. So use this to your advantage – this country likes to think of themselves as hardworkers able to compete and win against any other country in the world. Tapping this spirit encourages voter alignment with a conservative solution to outsourcing.
- 9) **The root cause of outsourcing is the inhospitable business climate in the US.** And the best way to address this problem is found in reducing taxation, regulation, and litigation, which allows innovation and education to bring more jobs into America.
- 10) **"THE OPPORTUNITY OF OWNERSHIP."** This is the best way to frame the President's innovative Ownership Society message. Ownership in itself is perceived as being beyond the means of some Americans, but all Americans appreciate and value the opportunity of someday owning a home, owning a business, and owning their retirement savings – all essential components of the American Dream. Ownership means control – and getting control of their lives is an essential component of our day-to-day quality of life.

Yes, the public is concerned about deficits and the growing debt, but a strong economy and safe, secure jobs are higher priorities. The words that follow will help you explain in plain English why your solutions are the correct solutions.

## **KEY FINDINGS**

- 1) **Empathize, Don't Assert.** Americans don't want to be told that the economy is doing better, because most haven't seen any evidence of such. So long as they are out of work, or scraping through multiple jobs to make ends meet, they don't see the economy improving at all. That's why it is best to stay away from assertive statements like the one below – people just plain don't believe it:

### **GOP WORDS THAT DON'T WORK**

**"I think the evidence is overwhelming that the economy is doing very well. We've come through the recession and the aftermath of 9/11. I think it's beginning to sink in with the public as well, too. I think anybody who looks at it objectively has trouble making the case that somehow this is a bad economy."**

The public absolutely positively NEVER wants to be told what it thinks. They want empathy rather than statistical declarations. They want to know that they are more than just a number, so give them something worthy of optimism rather than the latest economic results.

### **GOP WORDS THAT WORK**

**Considering what we have been through these last few years, it is remarkable that the American economy is doing as well as it is.**

**We came into office with a recession, and then we had 9-11. In light of both, we are actually doing okay – and it clearly looks like we will be doing better in the weeks and months ahead. There are still people out there in some industries bearing a heavy load because of the economic damage from 9/11 – and we are working hard to help them. But there is good reason to be hopeful. Every month we add jobs, sometimes in the hundreds of thousands. Every month more people are buying homes and investing in their future. It took a while, but we are getting back on track.**

- 2) **Draw the past-future context.** The Democrats are far too focused on the same old people vs. the powerful debate, pitting themselves as the defender of the common man against corporate America. You have to make clear that this is the politics of the past; that is time to leave these petty debates behind and have a real, adult discussion about finding solutions for our future. Solutions that bring benefit to all. Change this debate into the mature one that it needs to be. *Allow them to represent the past and hang themselves in the process. You are focused on the future; you are focused on solutions.*

### WORDS THAT WORK: SETTING THE CONTEXT

**“It is time not only to look toward the future, but also to begin planning for it. It is also time to leave the old-fashioned partisan politics and political negativity behind. Beating up on corporate America will not return American economic vitality and security. It will make some people feel good, and it may win a vote or two, but it won’t create a single job here at home or sell a single product to someone overseas.”**

- 3) **A recitation of the latest employment figures will not win the jobs debate. Having a “long-term plan” is a better approach.** John Edwards attacked the Bush administration where it is most vulnerable claiming that the new jobs that have been created don’t compensate for all the jobs that were lost:

### THE DEMOCRAT ATTACK

**“They’ve lost over three million private-sector jobs, two and a half million manufacturing jobs. We have over nine million people who don’t have a job. We have over three million people who have slipped into poverty. Almost four million people have lost their health-care coverage under the president. We’ve still got an awfully long way to go.**

**It’s not just a matter of whether some of the millions of jobs that President Bush has lost are now being replaced. That alone doesn’t answer the question. What are the quality of the jobs? What are the incomes and salaries of those jobs?”**

In his case, the numbers worked because they *confirm* perceptions. Plants, factories and companies reduce their workforce so publicly, while the companies that have been expanding often don’t draw attention to themselves – and all the small business advances and expansion in self-employment often get no attention at all.

**Why not have 10 of the Fortune 100 CEOs come to Washington and announce that if the Senate will pass lawsuit abuse reform, they each will pledge to hire 10,000 new employees in the next year.**

It is tempting to counter-attack using facts and figures. Resist the temptation. Several Republicans at the convention made the claim that our economy is chugging along just fine and used statistics to prove it. Well, I’ve got bad news for you - no matter who you are, if you try to link economic statistics with voters’ pocketbooks, you fail – they just don’t see it or believe it.

If you still feel the need to reel off statistics, then go right ahead, but understand that these cannot be the brunt of your argument.

A more effective message is to focus on why jobs have been lost and what will bring them back. Though the numbers are true, they're just not credible. Instead, focus on the future. Americans don't want to be told things are getting better. *They want to hear a plan of action to make them better.* The President's language works because it speaks to a series of individual proposals that common sense suggests will lead to job creation and because it identifies a series of specific obstacles that need to be removed.

#### **BUSH WORDS THAT WORK**

**"To create jobs, my [LONG-TERM] PLAN will encourage investment and expansion by restraining federal spending, reducing regulation and making tax relief permanent. To create [GOOD] jobs, we will make our country less dependent on foreign sources of energy. To create jobs, we will expand trade and level the playing field to sell American goods and services across the globe. And we must protect small business owners and workers from the expansion of frivolous lawsuits that threaten jobs across America.**

**[Much of this we have already begun, and that's why there are almost two million new jobs created in the last year. And we plan to do even more.]"**

But telling people what you are for is not enough. You also have to tell people what you are against. The language below does just that:

#### **GOP WORDS THAT WORK**

**I will not be satisfied until every American who wants a job can find one. But that requires us to stand up and SAY NO to the SPECIAL INTERESTS that stand in the way of creating new jobs.**

**Washington does not create jobs. The economy does. Washington doesn't give raises. Employers do. It's time for Washington to stop making life more difficult for employers and employees and give them the freedom to create jobs and provide raises for American workers.**

**A tax code that is too complex, lawsuits that are out of control, and too much bureaucracy destroys jobs and prevents raises. We need to remove these OBSTACLES to more jobs and higher salaries.**

**This is where my opponent and I fundamentally disagree. For the last four years, we have tried to remove the obstacles to more jobs and higher salaries, but both Senator Kerry and Senator Edwards have VOTED NO.**

**President Bush and I believe that when Washington sets taxes too high, and when greedy personal injury lawyers push frivolous lawsuits, Americans lose jobs. You can't say you're fighting for the American worker and support higher taxes and oppose lawsuit abuse reform at the same time. You have to choose.**

- 4) **September 11<sup>th</sup> changed everything. So start with 9/11.** This is the context that explains and justifies why we have \$500 billion dollar deficits, why the stock market tanked, why unemployment climbed to 6% and why we are still in a rebuilding mode. Much of the public anger can be immediately pacified if they are reminded that we would not be in this situation today if 9/11 had not happened, and that it is unfair to blame the current political leadership or corporate America for the consequences of that day.

#### **THE POSITIVE MESSAGE**

**"The plain and simple fact is that American businesses, jobs, and consumers were all hurt by September 11, and some businesses are still suffering more than three years later. But we are fighting back. People are returning to work. We are returning to our daily lives. And in celebration of the American Dream, we are not just striving to recover that which was lost, but to rebuild our nation and ourselves even *better* than it ever was. And let me be clear: our best days are still to come."**

**Without the context of 9-11, you will be blamed for the deficit.** The deficit is a touchy subject for both Republicans and Democrats – your supporters are inherently turned off to the idea of fiscal irresponsibility, and Democrats see nothing but hypocrisy. The trick then is to contextualize the deficit inside of 9-11 and the war in Iraq, which Republicans sometimes do, but not early enough in the answer.

### **GOP WORDS THAT WORK**

**In order to appreciate all that we have done, it's important to remember what we've been through.**

**As a country, we have faced a challenge unique to our generation – a devastating attack on our soil that severely constricted our economy. As a result, we've had to take some extraordinary measures that are quite costly. But our first priority is national security and we determined that it was necessary to invest in protecting the homeland. That was the right decision because homeland security is the right priority.**

**The next step is to get domestic spending under control. Frankly, you don't do that by adding dozens of new federal programs and raising taxes. You do that through discipline and accountability. The President has established a tough, but realistic goal of cutting the deficit in half over the next four years. With the right amount of restraint in non-defense discretionary spending and uncompromising accountability, we'll make it.**

- 5) **Link the war on terror to the economy.** As the emotional reaction to 9-11 subsides, it is important to remind Americans of the more tangible impact the events of that day continue to exert on their wallets and pocketbooks. It's clear that they understand this even if it is something they themselves would rather not articulate.

### **CHENEY WORDS THAT WORK**

**The terrorists clearly have as one of their objectives trying to throw off the economy, trying to inflict economic pain, and it's important that we not allow them that victory.**

**The terrorists win if we end up so hunkered down that we have to fundamentally change our lifestyle, our open society, our free movement of goods and people and ideas back and forth across international borders. If we can't live the way we'd like to live, then the terrorists score a major victory. We can't allow that to happen.**

- 6) **Don't assert that the tax cuts caused the economic recovery.** This is probably heresy but we have never found a Republican who has effectively made the case for strong economic growth as a result of the tax cuts. It has been tried and tried and tried and it just doesn't sound credible. Claiming the tax cuts are working because economic numbers say so simply does not resonate – and repeating it often won't make it so. Worse yet, attempting to link tax cuts to an improving economy actually undermines the cornerstone of the administration's economic policy in their eyes.

Instead of linking the current economic situation with tax cuts, you would be better off linking tax increases to future economic hardship. In plain English, take credit for ***“reducing the tax burden on hardworking Americans.”***

Then talk about **taxes in terms of real people.** A personal, real life success story told in someone else's words is the perfect coda. Laura Bush's words work because they tell the story of the most popular employer in America: female small business owners.

#### **LAURA BUSH WORDS THAT WORK**

**“I could talk about the small business owners and entrepreneurs who are now creating most of the new jobs in our country – women like Carmela Chaifos – the only woman to own a tow truck company in all of Iowa.**

**The President's tax relief helped Carmela to buy the business, modernize her fleet, and expand her operations. Carmela is living proof of what she told me. She said *‘If you're determined and you want to work hard, you can do anything you want to. That's the beautiful thing about America.’*”**

## OUTSOURCING

Concern about outsourcing has not and will not disappear simply because John Kerry is no longer on the stump. Even now, in 2005, Americans are still concerned about losing jobs overseas, and let's face it: the Democrats have been controlling the debate. It's time for the GOP to take control of this tricky issue. *This is a winnable issue so long as you communicate it appropriately.* The principles below are a good place to start, but if you truly want to own this issue, read the following pages carefully.

**SOLUTIONS.** That is the word that encapsulates what Americans want most right now when it comes to the issues of jobs, outsourcing and the future of the American workforce. **Stop talking about outsourcing as an "economic reality or a natural progression of globalization" and START empathizing with American workers.** And there is no better way to empathize than to provide them with a solution.

The words you say will be just as important as the passion with which you say them, and what follows is a detailed and tested lexicon of the words, phrases, and chunks of language to make it happen. Message is essential here. Americans are listening *very* closely to what you have to say and how you say it. Your language needs to be disciplined amidst your outrage, and your message must remain consistent in its appeal to the positive vision you'll espouse. This memo won't provide you with specific policies, but it will help you to *communicate* the *core principles* of a return to American prosperity in the 21<sup>st</sup> Century global economy.

### **\* YOUR BEST 130-WORD RESPONSE \***

**Our approach offers a better solution because our approach offers less. Less taxation. Less litigation. Less regulation. And that means more innovation.**

**Less taxation, so that small businesses can hire employees rather than accountants. Less litigation, so that health care costs are spent in the operating room, not the courtroom, and so the products you buy cost less because the predatory lawyers and frivolous lawsuits don't cost more. Less regulation, so that companies no longer have to file paperwork that no one reads or get caught between two mammoth bureaucracies that have conflicting rules and red tape.**

**And that means more innovation because more businesses and more people can be focused on creating a better future with better products and better services. When it comes to government, less IS more.**



Quite frankly, business leaders and conservative politicians often fail to show empathy. You can never have enough empathy, particularly when a person's livelihood is at stake. Remember, this is an issue that strikes at Americans' *hearts* as much as it does their livelihoods. It threatens their dreams as much as it does their checkbook. Too often Republicans offer principles that are only economic in nature. Voters and shareholders also need to know you share their hurt and anxiety.

**ANSWERING A TOUGH QUESTION: SHOWING YOU CARE**

**Q: "So I'm an employee. What do you say to me? I've made sweaters for 25 years and I was darn good at it and my job until my factory just went away. What do you say to me and my kids because my company took my job away?"**

**A: "Above all else, we're sorry for the situation that you're in. No one should have to endure such hardships, especially after so many years of hard work – and honestly, it's hard for me to understand just how hard it is.**

**But what I do understand is that we need to work together to create an environment where we can create jobs so you can have work again."**

- 7) ***"We deserve a better approach."*** You will not win this debate by merely attacking the veracity or credibility of your opponents. The public rightfully sees a problem and they are looking for answers. You cannot spend too much time criticizing the opposition (no more than 2 minutes). Within the first two minutes you need to offer a summary of what you propose. No matter what they say, say we can do better. No matter what they do, it could have been done better. Everything we talk about should embrace *"a better approach"* and take the principle of improvement to the next level.

**WORDS THAT WORK: OUTLINING THE SOLUTION**

**"You deserve a better approach – and we have one. If we want companies to stop sending jobs abroad, we need better policies right here at home. Reducing taxation, reducing bureaucratic inefficiencies, reducing litigation, and increasing education will restore our economic vitality, enhance our prosperity and make America more competitive."**

- 8) **Everyone must benefit.** The public is looking for inclusive policies and responding best to inclusive language. While we are not a society prone to class warfare, there is a greater concern now than in the past that the poor are being left behind and that more needs to be done to protect their interests. In this outsourcing debate, it really is essential that you make a commitment that all Americans will be helped by your efforts.
- 9) **It's not about jobs. It's about CAREERS.** Job training and lifelong learning is at the core of a policy of long-term, sustained, genuine economic success. Job training and lifelong learning is at the core of the American Dream – the opportunity to grow a job into a career, the opportunity to grow a career into a business of your own. The opportunity to work where you want and do what you want. So talk about “*creating jobs so that millions of Americans can have the career of their dreams.*”

#### **WORDS THAT WORK: CAREERS, NOT JUST JOBS**

**“A career is something that you look forward to. It puts you on the path of life. A career is about pride, about self-worth, something you share with family and friends. A job is something you get after high school or college. At a job, you look forward to coming home from work. At a career, you look forward to going to work.**

**What we want to do in this American economy is give people access to careers, working for themselves and their future. If you're just going to a job and punching the clock, you're not going to be happy, you're not going to be prosperous, and you're not going to be looking toward the future. If you have a good career then you feel like you're making a difference, not only in your life but in lives of others, then you feel like you're apart of the American system of progress. That is a career, that is a good thing, and that's the American dream.”**

#### **GENERAL ISSUES OF OUTSOURCING AND PROSPERITY**

**Never, never, never begin a response to outsourcing by saying it is beneficial to the U.S. economy. Never.** Outsourcing is nothing more than the impact of taxation, regulation, litigation, innovation, education and trade policy all rolled up into one. Each one of these issues needs to be addressed as a component of your message. We start with trade because that's the traditional Republican response. It is actually the weakest. The single biggest mistake proponents of the free market system make is to respond to an attack on outsourcing with a defense of free trade. It may be the right policy but it is most certainly the **WRONG** politics.

Nonetheless, there is a perception problem among Americans when it comes to outsourcing. We asked Americans what they thought to be the greater amount: the number of jobs American companies have outsourced to foreigners overseas over the past ten years, or the number of Americans employed in America by foreign-owned companies. 54% of Americans thought that the number of outsourced jobs exceeded the number of "insourced" jobs, while only 38% thought the opposite.

This is your core problem. Americans do not realize the value that foreign companies bring to this country. This must be communicated more often and more effectively. Outsourcing IS a problem, but don't be afraid to talk about its flip side. Let's face it: Americans who work for foreign companies are not acutely aware of their own situation, particularly in the context of the outsourcing debate. They must be reminded of their place in the global economy, and in fact, of how it benefits them. It cannot be too crass, but this is an extraordinarily effective point and must therefore be emphasized.

**Still, this cannot be an issue about just "outsourcing;" it must be about identifying and solving the ROOT CAUSES of an inhospitable business climate.** This is how you set the context for why the Republican agenda is better for the American economy than the Democrat's plan. You can't rail against taxes, or rally for lawsuit abuse reform, or even clamor to cut red tape until you provide the context for those aggressive issues. Otherwise voters will think you are just pursuing your own pet projects. Rather, you must communicate that you want to identify and solve the problem for what it really is, not just offer short-term gimmicks in response to a very large-scale problem. Highlighting the root causes is the best way to turn a tough question on its head, while taking the positive route.

**WORDS THAT WORK: IDENTIFYING THE ROOT  
CAUSE**

**"What we need to worry about is why it's profitable for companies to move jobs offshore. We should be looking to change the environment, change the rules, and enforce our trade agreements so that those guys don't have to move jobs offshore."**

### A GREAT ANSWER TO A TOUGH QUESTION

**Q: "You come from a state that has been punished by major corporations moving jobs overseas. Isn't it time that we punish those corporations for punishing their employees?"**

**A: "Well a lot of people will tell you first it's time for us to ask the question, "Why do these companies leave?" What is it that forces them to make the decision to leave the United States, the stability of our government and the rule of law and the protection of patents and everything else that goes along with it? I think that's where Washington has missed it. We really need to look at the role of government in making a U.S. manufacturer uncompetitive in a global marketplace."**

- 10) **It's not the size of the business that matters. It's the "entrepreneurial spirit" that moves people.** As a general rule, when you're defending corporations, you must understand that it is literally impossible to score a language home run. But as unsympathetic as Americans are to corporate America right now, they are still totally supportive of the entrepreneurial spirit of innovation, discovery and success. It is here that your tax simplification, lawsuit abuse reform, and red tape cutting solutions will resonate most. Businesses will be the first to benefit from those solutions, and they'll be the first to hire on more workers as soon as they get the hint from you that this country's not going to be hostile to them any longer.
- 11) **Focus on INNOVATION.** In fact, break it down this way: ***Education = Innovation = Employment***. Talk about the greatness of American workers with regards to innovation and discovery. Talk about how America's utilization of technology has made us the envy of the world and how other nations send their best and brightest to America to learn. Then link innovation with education, and you have a very strong argument.

### WORDS THAT WORK: EDUCATION & INNOVATION

**“There is no question that without quality education, we may lose the innovation that leads to full employment. When you look at the new careers, they’re coming from new technology. They’re coming from the most innovative fields. They’re inventing new products, new services, a better quality of life. They’re doing things differently – and better than its ever been done before. Those are the jobs we want to create; the careers we want to encourage; the skills we need to teach. Those jobs become careers, and a career allows a worker to invest in themselves and their community. That’s what I mean by innovation.**

**“But in order to make innovation happen, we need to reinvest in education at all levels. The President’s initiative of No Child Left Behind is a good start, but we need to add to that. We need to add to it federally. We certainly need to add to it on the state level. We need a partnership between business and government that insures that innovation will continue. That’s something America needs to work a lot harder on.”**

- 12) ***PRODUCTIVITY is a key principle of prosperity.*** Americans love to work, and we love the *idea* that we love to work. More accurately, this nation is one that prides itself on *productivity*. It’s not just that we work for the sake of working, but that we work for the sake of PRODUCING. We love to be productive, and we love to be reminded of just how productive we are. Americans want you to know that they’re worth their wages, that there is more to them than a salary and an employment statistic. It is their *productivity* that makes them the unparalleled resource they truly are. Show them you understand both their hopes and their fears.

### THE TRUE VALUE OF U.S. WORKERS

**“Employees are capital assets. They’re not just a line on a ledger sheet. They’re not just an amorphous group of people treated the same way we treat machinery. They are people with dreams and hopes and visions. They have kids in college. They have mortgage payments to make. I care about them, I value them, and I am determined to help them succeed.**

**– Chairman Don Manzullo**

- 13) **Americans will not accept second place or second best. When it comes to trade, we want to win.** While this language of competition and victory plays somewhat better among men than women, we react to international trade the way some people react to the Yankees-Red Sox. The only acceptable outcome is a victory. Any mention of the trade issue should be accompanied by an explicit expression of support for the American worker and the American workforce, and a commitment to fight and win for them.

#### WORDS THAT WORK

**“As a matter of principle, when Americans compete in anything we must play to win, not to tie and most certainly not to lose. Trade is not a zero some game. What we need are *fair* trade arrangements that promote the needs and advantages of each nation. And as you and I both know, America has a lot of advantages. All we need is to enhance the ability of American businessmen and women to seize those advantages in the global marketplace.”**

#### WORDS THAT WORK & A SIMPLE FACT

**“I reject the notion that we should shut out foreign countries and foreign products from American markets. I reject the notion that we should stop buying Sony, Panasonic, Volvo and VW. I reject the notion that we should kick out the Japanese and German automobile factories that operate in more than a dozen states and employ tens of thousands of Americans. As Americans, we should strive to produce the best and buy the best.**

**Economic isolationism will not work. We cannot close our borders and pretend the rest of the world doesn't exist. The fact is, thanks to American innovation and productivity, American businesses produce a lot more than we could possibly sell in America.**

**We're five percent of the world's population. That means that 95 percent of the markets are outside the United States. We've got the best workers in the world, the best businesses. We can be competitive. We've got to make sure that the rest of the world is open to our farmers, our agricultural producers and our manufacturers. I think what we need to make sure of is there's a level playing field for our workers, that we're all playing by the same rules and we're enforcing trade laws, and this administration will work very hard to do that.”**

## **TAXATION, LITIGATION, INNOVATION, EDUCATION: THE POLICIES OF PROSPERITY**

***“An out-of-work American has been denied the American dream of a steady paycheck and the satisfaction of a good day’s work. Losing a job in the name of efficiency is no comfort to a displaced mother who needs to feed her children. We must therefore ensure a personal, compassionate response to this impersonal and callous global economy.”***

***Taxation. Litigation. Innovation. Education.*** Remember those four words for they are at the core of your message, your policy and your response to critics of corporate America. Here is the policy answer to the outsourcing challenge that offers a solution without selling out conservative free-market principles. The four words should be strung together, repeated often, with an adverb attached: ***too much taxation, too much litigation, not enough innovation and not enough education.*** That should be your mantra. Remember it. Fortunately, the words rhyme, which means your audience will remember it as well.

- 14) ***Americans want you to define the role of Washington.*** The problem is there is absolutely no consensus as to exactly what Washington should be doing right now. They just want something done. The most credible language has a pitch that resonates to all ears. For Republicans, it talks about limiting intervention. For Democrats, it talks about creating the right economic environment. And for both political partisans, it has an explicit focus on the future.

### **WORDS THAT WORK**

**Our job in Washington is to set the right course for the business community, but with an important caveat. The true engine for job growth in this country will never be the federal government.**

**What the federal government *can* and *must* do is to foster the most fruitful economic environment possible so that those Americans pursuing their own entrepreneurial dreams can have the best possible chance for success. We must prepare our workers for today’s international marketplace with the skills for tomorrow’s economy.**

- 15) ***Stay on message! Focus on ROOT CAUSES... don’t talk about “outsourcing” as an issue of “trade.”*** The moment the public hears you dismiss outsourcing as an economic reality or just a component of trade is the moment they will look to the Democrats as the party that speaks to *their needs*. To talk about this in terms of trade is to communicate without empathy for their individual concerns and without offering tangible solutions.

### WORDS THAT DO NOT WORK

**Q: "I watched the speech that the president made today in Ohio. Strong defense of his economic policies, and he went further in talking about fighting economic isolationism. But, Secretary, he never used the word 'outsourcing.' Why is the administration shying away from this outsourcing issue?"**

**A: "Well, you know, Alan, all that is, is trade. He talked a lot about trade. He talked about the importance of free trade. He talked about the fact that presidents of both parties since World War II have moved to expand and open trade around the world, and how important that is for creating the environment for better jobs here in America, for a more secure America."**

- 16) ***It's about tax SIMPLIFICATION.*** While most Republicans would probably prefer calling for tax relief, any battle over tax cuts immediately becomes partisan and that means you lose more than half your audience. Similarly, despite Kerry's campaign, less than half of Americans would advocate a reduction in corporate taxes. However, what Americans do want – and what conservatives, moderates and even some liberals do support, is tax simplification.

### WORDS THAT WORK: TAX SIMPLIFICATION

**As a matter of principle, if we want American companies to create more American jobs, we need to have an American tax system that encourages employers to stay right here on our soil.**

**This is not a pitch for tax cuts. But it is most definitely a pitch for tax simplification. Too many companies have to hire too many accountants and too many lawyers to fill out too many forms to comply with a tax code that is simply beyond comprehension. By simplifying the tax code, companies can cut overhead, increase productivity, and hire more Americans to create more products, more services and more profit. True, a few lawyers might temporarily lose their jobs, but that's one profession that always lands on their feet.**

**The current administration recently streamlined tax-reporting requirements for small businesses, helping 2.6 million small businesses save 61 million hours of unproductive work. That was a fantastic first step, but we need to do even more for all businesses.**



- 17) Talk “tax rates” rather than “tax cuts.” Americans have had enough talk about tax cuts for a while. If you want to engage the public in a context that you can win, a better approach is to talk about over-taxation without specifying the solution or calling for more tax cuts. A lot more Americans believe companies are overtaxed than believe those tax rates should be lowered. The public wants something new and different. Drawing the linkage between too much taxation and the threat to prosperity surely has been said before, but it is less philosophical. For most Americans, it’s just plain common sense.

**WORDS THAT WORK: OVERTAXATION**

**“What we need is some common sense here. If we want to encourage US companies to employ US workers, it makes no sense to tax them to where they have no choice but seek cheaper labor. When it comes to job loss, we can’t tax our way out of the problem... but we sure can tax our way *into* it. Too much taxation destroys innovation and destroys prosperity.”**

- 18) Talk “tax fairness” and “tax neutrality.” The public has no patience for a tax code that actually hinders American products sold abroad while helping foreign products sold here. Reducing taxes on exports and/or increasing taxes on imports begins to move toward complicated economic philosophy but the labels “*tax fairness*” and “*tax neutrality*” explain enough that you should not shy away from this argument if you believe it. The key principle in this tax adjustment debate is a phrase you’ve all heard before: “*a level playing field.*” American products deserve exactly the same treatment abroad that we give foreign products at home.
- 19) Ending lawsuit abuse. Please, please, please STOP saying tort reform. For too many Americans tort reform has something to do with a French pastry. Tort reform is legalistic, bureaucratic and definitely impersonal. But while a large segment of Americans don’t know what tort reform actually means, virtually all Americans know what lawsuit abuse reform does TO THEM.

### LAWSUIT ABUSE WORDS THAT WORK

**“As a matter of principle, companies should be spending less money on litigation and more money on innovation. The single greatest disincentive for American businesses to do business here in America is the absurdity of our legal system. We have become the lawsuit capital of the world. Some companies actually spend more money fighting off frivolous lawsuits than the gross national product of countries that belong to the UN. Other countries use their legal system only when necessary. In America, too many people see the legal system as a loose slot machine, and too many personal injury lawyers see it as a potential jackpot.”**

- 20) **It's not just the legal system. It's the people who are abusing the system for their own financial gain. Once and for all, it's time to take on the PERSONAL INJURY LAWYERS.** Those on the outsourcing kick have personalized and demonized America's CEOs. To some degree that's a smart (though highly unjustified) strategy because it puts a human face behind the condemnation. You need to practice exactly what they preach – and the personal injury lawyer is the perfect foil. The truth is, **GREEDY** personal injury lawyers have cost more jobs than any CEO through their reckless abuse of the legal system.

### WORDS THAT WORK: PERSONAL INJURY LAWYERS

**“Everyone deserves their day in court, but the aggressive nature of the personal injury attorneys and their gaming of the system have ensured that companies spend almost EVERY day in court.**

**There is simply too much fraud and abuse within the legal system thanks to the unholy alliance of greedy personal injury lawyers and their irresponsible clients. Together, they are ratcheting up the cost of doing business in America while simultaneously driving down the integrity and consistency of our judicial system. As a result, the cost of doing business becomes so expensive that first the jobs go elsewhere, and then the company goes elsewhere.”**

21) **No component of the Agenda for Prosperity is more popular than job training and lifelong learning.** The single most popular component of the President's 2004 State of the Union address was his call for increased focus on job training efforts. Republicans and Democrats alike feel that our society is not reaching its potential because of an education system that still doesn't deliver consistent quality. There are actually three components of this effort: First, the state of American schools is still of grave concern. Second, Americans are not particularly aware of the concept of lifelong learning but they endorse it wholeheartedly. And third, Americans absolutely believe in the value of job training and see it as a joint responsibility and partnership between business and the federal government.

21) **Finally, challenge the premise of the question. Be aggressive. Seize the issue!** Don't let reporters corner you into answering their questions on their terms – especially on outsourcing. It's NOT outsourcing. It's the hostile business climate in America. It's NOT trade. It's about creating economic vitality. It's NOT about just jobs... it's about *careers and the American Dream.*

#### **WORDS THAT DO NOT WORK**

**Q: "Another proposal talked about would require you, if you have a call center in India, that if somebody calls from there, they have to say, 'By the way, I'm in Bangalore, India.' What do you think of that idea?"**

**A: "Well, I think it's a very inefficient way to run an operation. It's going to take more time, and time means money to the American people and the American consumer. What we're trying to do is make sure that prices are lower here in America."**

#### **A MUCH BETTER APPROACH**

**"Your question misses the point of this very serious issue. For a number of very specific reasons – taxation, regulation, litigation, innovation and education – we have created a business climate here in America that has actually encouraged companies to move those jobs abroad.**

**What we need are solutions to those problems, like tax simplification, regulatory reduction, lawsuit abuse reform, and a renewed commitment to innovation and lifelong learning, right here in America, not cosmetic and superficial changes. It's time to get serious about these very serious issues. Too many jobs are at stake to be playing politics now."**

# **THE WORDS AND LANGUAGE OF PROSPERITY**

**Economic (In)security**

**Economic Isolationism**

**Innovation**

**A Level Playing Field**

**Compete & Win**

**Trade Enforcement**

**Fighting for the American Worker**

**A Balanced, Common Sense Approach**

**Tax Fairness**

**Tax Simplification**

**Simplify & Streamline Regulations**

**Lawsuit Abuse Reform**

**Greedy Personal Injury Lawyers**

**Energy Independence, Diversity and Self-Sufficiency**

**A Smart, Flexible, Efficient, Effective Workforce**

**Real World Solutions to Real World Problems**

**We Can Do Better**

# INTERNATIONAL TRADE: PROMOTING AMERICA'S COMPETITIVENESS

*"Open trade is not just an economic opportunity. It is a moral imperative."*

— President George W. Bush

## THE ELEVEN STEPS TO EFFECTIVE TRADE COMMUNICATION

There was a time when virtually all conservatives considered themselves "free traders." Today, views over trade are no longer so simple or easily defined – and while a majority of Americans are still free traders in theory, their language and priorities have changed. For those who believe that an aggressive effort to promote exports is essential to an expanding American economy, the following communication recommendations should be helpful:

- 1) It's "INTERNATIONAL" trade, NOT "foreign" trade or "global" trade. For many reasons unrelated to this issue, the word "foreign" conjures up very negative images. Since Americans are more "pro-international" than they are "pro-foreign" or "pro-global" (globalization is a particularly frightening term to many Americans), we suggest you accept this terminology. INTERNATIONAL trade is favored over FOREIGN trade by 68% of Americans.
- 2) "A level playing field" is what Americans want, expect and demand from international trade. This is the only issue we have studied where the process is as important as the result. The level playing field concept is what Americans believe is the fundamental principle behind trade expansion and new trade agreement. This is how we currently define "free and fair trade."
- 3) Jobs are what Americans most want from international trade. Even though most companies and many in the Administration make the case for cheaper products and more choices, in the current economic climate, what matters most is the number of jobs created by trade and/or jobs lost because of it. If you are a proponent of greater trade, you will need to use employment facts/statistics to prove that trade yields a net positive number of jobs. A majority of Americans are still not sure.
- 4) Appeal to America's greatness. Americans love being told we're the best, that we're number one. We will do anything--*ANYTHING*--to remain number one, and will oppose anything that undermines that superiority. It is essential in any discussion of trade to declare that we are "*the greatest economic power in the world*" and that "*we will remain the greatest economic power in the world only so long as we continue to do business with other nations.*"

- 5) **When it comes to competition, WINNING is the only acceptable outcome.** Other than the Germans, we are probably the most competitive population on the globe, and we take economic competition just as seriously as sports or politics. As long as Americans believe we can and will win in the global markets, they will want to play. However, winning is not defined by *“balance of payments”* or by *“trade deficit figures.”* The public does not care about how many foreign products are sold in America. Winning is determined by our ability to get *our* products into foreign markets and keep our economy healthy. *And those who oppose international trade should be called “defeatists” for they have given up on our products and our workers without even a fight.*
- 6) **The overarching trade objective is “ENHANCEMENT.”** Americans are skeptical of “trade expansion” because they’re not really sure whether our companies, products and employees are truly benefiting from additional trade, and “promotion” also fails to address the perceived systematic shortcomings. Enhancement is about the *quality* of the agreements, *not just the quantity* – and that’s exactly what Americans want to see.
- 7) **“Fairness” is the strongest weapon in the anti-trade arsenal.** The primary reason why about a third of the population (and the percentage is growing) opposes free trade is because they think our competitors are not competing fairly. That’s why the *“fairness”* component must be a part of any communication strategy--talking about putting U.S. businesses *“on an even footing”* or *“guaranteeing a level playing field”* or about *“fair trade, NOT just free trade”* is essential to winning the trade argument.
- 8) **The best financial statistic: expanding international trade is the equivalent of a \$1,300 to \$2,000 tax cut for the average American family.** Americans like to save money, particularly those who shop at Target, Wal-Mart and the other stores most likely to offer foreign-made products. The problem is, while consumers see the benefits every day – right in their own wallets and pocketbooks – of less expensive imported products, they do not recognize why prices are cheaper and selection greater. You need to explain it better by making a DIRECT connection through the statistic above.
- 9) **High-wage jobs, highly-skilled workers and high-tech products are more important than trade deficit numbers.** We asked Americans whether a country that has low-wage jobs, low-skilled workers, and produces labor-intensive products but has a large trade surplus is better off than a country that has high-wage jobs, highly-skilled workers, and high-tech products but a large trade deficit. The answer was a resounding NO for two reasons. First, many people confuse the trade deficit with the budget deficit (*“they’re all just numbers ... big numbers”*) and their eyes glaze over. Second, most Americans truly would rather live in a high-wage, highly-skilled, high-tech country. So don’t forget to name the many foreign companies that have opened facilities that employ significant numbers of Americans (Honda, Toyota, and BMW manufacturing plants, for example).
- 10) **Don’t forget American farmers.** No profession’s members care more about selling American products abroad than do American farmers, because no one has more at stake. In fact, if we are to save the farm economy, it is essential that we expand markets abroad for American agricultural products. Let farmers know that you’re fighting for them in the capitals of Europe and Asia, not just in Washington.

- 11) **Don't talk like economists.** Words like "*protectionist,*" "*capitalist,*" and "*isolationist*" turn the average voter off. In this case, I am sorry to say that *emotion beats intellect.* All your facts must ring true, but they should be couched in terms that appeal to our hearts as well as our heads.

## **OVERVIEW**

*"We need to showcase the promise and potential of open markets, highlight the perils of isolationism, and champion a level playing field for American interests. The American economy can be beaten by no one, but increasing trade is about more than just economic benefits. We are the shining city on the hill, and our freedom acts as a magnet for the best and brightest entrepreneurs of the world.*

**-- Robert Zoellick**

There is no issue we have ever messaged where both sides can legitimately use much of the same language yet come to radically different conclusions. From jobs to compliance to level playing fields, those that would slam the door on international trade often use exactly the same buzz words and occasionally even the same data as trade expansion advocates. George Orwell is alive and well.

Moreover, the day-to-day impact of international trade (or the lack of) is not immediately apparent to most Americans. For example, despite the best efforts of Democrats to obscure the financial bite of government, everyone can see and feel the imposition of taxes on a personal basis every time they purchase something or receive a paycheck. The benefits from trade are not so obvious. Americans can plainly see the sales tax penalty they pay on their cars and televisions, but there is no line item for all the dollars saved because American companies can produce and sell their products elsewhere. And the same people who decry the trade deficit during the day drive home in their BMWs at night, listen to their Italian operas on their B&O speakers and fall asleep in front of their Sony TVs – and they wouldn't have it any other way.

You start this debate at a disadvantage. Yes, the American people are generally in favor of expanding international trade – but that is misleading. The moment opponents push back with any of several arguments in their linguistic quiver, trade support collapses. Consider the following polling results from late 2003 at the bottom of the economic cycle:

- *63% believe "We should slow things down and make sure others are playing fairly before we negotiate any more trade agreements."*
- *63% believe "The United States should not pursue any new foreign trade agreements until we insure that the current trade agreements are fair to the U.S. and working effectively."*

- *66% believe “NAFTA and other foreign trade agreements have cost thousands of American workers their jobs, and right now we have a trade deficit of almost \$500 billion dollars. Before we pursue any new agreements, we need to guarantee that the U.S. is competing on a level playing field and these agreements are followed by other nations.”*

#### **TRADE PROMOTION: SOUND-BITES OF SUCCESS**

- \* **“Made in the USA” should be a badge of pride, not a mark of discrimination. When it comes to international trade, American products and American workers come first.**
- \* **International trade means jobs – good jobs – in technology, computers, high tech and the other important industries of today and tomorrow.**
- \* **Increased trade means more choices of products and lower prices for hardworking families. International trade saves the average working family between \$1,300 and \$2,000 a year in lower prices.**
- \* **American companies and products are losing sales opportunities and market share because we are competing at a disadvantage in the world marketplace. International trade agreements will create and ensure the level playing field we need to compete and win.**

#### **WORDS THAT WORK**

**Jesse Owens, Peggy Fleming, and the 1980 USA Hockey Team taught us that you have to go to the Olympics to win. In 1999, the U.S. Women’s National Soccer Team took on the world and finished on top. How can the U.S. get the “gold medal” of better jobs, cheaper products, and a higher quality of life if we are afraid to compete and win in the international arena?**

**Millions of Japanese teenagers wear Levi’s. Russians and Chinese drink Coca-Cola. American farmers feed the world. Movies from Hollywood and music from Nashville are as popular in Europe and Africa as anywhere, and software from Seattle and computers and data chips from California and Texas dominate the world.**

**Americans have nothing to be afraid of when we compete on the world stage. So long as the rules are fair and we prepare our work force to make products that the world will buy, we can win.**



Those polling results should be alarming to supporters of free trade. But there is good news for 2005:

- 69% currently believe that *"the American economy benefits from international trade."*
- 66% believe "when it comes to American products and services, America can compete and win against any country on the globe."
- 64% believe "when it comes to trade, America can compete and win against any country on the globe."

That's why the words and language you use are so important if you want to convince an increasingly skeptical American population.

### THE LANGUAGE OF TRADE EXPANSION

Trade is one issue where explaining the policy is as important as explaining the principles. We need an education effort that goes beyond language training right to the heart of good economic policy. The following trade agenda, as articulated by former Commerce Secretary Don Evans, serves as a good summary of policy and objectives:

- (1) We will seek the elimination of industrial tariffs. Ending industrial tariffs will decrease prices all the way down the line, with consumers benefiting the most.
- (2) We will place a special focus on eliminating barriers to exports of agricultural products precisely because it is the area most subject to government intervention that distorts markets, limits the opportunities for American farmers, and impoverishes farmers throughout the developing world.
- (3) We will press for the elimination of all barriers to the export of U.S. services, which now represent the largest sector in the U.S. economy. We have the best minds and abilities, and we must be free to compete on the world stage.
- (4) We are committed to keeping electronic commerce free of roadblocks on the global information highway.
- (5) We intend to ensure respect for intellectual property rights that protect the ideas that lie at the heart of the rise in American productivity.
- (6) We are committed to preserving our ability to deter unfair trade practices and to pursue the aggressive enforcement of our trade agreement rights.

*All of these objectives fall under the same basic premise – that governments should eliminate the barriers to free enterprise in order to offer their people the opportunity to define their own economic destiny.*

## Fairness

I begin with the “fairness” argument because it is at the very core of the anti-trade argument. Like clockwork, opponents to trade always return to the same refrain that recent agreements are *unfair* to workers, *unfair* to certain American industries, and *unfair* to America.

In some ways they’re right. American products ARE charged higher taxes at foreign borders. Yes, that’s unfair. Acknowledge their premise, but then challenge their conclusion and solution. You will win the fairness argument by demonstrating that it is actually the *lack* of trade agreements that is the cause of unfair practices against American companies, products, and most importantly, American workers.

And a villain always helps. Our polling indicates that 31% of Americans see China as the country that ignores agreements and breaks rules the most often. They are the number one response by a long shot, and if approached with some degree of sensitivity, could function as a stunningly effective foil when talking about fairness.

### **WORDS THAT WORK**

**When American products and services are treated unfairly, the answer is not retreat. The answer is not disengagement. The answer is not surrender.**

**The answer is to fight back with trade agreements that remove all these taxes and tariffs and put America on an equal playing field. If we retreat – if we surrender – we lose. But if we act quickly and aggressively, if we assert the right of America to compete, we will gain the higher ground – and that means we win.**

The language of “a level playing field,” though somewhat hackneyed and cliché, wins every time. It appeals to American’s sense of fairness – just look no further than the recent uproar over steroids in baseball. In the minds of this country, a fair playing field allows the best player to win. Furthermore, this language ultimately translates into an American win, because of our sense of America being exceptional. It is no surprise then that when polled, 48% of Americans believe that “a level playing field for every trading nation” is the most important outcome of America’s trading policy with the rest of the world, beating two other arguments that encapsulate the concept of winning.

Thus, it isn’t “winning” alone that motivates voters to free trade; it is instead fairness that sets the stage for a win.

## Everyone Loves a Winner

Once you have set up a fairness principle, you can then move into more salutary language centered upon winning. Of all the emotional arguments in favor of trade expansion, nothing ultimately stirs Americans more than an appeal to America's greatness. From the fundamental core belief in American exceptionalism to the enduring American Dream that is passed on from one generation to the next, there is something unique about America and our drive to be the best at what we do both as individuals and as a nation. Nothing is more pleasing to the American ear than to be told that we are the first and the best.

### WORDS THAT WORK

**Americans have always been at the forefront of international change and world progress and we have always prospered as a result. That is what has made us such a forward-looking nation. We must continue to lead in a world that is more active than ever in trade and commerce, and we should do this in a way that provides opportunities to all American workers, business owners and families.**

The key word is winning. *According to your opponents, the only winners over the past decade of trade expansion are foreign governments, foreign products, and multinationals. Everyone else has been a loser.* Nothing is further from the truth, of course, but Americans don't know this. It is essential that you capture the theme of winning and insert it into all your communication efforts. It is essential that you itemize and specify the real winners when we open the door to international trade.

In fact, **winning** is one of the top responses to poll questions asking Americans to identify the most important benefit to America from trading with other nations, second only to "creating more American jobs." Almost half of all American voters chose "enhancing America's ability to compete and win economically against other nations" as their first or second choice.

### WORDS THAT WORK

**Americans have nothing to fear when we compete on the world stage. So long as the rules are fair and we prepare our workforce to make products that the world will buy, trade will benefit consumers, employers, employees and all American families.**

**The President must be allowed to assert his leverage on behalf of America's farmers and ranchers, industries and service providers, small and large businesses, workers and families alike. When American businesses are able to engage and compete with the rest of the world on an even footing, everyone is a winner.**

## TRADE OUTCOMES THAT MATTERS MOST TO AMERICANS

|  |     |
|--|-----|
| Creating more jobs for Americans               | 49% |
| Enhancing America's ability to compete and win | 45% |
| More choices of products and services          | 31% |
| Saving money on consumer items                 | 27% |
| Creating higher wages for American jobs        | 25% |

### The Economy

The general economic impact of trade is rarely, if ever, a strong argument, but with Americans just barely receiving their first taste of a more robust economy, they are looking for any bright light to hold onto.

The problem with the economic argument four years ago remains today.

- 1) First, *the impersonal nature of "the economy" loses every time to the more personal appeal of (lost) jobs and (lower) wages.*
- 2) *Second, a rather large number of Americans believe NAFTA and other trade agreements have actually had a negative impact on the economy.* Sadly, 54% of Americans believe that overall, NAFTA has been a failure, while only 44% believe that overall, it has been a success.

So while trade expansion may be the panacea the economy needs to right itself, the public is more likely to side with the textile and auto workers who lost their jobs.

Ironically, Americans agree that free trade agreements benefit both America (68%) and the American economy (69%), even though they have a negative impression of NAFTA. So when you talk about free trade, address the principle, not the specifics. And if you are faced with an economic challenge from the opposition, the correct answer is to focus on building, increasing, expanding – moving forward, doing more...

### WORDS THAT WORK

**This is the time to be opening new markets, not slamming doors on opportunities that could build on and rejuvenate our economic growth. To me, opponents of trade sound like defeatists. They want to retreat. We want to move ahead. We want to tear down the walls and move forward, building new markets, increasing economic opportunities, expanding our natural advantages.**

Of course, there *are* effective ways to talk about the economy's beneficial relationship with trade...the only difficulty in it is matching the aplomb of the Governor himself:

#### **SCHWARZENEGGER WORDS THAT WORK**

**There is another way you can tell you're a Republican. You have faith in free enterprise, faith in the resourcefulness of the American people ...and faith in the U.S. economy. To those critics who are so pessimistic about our economy, I say: Don't be economic girlie men!**

**The U.S. economy remains the envy of the world. We have the highest economic growth of any of the world's major industrialized nations. Don't you remember the pessimism of twenty years ago when the critics said Japan and Germany were overtaking the U.S.? Ridiculous!**

**Now they say India and China are overtaking us. Don't you believe it! We may hit a few BUMPS -- but America always moves ahead! That's what Americans do!**

In what was one of the most memorable moments of the convention, Governor Schwarzenegger combined a discussion of the economy with the language of winning, and thoroughly succeeded. This section consistently tests off the charts, and I assure you that it is NOT solely a response to the "economic girlie men" line. It is a response to Schwarzenegger's "pumping up" of American exceptionalism. So talk about the economy, but talk about it in terms of perseverance, stamina, and WINNING.

#### **The Facts About Jobs**

Frankly, this is where trade advocates have fallen down. The facts may be on your side but the perceptions are not, and this is exactly what Americans want to hear about above everything else. Remember half of Americans (49%) picked "*creating more jobs for Americans*" as one of the most important benefits of trading with other nations – more than any other outcome. Of course this is not as easy as it sounds:

- *Trade may support tens of millions of jobs here at home, but no one knows which jobs they are;*
- *Trade may produce a net positive number of jobs, but thanks to organized labor Americans think otherwise.*
- *Trade related jobs may pay 12% to 15% more on average than other jobs, but again, no one knows – including those who hold those jobs;*

This is one area where you need a litany of facts to bolster your arguments. Rattle off four or five specific, relevant examples of how trade has increased not only the number of jobs but the quality of jobs in a specific industry. The key principle here is the *future* and can be stated in a single sentence that Americans will appreciate and agree:

#### THE TRADE PHRASE THAT PAYS

*High wage, highly skilled workers producing high-tech products is the key to America's economic future.*

When talking about jobs, acknowledge that trade enhancement will mean importing more items like toys and clothes, but then emphasize that American consumers will benefit with more choices and lower prices. And then close with the following: *"But with trade enhancement, we will be exporting aircraft engines, tractors, heavy equipment, and advanced technology. That means more jobs, good jobs, better jobs for more people."*

The key to the job argument involves two of the most popular and credible professions in America: farmers and small business owners. Both professions are considered the embodiment of the American Dream. Both professions depend on international trade for their existence.

#### WORDS THAT WORK

Trade agreements are particularly important to small businesses. They need straightforward rules because they don't have the lawyers to work through the bureaucracy. They need the power of the U.S. government because they don't have the infrastructure to fight for equal treatment. They need the opportunity of open markets because they cannot afford to open them themselves. And no one understands this more than the American farmer – America's first small business owners.

#### More Choices, Lower Prices

Trade enhancement advocates should be spending more time advancing the choice and price argument because opponents have no credible response. Use rhetorical questions:

- *Should Americans be denied the right to choose the products that are best for them? That's what will happen if we discontinue international trade.*
- *Should hardworking Americans pay more for their televisions, their computers, their clothing? That's what will happen if we discontinue international trade.*
- *Doesn't the average American family deserve to keep \$1,300 to \$2,000 in savings because of international trade? That's the real benefit of international trade.*

## International Impact

Proponents of trade often turn to the international impact of trade on employment opportunities, environmental quality, and even the spread of democracy and the free market system to other nations on the globe. You can emphasize this: "*we pay higher wages, adhere to stricter environmental standards, and provide better worker safety and training than locally-owned factories in poor countries.*" The fact that 140 million people worldwide have been raised from poverty so far is well worth mentioning. Furthermore, the fastest reductions in poverty have come in those countries most engaged in trade, while countries that isolate themselves remain desperately poor.

BUT while the international argument sounds good and Americans of all stripes do approve, this is one of the weakest arguments in your communication arsenal. Americans do like to hear about how economic and political policies here can have a positive impact on people across the globe, but that will accomplish nothing if you are confronted with trade deficit numbers, job losses, or lack of compliance. The language below captures the best of the international impact argument, but beware – this is not one that knocks it out of the park.

### **WORDS THAT WORK**

**By leading, the United States can shape the future. By leading, the United States is guiding the merger of regional integration within a new, open global system. By leading, the United States can help create models of liberalization that we can then apply elsewhere. We have an unparalleled opportunity here. By dint of size and ingenuity and creativity and capital markets, we can really influence the future of the international system. To have our hands tied at this moment would be a historic calamity.**

**– Robert Zoellick**

## Trade Arguments That Don't Work

There are two particular arguments advanced by the Bush Administration in favor of trade that don't work among any audience – friend or foe. Those arguments are:

- **The number of agreements.** There are now more than 130 free-trade agreements in force around the world, and the U.S. is party to only a handful of them. This may have real, quantifiable consequences for American workers and companies, but absolutely no one cares. In polling, focus groups, and dial sessions, this is singularly the *least* effective method to sell enhanced world trade.

- ***The role of Congress.*** It is the result, not the process that matters to Congress. Trade advocates emphasize that Congress sets the negotiating objectives for trade agreements...Congress oversees the executive branch during negotiations...Congress ultimately decides whether to accept or reject the agreement. And yes, the American people do want Congress involved. But they are much more interested in jobs, products and cheaper prices than what Congress does or does not do.

The “level playing field” argument is truly a double-edged sword. Both sides in the trade debate argue for a level playing field because it cuts to the heart of the “fairness” attribute and therefore to the center of the public opinion battle. Make no mistake: whichever side argues more effectively that its position will yield a level playing field will win the public opinion battle.

The best response is the language below. First, take the level playing field argument as your own. Assert that *the lack* of international trade is what creates an uneven playing field. Second, assert that through negotiations and agreements, we can and will establish a “fair” basis for competition. And third, with that fair basis for competition, America can and will win.

#### WORDS THAT WORK

**The other critical ingredient is a level playing field and the need to keep competition truly competitive. If the playing field is tilted against our companies and our workers, as we’re seeing in the steel industry, no matter how good the product, we won’t be able to compete. We can’t be playing in a zero sum game on the global stage. That’s not what this is all about. Through international negotiations, we will forge agreements that create and ensure a level playing field, so that competition is fair and so everyone has the opportunity to win. We will accept nothing less.**

**– Former Commerce Secretary Don Evans**

Enforcement and compliance also cut both ways. First, even though the words “*enforcement*” and “*compliance*” are used interchangeably, there is a different connotation to the American ear. While Americans are unhappy when they learn that other nations are not complying with the rules of international trade, they get outright angry if they are told that the American authorities are not enforcing those rules – to the detriment of U.S. workers, U.S. companies and the U.S. economy.

Let me be blunt. There is a real perception that our leaders, Republicans and Democrats alike, sell out American interests to foreign companies. The answer to this challenge is as much in the tone as in the language: pounding fists is as important as well crafted phrases.



Americans want crafty negotiators determining trade agreements and street fighters enforcing them. The following language will *not* work if delivered with a calm demeanor.

#### **WORDS THAT WORK**

**When you enter into trade negotiations, there are three principles that must be established.**

**First, make sure that you fight and win on behalf of the American workers and American businesses.**

**Second, you have to make sure that all agreements are enforced and that all parties are compliant. There's nothing more important than insuring that when we sign an agreement, all parties are going to comply.**

**And third, we must have the teeth and the resources to guarantee that compliance.**

Creating effective trade language that avoids the subject's more arcane components is an enormous challenge even to the most skilled communicator. By relying on principles rather than punditry, you can rally Americans to your side.

#### **THE PERFECT SOUNDBITE**

**WITH THE BEST WORKERS AND THE BEST PRODUCTS ON THE GLOBE, AND WITH TOUGH NEGOTIATORS FIGHTING FOR THE BEST AGREEMENTS, AMERICA WINS.**

## **THE BENEFITS OF INTERNATIONAL TRADE**

(A Republican speech about expanding opportunities)

The United States must retain its competitive advantage over other nations. We cannot withdraw from the international economy because of weakness or fear of competition. When American businesses are able to engage and compete with the rest of the world on an even footing, everyone is a winner.

Expanded international trade clearly benefits the American consumer through lower prices and greater choices. Think of all the products we consume each year. From cars to televisions, American families have limitless choices and save thousands of dollars every year because of international trade. Foreign products also force American companies to experiment and innovate in order to compete--and those innovations benefit everyone.

But perhaps most importantly, millions of American jobs depend on international trade--11 million to be exact. That's 11 million families that depend on America to produce the best products at the best prices. Hardworking Americans have put this economy back on track. If we limit trade, ultimately it is the American worker that will suffer the most. And when America's workers suffer, all of us suffer.

It is true that agreements like NAFTA do result in some job dislocation, particularly in older and low-skilled industries. However, new jobs inevitably arise in their place--and the new jobs are most often in growing industries in which employment is more stable. The fact is, nations that have fewer trade barriers have lower unemployment rates than countries that impose higher barriers to trade.

The high-tech computer industry is just one recent example of how American products have flooded the globe, yielding more and better jobs, and a healthy economy based on international trade. Limit trade in any way and these jobs and this industry will be threatened. Being pro-trade means being pro-employment and pro-worker.

The American free market system works best when businesses are allowed to innovate and employees are free to enjoy the fruits of their labor. Our economic future is bright, but we will remain the greatest economic power in the world only so long as we continue to do business with other nations. If we are to unleash the full potential of the American economy--encouraging job creation and better pay--we need to encourage international trade.

We also need Washington negotiators who know how to fight and win at the negotiating table. Our products and our workers can compete and defeat those from any country on the globe, but we need equally tough negotiators as well.

With the best workers and the best products on the globe, and with tough negotiators fighting for the best agreements, the United States cannot lose. So let's not allow the old ways of thinking and the old politics of fear to hamper desperately needed and deserved progress. International trade doesn't depend on abstract economic theory. International trade is about more jobs, good jobs and lower prices, and it is essential to retaining our economic leadership in the world.

## THE BUDGET: ENDING WASTEFUL WASHINGTON SPENDING

### COMMUNICATING THE 2005 BUDGET IN EIGHT EASY STEPS

- 1) **"PUTTING OUR NATIONAL PRIORITIES IN ORDER."** That is the top American priority right now. And that should be at the core of your communication efforts.
- 2) **"Common sense" and "accountability" are the two principles that matter most in the upcoming budget debate.** Yes, these attributes matter in every national debate, but they are particularly important to Americans who universally think you waste way too much of their taxpayer dollars and blame Republicans just as much as Democrats for the deficits. If you can demonstrate these two attributes, you win the communication war. If you don't, you won't.
- 3) **"PRINCIPLES" should be at the heart of any discussion about the budget.** At the outset of your speech, list numerically and then descriptively the process you follow in deciding how to spend the money of America's hardworking overburdened taxpayers.
- 4) **"Cutting wasteful Washington spending" has always had greater emotional appeal than "balancing the budget."** This is still true today. Americans still believe the primary cause of the deficit is wasteful Washington spending, not the tax cuts. So tell them: *"Americans aren't taxed too little. Washington spends too much."*
- 5) **"Economic growth" is the best way to balance the budget.** Remind people that raising taxes discourages work, investment and achievement, and it only gives the IRS a larger piece of a smaller pie. The economy is growing and expanding thanks to lower taxes and other policies that encourage job creation and innovation. And when the economy grows, the government collects more and we will be able to keep more.
- 6) **"Winning the war on terror is the first budget priority."** As President Bush has said, homeland defense, rebuilding our military, and conducting the war on terrorism must be our top priorities. *"We must and will spend whatever it takes to keep this country safe."*
- 7) **Talk in real terms, not in terms of economic theories.** While the typical Republican spends too much time discussing procedural budget details, Democrats make a grand show of responding to everyday American concerns. Language that works: *"The budget isn't about numbers or about theory. Our common sense budget is about priorities and people – real people with real dreams for the future."*
- 8) **It's about the future, not just the present.** What are we going to do to secure the budget responsibly for the next generation? *"The choice is clear. Either we tie the hands of Washington and stop it from spending our money, or Washington will tie the hands of our children and spend them further into debt. That's an easy choice for me to make."*

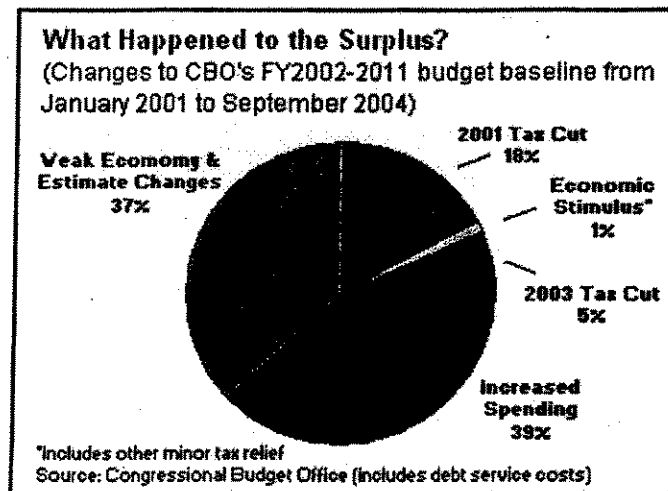
## OVERVIEW

*"Here's one good idea to make sure we continue to grow our economy. Congress needs to restrain spending. The recession and the cost of war and the cost of homeland defense have increased our deficits. Yet I am determined to fund the great priorities of our government while exercising the spending restraint that will return America to the path of a balanced budget as soon as possible. More money spent in Washington means less money in the hands of American families and entrepreneurs, and less money in the hands of risk-takers and job creators."*

*– President George W. Bush*

That represents language perfection – but you will need more than just language. You need a few powerful facts. So when someone tries to pin the deficits on the Republicans, tell them the following:

According to the Joint Economic Committee in 2004, nearly 40% of the surplus was eaten up by the recession, another 40 percent by new spending (the majority of which went to the war and homeland security), and only 24 percent by tax cuts and rebates (some of which were strongly supported by Democrats).



Now, in the name of "*fiscal responsibility*," Democrats are calling for repeal of the Bush tax cuts. But what that represents to the hardworking, overburdened American taxpayer is the single biggest tax increase in the history of America. So yet again, the Democrats are trying to balance the budget on the backs of the American taxpayer. We don't agree. And here's the ultimate sound-bite to articulate our differences:

## The Overarching Message

**“The Democrats believe we have deficits because Americans are taxed too little. We Republicans believe we have deficits because Washington spends too much.”**

Yes, the deficit is once again a political concern – and it is a greater threat to Republicans because their base is demanding greater spending restraint and more fiscal accountability. The deficit once again enrages Americans not because of what it is but because of what it represents: a Washington out of control, out of touch and out to undermine the hardworking overburdened American taxpayer. Conservatives also link Washington with the deteriorating national morality – the way Washington spends *our* money subsidizing anti-social behavior moves the American Dream further from our grasp.

The challenge is steep but success is imperative to everything else you wish to achieve. Wasteful Washington spending is the reason why Americans think Social Security is in trouble. Wasteful Washington spending is the biggest complaint Americans have with Congress. You become the party most opposed to wasteful Washington spending and you secure your majority through the next redistricting...and perhaps longer.

### COMMUNICATION KEYS

It was the Republicans who produced balanced budgets in the late 1990s, yet it was Bill Clinton who got the credit. Why? Because we mishandled the public relations effort. We stood up for principle, but it came across as politics as usual. John Kasich had it right in the 1990s, and Jim Nussle has it right today. Now it's up to the Republicans in both Houses of Congress and the White House to follow their lead.

Congressman Jeb Hensarling created a taskforce to identify and eliminate wasteful Washington spending. That task force should take center stage in 2005, but that in itself is still not enough. The language that follows can turn things around if we learn from our rhetorical mistakes and do it right this time:

- 1) **The moral force for a sensible budget must be stronger than that of the pseudo-moralists who will decry specific budget cuts.** The media will always focus on the few who will be hurt rather than on the many who will be helped by a budget that is under control. You need to fight back, and you need to frame the debate in terms of a *“moral commitment to our children, the next generation, and our future as a nation.”* You must match your opponent's story for story – *the personal and national immorality of passing along increasing debt to our children and future generations versus their budget cutting horror stories.* Otherwise, you may win the budget battle once again but lose the rhetorical war.

- 2) **People only understand the budget in their own terms.** No one knows what the national debt is because no one really comprehends trillions of dollars. Americans understand the cost of a week's groceries, a quart of milk, a night at the movies (including popcorn). Big numbers are nothing more than big numbers. *Personalize what wasteful Washington spending really means. Name the programs and the cost.*
- 3) **Speak in threes.** Every fact and example must tie into the big picture, but too many can obscure the message. Fewer than three facts or examples are insufficient; more than three are confusing.
- 4) **Individual programs have friends and constituencies. Bureaucracies and bureaucrats don't. Therefore, focus the general rhetorical attack on the "Washington bureaucracy."** Americans constantly complain about the billions mismanaged and wasted by their government because of needless layers of administration and personnel. The greatest anger is directed at bureaucrats and waste rather than at the specific programs. *Therefore, every budget statement by every Republican should include the words "cutting the unnecessary bureaucracy and ending wasteful Washington spending."*
- 6) **Political communication works only when it is played in context. STOP TALKING ABOUT PAIN. START TALKING ABOUT "SHARED SACRIFICE" and "GENERATIONAL FAIRNESS."** The public does not want to see services cut, *but the vast majority are prepared to make shared sacrifices "so that their children can achieve the American Dream."* If we talk about *pain*, we lose. If we talk about "strengthening the American economy and restoring fiscal accountability," we win.
- 7) **Established (don't say private) charities will deliver services better to those in need.** A majority of Americans believes the Salvation Army and Habitat for Humanity can deliver more efficient and better quality services to needy Americans than Washington ever could. *Play up President Bush's faith-based initiative and the help it would give to local charities at every opportunity.* Remember, if you want to promote an end to Washington spending, you need to communicate an *alternative* to Washington spending.
- 8) **Stop talking about the process. No new acronyms.** Our communication efforts have always been hampered by too many acronyms, initials and mind-numbing inside-the-Beltway details. Even now, I already hear Senators talking about PRAs rather than Personal Savings Accounts. The public doesn't understand the acronyms and frankly, they don't want to learn. They're concerned with principles and values, not process.

#### TIPS FOR PRESS SECRETARIES

Bring a copy of the federal budget to use as a prop to demonstrate the massive size of the federal budget and the potential for cutting wasteful and unnecessary spending programs.

**KEY FINDINGS**

1) **Budgets are about SETTING NATIONAL PRIORITIES before anything else.** New Democratic linguists like George Lakoff are currently trying to portray budgeting and taxation as the American government's form of investment. Fortunately, this simply doesn't jive with what Americans actually think. The following comes right from a 2005 national survey – even when you name the programs Americans want most, they still think we are overtaxed because they think you waste too much:

|  |            |   |            |
|--|------------|---|------------|
| <i>"Based on what we want and expect from government, we are ...</i> |            | <i>"Based on what we want and expect from government, from education to healthcare, from national security to retirement security, we are ...</i> |            |
| <b>OVERTAXED</b>   | <b>71%</b> | <b>OVERTAXED</b>  | <b>66%</b> |
| <b>UNDERTAXED</b>  | <b>16%</b> | <b>UNDERTAXED</b>   | <b>14%</b> |
| <b>NEITHER/DK</b>  | <b>13%</b> | <b>NEITHER/DK</b>   | <b>20%</b> |

Americans look upon budgets as a political process firmly grounded in the present. In that case, you must emphasize the role of the budget in establishing our national priorities. It is here that the "rubber meets the road" and the hard spending decisions are made. They understand that ultimately budgeting is an exercise in priority-making and belt-tightening.

*When it comes to federal government spending, which of the following approaches would you most like to see? I do need you to choose just one...would you like to see the federal government...*

|            |   |
|------------|---|
| <b>66%</b> | <b>PUTTING OUR NATIONAL PRIORITIES IN ORDER</b>             |
| <b>23%</b> | <b>INVESTING IN THE FUTURE</b>                              |
| <b>8%</b>  | <b>INVESTING EVERY PENNY NECESSARY BUT NOT A PENNY MORE</b> |
| <b>3%</b>  | <b>DON'T KNOW/REFUSED</b>                                   |

2) **COMMON SENSE matters more than any other descriptive attribute.** We asked Americans in the 2005 survey what they most wanted. Fully 48% prefer a COMMON SENSE budget, while only 26% preferred a budget that "reduces the debt burden for future generations." Here again, we can see that setting common sense spending limits is the best way to frame the upcoming debate.

Democrats have been most successful when they infuse budgeting rhetoric with lofty ideals and scare tactics. It's worked because the only Republican response had been an emphasis on process. An injection of common sense puts you on the winning side.

- 3) **Emphasize the RISK to continuing ECONOMIC GROWTH if taxes are raised.** If the Democrats had their way, the impending budget battle would be fought exclusively on taxes.

You need to make this a debate over spending. Of course you know this and I know this, but the American people have to hear this from you. *Communicating "common sense budget priorities" and "tax permanence" go hand in hand.* Making the case for tax permanence is outlined more specifically in this document's section on taxes, but know this: the American public is fearful that allowing the Bush tax cuts to expire would negatively harm both their own finances AND the American economy.

#### WORDS THAT WORK

Some have suggested -- of the other political faith -- that now is the time to raise taxes. I must tell you the President and I think that's one of the worst ideas we've heard in a long time. As we're coming out of the recession, as we're getting the engine of the economy driving again, for us to now raise taxes would be exactly the wrong response. We'd put at risk the progress we've made, and clearly, it would cost probably hundreds of thousands of jobs out there in the economy.

— Vice President Dick Cheney

- 4) **YOUR Money is better spent in YOUR COMMUNITY than it is in Washington.** Everyone thinks that they take better care of their finances than the government. This is as close to a universal rule in public opinion. But not enough politicians talk about this. It is an easy way to connect with voters -- to identify with their perceived plight as an American taxpayer as well as to their implicit distrust of government.

This is also another opportunity to focus the debate on the revenue side rather than the spending side. You must constantly remind voters that this is THEIR money that they have given the government, and it is going to waste in Washington.



### WORDS THAT WORK

**I think the worst thing you could do for the economy is to raise taxes on the small businesses and families. The best thing we could do is to keep the economy growing and the theory is that if you want your community to grow Main Street, leave your money in Main Street, not in Washington. And in the end it is our spending that is the problem, it is not our economy, it is the spending and we have just, we're just out of control on it.**

**Congressman Kevin Brady**

- 5) **ACCOUNTABILITY, RESPONSIBILITY, DISCIPLINE.** Three words. That's what Americans want to hear: these three words. And when you put the word "budget" before it, their impact soars. And when you add Congress and Washington to the mix, you have perfect communication.

### WORDS THAT WORK

**We in Congress need to tighten our belt and restrain the growth of spending. It was Winston Churchill who said *"Trying to tax yourself into prosperity is like trying to lift yourself up in a bucket while you're standing in the bottom of it."* It doesn't work that way. Any Democrat who thinks that the United States of America is somehow under taxed, I've got news for you: We accept voluntary contributions at the United States Treasury. Just send it in. I don't think we'll get many contributions.**

**Congressman Bob Beauprez**

You simply can't draw enough parallels to the family budgeting process. It forces voters to evaluate the US budget for what it is, rather than as some abstract governing concept. It is too easy to get lost in procedural lingo and statistical one-upmanship. Don't let it happen. Keep it simple and force Americans to apply some common-sense kitchen-table economics to the budget process.

### MORE WORDS THAT WORK

Why aren't we more competitive in the world? Why aren't there more jobs being created? Why isn't the economy bigger? To me, there's a simple answer. I'm a businessman. I've been out there and done it. The reason is that we have overtaxed and over regulated ourselves to where we are less competitive. We need to untie that knot, reduce that burden, let the economy run like you would a young horse, and it will run and it will run.

Congressman Bob Beauprez

### THE COST CONTAINMENT COMMISSION

I first proposed this in 1999 and I again offer it in 2005. Congressman Kevin Brady has taken a fantastic first step by proposing a "sunset" provision that would shut down programs after they have outlived their usefulness. This takes that approach one step further.

The objective of the Cost Containment Commission is to use an issue that unites all congressional Republicans (from both chambers) with the White House, and puts us squarely on the side of the American people – in contrast to congressional Democrats. Only one issue can accomplish all of those objectives: cutting wasteful Washington spending. Creating and then publicizing a Cost Containment Commission would allow Republicans to differentiate themselves (positively) from the Democrats and would get us talking about an issue that Americans deeply care about.

We need to learn from our one great political success of 1997-98 – the Senate IRS hearings. Democrats were caught flat-footed by the public outcry against IRS abuses, but that outcry only occurred when Americans had the chance to watch and listen to the IRS abuses from the comfort of their own couches. Sure, beating up on the IRS is always effective, but the public hearings are what brought the story home.

Therefore, we should recreate the same political and communication environment:

- (1) **PUBLIC HEARINGS.** This is the most important component of the communication strategy. Most of our projects are conducted through C-Span, CNN, Fox News, or other "political" outlets. Public hearings, if they are sufficiently visual and sensational, can transcend politics and enter the day-to-day lives of average Americans. That's exactly what happened with the IRS hearings and what can happen here.
- (2) **TOWN HALL MEETINGS.** This is how individual Members can link their own hostility to wasteful Washington spending to the commission's efforts. Each Member should hold multiple town hall meetings that replicate in a hundred districts (it's better when two or three Members work together) what is happening in Washington.

- (3) **TALK RADIO.** This is how we hit the grassroots home run. Imagine the political impact of Rush, Hannity, Liddy, North and Reagan reading lists of wasteful programs every day to about 35 million Americans. Let the Democrats defend them. Let the Republicans and our conservative allies attack. The Cost Containment Commission was made for talk radio.
- (4) **MEMBER NEWSLETTERS AND MAILINGS.** The simplest strategies can be the most important. Newsletters and franked mail filled with stories of wasteful Washington spending and what Republicans are doing to stop it is what we want constituents to be reading about from now through the next election.

There are two key legislative components:

- (1) **Every dollar of "waste" should be isolated and put forward to a vote on the floor.** Now I realize that there will be a "rationale" presented for each program, but few Americans will understand why cow flatulence or grasshopper mating habits should be the focus of a million-dollar study. *The key is to win as many successful votes as possible to eliminate wasteful Washington spending.*
- (2) **Every dollar from every program cut would then be put forward for a tax cut vote.** We need this component to link Washington spending with the tax burden on Americans. (Since the total amount will likely be minimal, you will probably want to allocate the entire amount to a tax credit of some kind that is used widely by working Americans.) *And that's the key – how Washington spending by Democrats hurts and tax cuts from Republicans help working Americans.*

To establish the GOP as the party of accountability, the Cost Containment Commission exercise should be done at the state and local level as well. This is the best way to demonstrate that wasteful spending occurs at every level of government.

### **WORDS THAT WORK**

**It's ironic that our congressional voting cards are about the same size as the credit cards we all carry in our pockets. The spend-now-pay-later credit card addiction runs rampant in Congress. Members of Congress just insert their cards in a slot and run up the nation's bills without worrying about paying them right now. Let somebody else worry about them later.**

**Yesterday I brought my seven-year-old daughter to the floor. Looking in her optimistic face, it troubled me to think that Congress is running up massive expenses that will burden her 20 years from now when she's starting her family and her career. Today's spending by Congress will be tomorrow's headaches for your children and mine.**

**I urge my colleagues to think about the future happiness of our children and the future strength of our country before they vote to increase spending. Let's stop using our voting cards like credit cards to run up the federal deficit. It's time to act responsibly.**

**– Congressman Henry Bonilla**

## SPENDING LESS, KEEPING MORE: TALKING ABOUT THE BUDGET

For the past 20 years, America has engaged in a great national debate about the role and responsibilities of government. Republicans and Democrats alike have agonized over the proper scope of the state.

The question we have debated so furiously is how best to solve America's problems ... by ceding more power and authority to Washington, D.C., or by retaining it in states and local communities, churches and families.

As Republicans, we have always argued for less centralized, bureaucratic control and more individual freedom. We believe that in affairs of state, it is almost always preferable to err on the side of freedom. The bigger a nation's government, the more it taxes its citizens, the less freedom that society will enjoy. As Republicans, freedom has been our greatest cause, and freedom cannot coexist with a bloated, wasteful, corrupt Washington that inserts its tentacles into every corner of our lives.

It is wrong for the United States government to spend more and more money each year. It is wrong for politicians to load down our children and grandchildren with debt tomorrow so that they can avoid making the hard choices today. It is wrong to continue blindly down the same perilous path we have been on for almost 30 years.

In 1980, Ronald Reagan told us that government was not the solution – government was part of the problem. He pledged to get the government off the backs of the American people, to restore the freedom that alone could make the United States that shining city on a hill once again. He transformed not only the Republican Party but also the entire national debate.

And the basic question that has dominated American politics since Ronald Reagan's election has finally been answered.

We have won the battle of ideas. Political leaders across the aisle understand that while government does many good things, it cannot do *everything*. Even if big government could solve all of America's problems – which it can't – even if big government didn't threaten individual freedom – which it does – we can no longer afford it. A new consensus is emerging – a consensus of common sense and fiscal restraint, born of the realization that our children's future depends on an economy free of crippling deficits and a skyrocketing national debt. As Thomas Jefferson said, "It is incumbent on every generation to pay its own debt as it goes."

We have not been paying our own debt as we go. We have been shrugging it off on our children. But we must begin to pay as we go, before it's too late, before we have condemned our children to a lifetime of exorbitant tax rates and bankrupt entitlement programs. As President Hoover sardonically observed, "Blessed are the young, for they shall inherit the national debt."

## **SPENDING LESS, KEEPING MORE: TALKING ABOUT THE BUDGET (cont.)**

It is incumbent on all of us that we step up to the plate and take responsibility for the nation's future.

We have come a long way, but we still have far to go. If we are to ensure the long-term solvency of entitlement programs like Medicare and Social Security, provide for homeland security and continue the war against terrorism, and begin to pay off our enormous national debt, then there is much work still ahead of us.

The time has come to set Washington right, now and forever. The time has come to get Washington spending under control, now and forever. To do it right, we begin with the following two principles:

- (1) *Washington should spend less so that American families can spend more.*
- (2) *If states, localities and non-governmental organizations can do something better than Washington can, they should be given a chance.*

Slowly, steadily, we are making progress. Faced with the prospect of government growing larger and larger each year, like a snowball rolling downhill, we have stood in its path, held up our arms, and demanded that it stop.

The passage of President Bush's tax relief program guaranteed that American families will keep more of their hard-earned dollars, that the tax code will no longer penalize couples for marrying, and that the onerous death tax will be phased out.

But everyone knows that more can and should be done. Americans are still taxed too much. Government spending is still wildly out of control. Washington, D.C. still wields too much power and influence over our lives, and the federal government is still far too large.

There is much work to be done, returning power and authority back to states, communities and individuals themselves.

Prosecuting the war on terrorism, providing for homeland defense, reducing the size of the federal government, reforming entitlements, simplifying the tax code – all of these goals are extremely important, and none of them have been forgotten. But the importance of ending wasteful Washington spending and eventually returning to a balanced budget should not be underestimated.

Every American will feel the practical, real-world effects of a balanced federal budget, through lower interest rates, greater economic growth, and a higher standard of living. Remember, every dollar Washington spends represents a dollar of your hard-earned tax dollars. And every dollar we save means you can keep a dollar more.

## WASHINGTON VERSUS HARD-WORKING AMERICAN FAMILIES

(A speech about who knows what's right for real Americans)

No matter how well intentioned, the federal spending programs in Washington, D.C. feed off *your* money. Sure, they may be designed in good faith by people who want to help you and think that they are spending those tax dollars for your own good. They think that they have a better idea of how to spend your wages than you do yourself.

I know they're intelligent, patriotic Americans. But for some reason they have more confidence in *their own* wisdom and *their own* ability to take care of *YOUR* family.

Basically, it comes down to trust. The advocates of big Washington spending don't really trust you. They may say that they're for the common man, but really, they think that they know better. They think they can take care of you better than you can take care of yourself.

They doubt the common sense and wisdom of ordinary people. They think that because they live in Washington, they have uncommon intelligence – an intelligence that gives them the right to take an awful lot of your wages, and then spend them on your behalf, in the name of their version of the greater good.

That's the dirty little secret of the Democrats. They truly believe that the money belongs to the government, rather than to the taxpayers. And not just the money that's collected in taxes. All money. They believe that the taxpayers of this country should be bowing and scraping, thanking the federal government for the percentage of their income it allows them to keep for their families.

Pay attention to the words they use and you'll see what I mean. Their language gives them away every time. Big government advocates will say that "we" – meaning Washington – can't afford to "*spend*" any money on tax cuts. To their backward way of thinking, it's *spending* when the government taxes Americans less. *SPENDING*. By their logic, I guess the Democrats would say that a burglar who changes his mind and decides not to rob you is giving you back your money.

It is downright immoral for the federal government to be living off the American people. It is crazy to think that some unknown bureaucrat in a Washington office building will do a better job than you will of deciding how to provide for your children and plan for your future.

This has always been a brave, self-reliant nation. We have always believed in the twin promises of liberty and responsibility. But how can we teach the next generation to take personal responsibility for their lives if the government treats all of us like infants?

Now, I don't know about you, but I find this all rather offensive. The humorist P.J. O'Rourke said, "Giving money and power to government is like giving whiskey and car keys to teenage boys." And I think there's a bit of truth in that.

## WASHINGTON VERSUS HARD-WORKING AMERICAN FAMILIES (cont.)

The bureaucrats and the central planners in Washington may think they're smarter than you, and they may even think they have some kind of special right that entitles them to spend your money ... but – just between you and me – they're wrong.

Republicans believe families have a better idea of how to spend their money than does the federal government, thousands of miles away. Washington has a one-size-fits-all mentality. But different families have different needs. In the mind of Washington, every family is alike, and one Washington solution can serve every family equally well.

Well, that's wrong. The hardworking families of this country deserve better. Who cares more for your children, you, or some faceless Washington bureaucrat? Who knows better how to meet your children's needs?

It's difficult to raise a family these days, especially if both parents work. The world is a more complicated, threatening place than it was when I was a kid, and parents struggling to make ends meet and raise their children right deserve every break we can give them. Further tax relief is the least Washington can do to return power and responsibility to those doing the toughest job of all in this country – and the most important one – parenting.

So let me just say to all the parents struggling to make ends meet ... burning the candle at both ends to put food on the table and keep a roof overhead ... sacrificing their own needs and giving everything they've got to make sure their children have every opportunity for a bright future ... we hear you.

We recognize that nothing we say or do here is as important as the daily work you undertake, the work of raising the next generation of Americans. We have no more right to take such a large chunk of your paycheck each month than we would to snatch the bread directly from the mouths of your children.

Being a mom or a dad is the most sacred obligation and the most awesome responsibility that anyone can possibly assume. Family is the backbone not only of this nation, but of all civil society. Aristotle observed that the state is made up of households. Without strong households, even a nation as mighty as the United States will surely crumble.

Nothing is more crucial to America's future than strong families. It's time for Washington to exhibit a little humility, and return a little bit of power and authority to these most basic units of society.

Let's put the days of Washington's one-size-fits-all philosophy behind us. Let's tell Washington to step aside and allow America's families to do their critical work, unhindered. And let's allow all mothers and fathers, when they crawl wearily into bed at night, to be secure in the knowledge that their government will support them rather than blocking their path, and that the American Dream is in reach for them and their children.



## 10 “Fun” Facts about the National Budget

- ✓ The National Debt is **\$7.6 Trillion**
- ✓ In Fiscal Year 2004 the U.S. government spent **\$322 billion** of YOUR money on interest payments to the holders of the national debt
- ✓ If we all decided to pitch in and pay off the first \$5 trillion of the federal debt at the rate of **\$1 per second** it would take us around **160,000 years**
- ✓ A tightly packed stack of crisp new \$1000 bills, totaling \$5 billion would be **315 miles tall**
- ✓ The space shuttle, which orbits at about 240 miles above the earth, would have to go around this “debt stack”
- ✓ If we laid 5 trillion dollar bills end to end, our national debt would circle the globe more than **21,000 times**
- ✓ Each citizen’s share of the national debt is about \$25,828.68
- ✓ Just the interest ALONE on the national debt is the **3<sup>rd</sup> largest** expense in the federal budget
- ✓ In 2003 government spending exceeded \$20,000 *per household*.
- ✓ The national debt has continued to increase an average of **\$2.05 billion per day** since September 30 2004

# TAX RELIEF & SIMPLIFICATION

## OVERVIEW

- You may be tempted to talk about tax policy in terms of *reform*. Don't. When Americans hear the word reform, they fear that they will end up paying more. Far better for you to talk about *simplification* – which everyone supports and sees a benefit.
  
- You may be tempted to talk about making the tax cuts from 2001 and 2003 “*permanent*.” Don't. It is a far more effective to talk about “*the largest tax increase in American history if these tax cuts are revoked*.” Remember, the American public dislikes a tax hike more than they like a tax cut.
  
- You may be tempted to talk about how Americans are overtaxed overall. Do, but also emphasize that Washington spends too much as well. The more you link high taxes to high spending, the greater the support for tax relief.

If there is one debate where framing the issue is as important as the policy itself, this is it. So here's what needs to be said to set the context and begin the tax relief and tax simplification effort:

- 1) **Personalize tax relief. Don't talk in numbers.** Talk in terms of day-to-day life, and explain how your tax relief plan will leave more money in the pockets of hardworking Americans at the end of every week. Don't talk about the overall size of the cut. Focus instead on the marriage penalty, death taxes, rate reductions, and so on.
  
- 2) **“The only way to stop wasteful Washington spending now and forever is to keep the money with those who earned it.”** Americans are actually willing to pay their current tax bill, but what makes them angry is how Washington spends that money. So tell them: **“If Washington doesn't have your money, Washington can't spend your money.”**
  
- 3) **“It's the economy, stupid.”** The second strongest argument for maintaining the tax relief is to provide **“economic security.”** Every day, more Americans are concerned about their personal job security and their individual financial situation. The economic recovery is well underway and jobs are coming back in record numbers, but uncertainty is still with us. **“A tax hike will only hike uncertainty and anxiety.”**
  
- 4) **The IRS is still the most hated institution of government. You cannot overdo it when it comes to attacking the IRS.** The single greatest public relations success of the Republican Congressional majority was the 1997 public hearings on the IRS. For about 11 days you were the talk of the country – true political heroes. History may not repeat itself, but why not try? The more you focus on continuing IRS abuses and the need for IRS reform, the better.

5) **Americans are taxed to death. Literally.** Other than the IRS, nothing annoys Americans more than the thought of being taxed simply because you die. Years ago the death tax was thought of as a chance to recoup money from the richest Americans. Today it is one of the most unpopular taxes. Even a plurality of Democrats support its repeal.

6) **It IS an issue of FAIRNESS.** It's time for Republicans to talk about why the tax system punishes the successful. Is it fair to punish those who create jobs? Is it fair to overtax those who develop, create, expand and enhance? Is our current tax code fair? A majority of Americans would say no.

7) **Tax relief for business is tax relief for employees.** Americans need to be reminded that small and large businesses are made up of employees. In these tough economic times, when businesses are allowed to keep more of their profits, they can keep more of their employees.

For those who want to tackle the tax simplification debate now, you will be warmly embraced by the American people. But to achieve maximum support, effective tax simplification language MUST contain appeals to three specific principles:

- 1) **FAIRNESS.** Americans want to know that the guy in the mansion at the top of the hill is paying his fair share. Most agree that the poor shouldn't pay much at all, but those who can work should not get a free ride. Fairness does not mean soak-the-rich, but it does mean the wealthy must pay their fair share. Fully 73% of the American people believe "fairness" is either the first or second most important principle of tax relief and tax reform.
- 2) **SIMPLICITY.** People do not want to pay accountants to prepare their taxes, which even many less affluent taxpayers do because the system has become so complicated. Many Americans are also concerned they are missing deductions to that which they are entitled because the system is so complex. Another benefit to a "simple" tax structure is the large budgetary savings to be had by eliminating or dramatically reducing the size of the IRS. Either way, a majority of Americans (54%) believe simplifying the tax code must be part of tax reform.
- 3) **RELIABILITY.** Americans hate how the tax code changes from year to year – and they don't like it. They want a tax code that is free from incessant congressional tinkering each year based solely on the whims of a few special interests and their lobbyists. It is precisely this lack of reliability...its inconsistency, which has contributed to the stunning amount of time that Americans must spend understanding and completing their taxes.

## INTRODUCTION

For most Americans, the point of least favorable contact between them and Washington occurs sometime late in the afternoon of April 15, when they deliver their tax return to the (comparably) friendly local post office. (*If we moved tax day to November 1 of each year and ended the process of withholding, conservatives would win permanent majorities all across the country.*) It is well past time for us to harness this enthusiasm for the good work that it can accomplish.

And with this opportunity, comes another – a chance at real, meaningful and lasting reform of our tax code – change that goes above and beyond making the President's tax cuts permanent. Not since 1986, nearly 20 years ago, has there been such an opportunity for massive and meaningful reform.

Through a slew of post-Election focus groups, and two national surveys in the past two weeks, my firm has outlined the language landscape of the Bush tax program and how best to communicate those efforts to the American people. This is a worthy fight. It is a crusade to bring justice to the hardworking-overburdened American taxpayer.

## THE TAX RELIEF TRIANGLE

Anytime you talk about tax relief, you should frame it through the three points of what I call the Tax Relief Triangle: the *Economy*, the *Taxpayer*, and the *Government*. You may be tempted to highlight just one or maybe even two of these components, but voters will penalize you for any neglect that a tip of the triangle receives.

Voters evaluate tax proposals simultaneously through these multiple lenses – there is no one frame that stands out at the expense of the others. They may not understand the complexities of the double taxation of dividends, but they know enough to realize that tax policy doesn't affect only their pocketbook. Voters understand and evaluate tax policy at both the micro- and macro-level, asking themselves how an issue will touch their own taxes and the economy at large, while also considering the impact it has on our government.

Talking effectively about taxes requires you to touch upon each of these components, but to be most effective, there should be certain nuances to your delivery:

- 1) **TAX SIMPLIFICATION TO BUILD A STRONGER ECONOMY.** You should talk about tax relief's economic impact in the strong forceful terms you usually reserve for national security speeches. The parallels are ripe for exploitation...the American taxpayer to the American soldier, the President as Commander-in-Chief of our nation's economy...Alan Greenspan as General Patton – well that may be a bit of a stretch, but the essential idea remains that the days of a more *sensitive* economic policy are gone, and that tax relief must be framed as the vigorous answer to our economic slumber.

2) **TAX RELIEF TO PROTECT THE HARDWORKING-OVERBURDENED TAXPAYER.** Never has there been a taxpayer who was not either hard-working, overburdened, or most likely, both. People identify with this language. Think of how beleaguered our nation looks, sounds and feels around April 15<sup>th</sup>...think of the long lines at the post office that night...think of your own parents sitting around the kitchen table going over bills...and now you and your family ... then think about how thick and maudlin the pathos of the American tax-paying public is. Turn that taxpayer into the underdog hero that they are by evoking this imagery of hard-work and massive burden.

3) **TAX LIMITS TO CURB WASTEFUL WASHINGTON GOVERNMENT SPENDING.** It seems that no matter how low taxes go, Americans still think that there is wasteful Washington spending. True, one man's steak is always another man's pork, but in the minds of Americans, taxes fuel this waste. Washington will always misspend the hardworking, overburdened taxpayer's money, and that's not fair. And that is the strongest argument for making the tax cuts permanent.

Finally, let's not forget that tax relief is an exercise of protection. Members of Congress are the American people's stewards, and as such it is their duty to protect the American taxpayer from harm. So say it: **Allowing the tax cuts to expire would result in the highest tax increase in American history and result in the single greatest negative financial impact on hardworking American families that Washington could possibly impose.**

#### WORDS THAT WORK

**Q: Why shouldn't we raise taxes to address the deficit?**

**A: Because raising taxes will kill this economy, they will kill the growth that we are enjoying right now. We're on a great glide path for growth, and we need to be encouraging more growth, we need to be cutting more taxes. We need to bring capital gains taxes to zero. We need to increase the dividends tax relief. And we need to completely reform the tax code. We need to do more on the tax front. We don't need to give the government more; *we need to put the government on a diet.***

**Tom DeLay**

## **BE BOLD: THE THREE PRINCIPLES OF TAX REFORM**

Perhaps more important than permanent tax relief, is the President's clear desire to put our tax code through a more fundamental revision. The American people agree. What frustrates them about the tax code *isn't just about the amount of money Americans spend on taxes...it's about the amount TIME Americans spend on taxes.*

Reform must be contextualized for what it is. I've said it before, but it's worth saying again, politicians are notorious for telling you what their plan is, but very few of them will tell you the WHY that underlies it.

It's the Politician's Principle Paradox – all of you are in these positions because of your principles, so why don't you speak of them more often? Principles are hard things to disagree with, just look at the earlier list above and you'll see what I mean. How can you disagree with FAIRNESS, SIMPLICITY, and RELIABILITY? So create a direct link between these principles that resonate with the vast majority of Americans and the reforms you propose:

**FAIRNESS:** Always emphasize that tax reform IS an issue of fairness. Admittedly, talking about fairness has never been the GOP's forte, but here (along with Social Security's generational fairness) is an opportunity to appeal to those who rank fairness as their highest priority.

It's time for Republicans to talk about why the tax system punishes the successful. Is it fair to punish those who create jobs? Is it fair to overtax those who develop, create, expand and enhance? Is our current tax code fair? Is it right to tax Americans almost literally to death? A majority of Americans would say no.

### **WORDS THAT WORK**

**"The most important thing about tax reform is fairness -- allowing people to realize their dreams. That's what our tax code has been preventing. We're the freest, most optimistic country in the world. We offer incredible opportunities to so many people, and yet we have a tax code and a tax system that penalizes people for working and penalizes people for being entrepreneurial. We have people who come to this country to realize their dreams, yet too often it's the tax code or other government regulations that prevent them from realizing those dreams. That's simply not fair."**

**Congressman Mike Ferguson**

There is nothing more fair than encouraging the uninhibited pursuit of the American dream. Punishing success is not fair, no matter the circumstances, and its time for the GOP to say as much. Taxing the American entrepreneur into extinction is no way to invigorate this country, let alone its economy.

**SIMPLICITY:** When pressed for what they think would be a fair tax rate, most would readily agree to something in the neighborhood of 20 percent. But what frustrates Americans most is not so much the income tax *rate* as it is the *complexity* of the system and the perception that the rich have expensive tax attorneys and fancy accountants to navigate the 7,000-page Internal Revenue Code. Americans work day in and day out to pay for Washington programs they would not wish on their worst enemies and feel shortchanged by not finding all the tax deductions they are entitled to.

#### GEORGE W. BUSH WORDS THAT WORK

**“Another drag on our economy is the current tax code, which is a complicated mess – filled with special interest loopholes, saddling our people with more than six billion hours of paperwork and headache every year. The American people deserve – and our economic future demands – a simpler, fairer, pro-growth system.”**

There are any number of “fun” facts that you or your staff can dig up regarding the labyrinthine nature of our tax code. Use them to their fullest advantage. Voters will inevitably respond.

#### MORE WORDS THAT WORK

**Do we really need a tax code that is almost 6,000 pages long?**

**A tax code that is 2 million, 800 thousand words – longer than the Bible, longer than the complete works of Shakespeare?**

**Is it fair that more and more Americans have to hire professional accountants because they cannot understand the tax code and they are afraid of being punished if they make a mistake?**

**Can we produce a better tax code, a tax code that is cleaner, simpler and fairer? I think so. I think it’s time to restore common sense to the IRS and the federal tax code.**

One of the lessons of 2004 is that America is still ripe for fundamental tax reform and tax simplification, and no one will weep for the IRS agents, tax attorneys and CPAs who would rather keep a complicated, confusing and corrupt tax system in place than go out and get another job.

**RELIABILITY:** The hallmark of any good policy should be reliability. It does hardworking overburdened taxpayers little good to pass tax cuts today that may or may not exist next year. As it now stands, our tax policy fails this common-sense test – it simply isn't reliable. How else can you explain a system in which there is an ideal year to die! Don't be shy about pointing out the absurdity of this. Taxpayers want to know that the rates they pay one year aren't going to suddenly go up in the next year.

#### WORDS THAT WORK

If someone pays higher taxes tomorrow than they're paying today, they got a tax hike, their taxes were raised and I think that's the wrong idea. We need to create an economy which lifts all boats, where everybody has an opportunity to succeed and grow and realize their dreams. If we're raising people's taxes we're taking more of their hard earned money.

I think people should be able to plan for the future and be able to say that 5, 10 years from now they won't be paying more in taxes than they're paying today because of some artificial date that was created in Washington D.C. We should be able to tell people honestly and in a straight forward way 'we're lowering your taxes and we're doing it because we believe you can make better decisions about how to spend your money than folks in Washington can,' and then say, 'well, we think you can spend your money well until this certain date and after that we think Washington can spend your money better.'"

Congressman Mike Ferguson

If principles aren't enough, just apply them to these appeals. At their best, they will not only make your case for tax reform, but also make the case for a wholesale replacement of the federal income tax system.

- 1) **The current system is too costly and too complex.** The income tax system is so complex that no one, not even the experts, truly understands it. Compliance is difficult and costly (estimated at more than *\$225 billion*), and the burden sits fully on the shoulders of American taxpayers. To make matters worse, Congress continues to alter the tax code, resulting in consequences that are not immediately obvious to the average American.
- 2) **The IRS is an intrusive, unpredictable, threatening bureaucracy.** According to Democratic pollster Peter Hart, few things frighten Americans more than to receive an IRS notice in the mail. Democrats made it that way. Republicans can change it. Let's turn that public fear into a crusade for tax justice.



Americans should not fear their own government, but millions of Americans are afraid of the IRS. With its virtually unchecked enforcement and audit powers, the potential of an IRS audit strikes fear into the hearts of honest taxpayers. That is simply wrong.

- 3) **Politicians and lobbyists are allowed to pick winners and losers.** Politicians have filled the tax code with loopholes supported by high-priced lobbyists for their clients and other special interests. We need a new system that removes the politics from tax policy.

True, the Democrats will accuse you of "risky schemes." Respond: "*The only scheme is Washington's insatiable appetite for more and more of your hard-earned income.*" The infamous "risky scheme" formulation comes straight from Democratic focus groups. But if you make the choice between the hardworking-overburdened taxpayer and the Washington bureaucrats, you win every time. They will end up defending the tax code, and you will be defending fairness, simplicity and reliability.

Remember, *by an incredible 4-to-1 ratio, Americans believe that deficits result from the government spending too much, not taxing too little.* Most American families balance their own checkbooks and live on limited budgets. What they wonder is: "Why can't Washington?" The surest way to truly put the nation's fiscal house in order is to fix the tax system. Our research finds enormous political support for sweeping tax simplification.

### **WHEN ALL ELSE FAILS, GO AFTER THE IRS**

*"I'm as mad as hell, and I'm not going to take it anymore."*

— Howard Beal in *Network*  
written by Paddy Chayefsky

Don't forget the Internal Revenue Service. Nothing guarantees more applause and support than calls to abolish the IRS, and it fits PERFECTLY with the GOP's agenda of tax simplification. If you have any doubt about the *unpopularity* of the IRS, consider the following:

- Most voters would rather have their purses or wallets stolen than be audited by the IRS. That's correct. More than half of all Americans would rather be mugged than face an audit by this mysterious and hated government institution. And what's more, over half (58%) of American voters considered an IRS audit more unpleasant than a root canal.
- No phrase by any political candidate registers a more positive response than the following nine words: "*We will end the IRS as we know it.*" *None.* No matter who says it, it consistently scores off the charts!

Tax relief remains the bedrock of our party. In the past, Democrats have successfully co-opted many GOP issues, from ending big government to reforming welfare to reducing crime. The IRS is in some ways the last remaining symbol that differentiates the party of Lincoln and Reagan from the party of Hillary Clinton and Lyndon Johnson.

*Congress needs to shine a bright light on how the IRS operates.* We should focus on this agency that has a negative impact on our day-to-day lives. The IRS should be our symbol of what's wrong with Washington. And we should emphasize the negative impact that our complicated tax code and Byzantine IRS has on our national economy. In other words, frame a rally against the IRS inside of the tax relief triangle discussed earlier.

Imagine the public impact of exposing IRS practices and abuses. Consider the benefits of a new round of public hearings that highlight Americans that have been *victims* of the IRS. It worked before, and I guarantee that it will work again.

You cannot hope to simplify the tax code without publicly castigating the IRS. It should be a major focus of Republican efforts to simplify the code over the remainder of President Bush's administration. Allocate significant time and attention to this political winner – not just because it makes sense politically, but because it's the right thing to do.

## **THE DEATH TAX**

*"The death tax deserves to die."*

While the general public is giving the economy mixed reviews, an overwhelming majority of people are sure about one thing. In no uncertain terms, they are opposed to the death tax as it stands today.

No tax reform proposal is easier to explain than repeal of the estate tax – which every reader should call the *"death tax."* From *"taxing the American Dream"* to *"you shouldn't have to visit the undertaker and the taxman on the same day,"* the language of death tax repeal is easy for working and retired Americans to understand and appreciate.

### **WORDS THAT WORK**

**"Benjamin Franklin, perhaps the wisest of our founding fathers, said there were two certainties in life: death and taxes. But I do not believe even Dr. Franklin, with his prescience, could have told us that today, both would occur at the same time."**

At the outset, it is important to explain the *principles* behind your desire to repeal the death tax. In fact, nothing is more important to your argument than explaining why you wish to make this change in the tax code. If you get the principles right, public support will follow. Otherwise, you will open yourself to liberal accusations of selfishness and solicitousness toward the rich at the expense of everyone else. So start with four *"common sense"* principles:

## THE COMMON SENSE PRINCIPLES OF THE DEATH TAX

- 1) **The death tax is the wrong tax.** It accounts for just one percent of the nation's revenues, and dollar for dollar, it costs more to collect than any other federal tax.
- 2) **It comes at the wrong time.** A core principle behind repealing the death tax is the idea that people should not be further burdened at the most difficult times of their lives. Mourning families have enough grief when their loved ones die. The IRS doesn't need to pile more on by giving them something else to grieve about.
- 3) **It hurts the wrong people.** If you saved for the future, put away money for your children, built a small business, ran a family farm, or achieved the American Dream in other ways, the death tax punishes you and prevents you from sharing your dream and hard work with your loved ones.
- 4) **It helps the wrong people.** The only people helped by the estate tax are the army of fancy lawyers, expensive tax accountants and IRS agents.

It is truly remarkable just how easy it is to convince people of the absurdity of the death tax if you stick to these principles. It's such a beautiful sentence: the Death Tax is the wrong tax at the wrong time and hurts the wrong people. As Tom DeLay likes to say, "*the family shouldn't have to visit the tax collector at the same time they are visiting the under taker.*"

### WORDS THAT WORK

**The death tax is the wrong tax, hitting people at the wrong time. Consider the principle of it: if you've worked your whole life, worked hard, saved, built a business, and had a family farm; then, to have Uncle Sam step in at your death and keep your family from having it? That's just wrong - the principle of the death tax is simply wrong.**

**Congressman Kevin Brady**

### WORDS THAT WORK

**To be taxed when you die is just flat wrong. People have worked hard all of their lives, saved all their lives and want to pass something on to their children and their grandchildren. They've already paid tax on that money. They shouldn't be taxed again just because they died.**

**Senator John Ensign**

## 2005 PUBLIC OPINION

- ✓ 64% of Americans support eliminating the federal estate tax right off the bat without hearing any pro or con arguments.
- ✓ The American public hates the Death Tax SO MUCH that 56% would support its repeal even if it meant a temporary increase in the federal deficit.
- ✓ 81% agree that “inheritance taxes are an extreme form of taxation. The tax rate, as high as 47%, is higher than even the highest federal income tax rates – and that’s unfair.”
- ✓ 80% believe “inheritance taxes represent double and triple taxation. It is unfair for people to pay taxes on their income, and then more taxes on what they save, and a third time when they die.”
- ✓ 70% agree that “Death taxes are unfair because they single out those who save and invest for no reason other than the fact that they became successful and then died.”
- ✓ Finally, after considering both sides of the issue, **85%** favor a change in the status quo, advocating either complete elimination or reduction. Only 13% favor keeping the tax as is.

## OTHER TAX LANGUAGE

- 1) Personalize, personalize, personalize. The best way to combat criticism of tax relief is through personalizing it; i.e., discussing real, down-to-earth families, small businesses and individuals that are hurt by over-taxation. And the best way to do this is to name every tax that every American has to face:

“When you wake up in the morning and drink that first cup of coffee, you pay a sales tax. When you start your car, you pay an automobile tax. Drive to work, you pay a gas tax. At work, you pay an income tax and a payroll tax. You get home at night, you pay a property tax. Flip on the light – you’re paying an electricity tax. Turn on the TV – you pay a cable tax. Make a telephone call, you pay a utility tax. Brush your teeth, you’ll pay a water tax. Even when you die, you pay a death tax. We are an overtaxed nation and hardworking Americans deserve a break.”

- 2) **It's not about what you may receive – it's about others may be forced to leave behind.** Only 38% of Americans expect to be the beneficiary of an estate or inheritance, yet 85% want it eliminated or reduced. Americans don't like it when life-long dreams are shattered by the taxman – whether they are farms or small businesses.

No one will worry too much about protecting America's wealthiest families. But everyone will want to help farmers and small businesses. In fact, other than teachers and druggists, no occupation is more popular than that of small business owner. Why? Because no other occupation involves taking more risks and putting in more hours than owning a small business does. *And nothing penalizes the small business owner more than the death tax."*

#### **WORDS THAT WORK**

**"Imagine owning a family farm that you have worked on for 30 years. You have built and developed the land with the hope of passing it along to your children so that they will have a better life. But after your death, your children tragically find that the farm will not be staying in the family, but will instead be going on the auction block to pay off the IRS. This is not a rare occurrence. Many family farms must be sold off to pay the federal taxes due on the property. It's just plain wrong.**

**"Death taxes hit the family farmer particularly hard. The family farmer may be cash poor, but he is tradition-rich. The value of a family farm lies not in the IRS valuation of equipment and land, but in the farm's ability to produce. Farmers make their livings growing food and fiber, not speculating in land and equipment."**

#### **MORE WORDS THAT WORK**

**"The death tax most affects small business, farmers, and ranchers and that's where eight out of ten new jobs come from. It's the mom and pop businesses that close down.**

**Half of the value in a company is taken away in the death tax. Sure, if you die in 2010, that's OK because we've eliminated the death tax that year. But if you die in 2011 and we don't make the death tax relief permanent, you'll lose your company again. That's no way to run a government.**

**Congresswoman Heather Wilson**

## JUST SAY NO TO NEW TAXES

President Bush came to the White House four years ago with a promise of tax relief for America's hardworking families. Since then, we have provided our nation with a tax relief package that has stirred the economy from its slumber, fattened our wallets, and put our government on a diet, making it leaner and stronger.

But 2011 is quickly approaching when the tax relief is set to expire and our hardworking, overburdened taxpayers will be faced with the single biggest tax increase in history. There is only one way to prevent this from happening: make President Bush's tax relief permanent.

Look, what differentiates me from most Democrats is that I fundamentally believe, America is already an overtaxed nation and we need to lessen that burden wherever and whenever we can. Taxes affect every American who works hard and they affect us every single day.

I've had enough.

It's high time for us to say no to the largest tax hike in history and make President Bush's tax relief permanent. Keeping our taxes down will continue to fuel our economy's steady comeback. Keeping our taxes down will allow America's overburdened taxpayers to keep more of YOUR own hard-earned money in YOUR wallet. Keeping taxes down will force Washington to trim the fat on wasteful government spending.

I firmly believe that America's working families have the right to keep more of their own money. President Bush's tax relief program, passed four years ago by bipartisan majorities in Congress, provides tax relief throughout your life, from helping you to raise your children to assisting in your preparations for retirement.

Thanks to President Bush's tax relief program, a young, recently married couple will not pay more taxes simply because they decided to get married. Government, through the strong arm of the taxman, should not penalize a man and woman simply because they choose to tie the knot and start a family. The marriage penalty is wrong – and now, thanks to President Bush, it's gone. Let's keep it that way.

Second, the president's plan increased the per child family tax credit, so that hard working parents can spend a little more time with their kids, and a little bit less time working for Washington. I happen to think that's a good idea, worthy of keeping in our tax code. Let's keep it there.

Third, since we believe the government should reward people for doing the right thing, we have expanded individual retirement accounts to help Americans save for and then enjoy their retirement years. Only in America would the government be fighting over whether to encourage or discourage retirement savings. Republicans believe you shouldn't be penalized for saving for your future, and we vow to continue this fight.

(cont.)

Fourth, Benjamin Franklin, perhaps the wisest of our founding fathers, said there were two certainties in life: death and taxes. But I do not believe even Dr. Franklin, with his prescience, could have told us that today, both would occur at the same time.

The death tax is simply unfair. It tells every American that no matter how hard you work or how wisely you manage your affairs, in the end the federal government is going to take it away. The death tax is double and, in some cases triple, taxation. It punishes hard work and savings, and it fails to raise the kind of revenues that might conceivably justify some of the damage it causes. It has been destroying businesses and ruining lives for four generations. Let us not make this mistake with our children, and put a stake directly through the heart of the death tax so it does not return to haunt us again.

Because we believe a spouse or a child should not have to visit the taxman and the undertaker on the same day, we will fight to put an end to the death tax once and for all. It expires in 2010. We don't want it reborn in 2011.

Finally, when I say April 15<sup>th</sup>, you should not shudder. The IRS is an intrusive, unpredictable, threatening bureaucracy and you should not fear your own government. If we are going to effectively reform the complicated mess that is the tax code, then we have to reform the complicated mess that created it.

The fact is, a majority of Americans think that an IRS audit would be a more unpleasant experience than a root canal? That's not right. When Americans are as likely to believe that having their wallet or purse stolen is as personally painful as an IRS audit, it is high time we put an end to the IRS as have come to know and fear it. It's time for a change.

As a matter of principle, I believe that the federal tax code should be fair, simple, and reliable.

Why should a system punish the successful? Why should it punish those who create jobs? Why is it fair to overtax those who develop, create, and expand? I can't answer those questions, and neither can Washington. And that's why it's time for a change.

And don't even get me started on the complexity of the tax code! If ever there was an unfair shake for hardworking, overburdened taxpayers, this is it. We don't need a tax code that is longer than the Bible or the complete works of Shakespeare? We don't need a tax code that requires more and more Americans to hire a professional accountant to understand the tax code and spend money in order to correctly pay the government. And that's why it's time for a change