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THEMES AND ISSUES OF THE 1982 CAMPAIGN

July 21, 1982

#### I. INTRODUCTION

A consistent set of themes and issues that deal to the strengths of the Reagan Administration must frame the campaign in the fall if we are to be successful in holding our present position in the Congress and keep the Reagan revolution alive. The themes and issues discussed below not only should structure and guide the President's activities -- particularly the timing and content of speeches and his schedule -- but they also should set the general tone for every Republican candidate running for office this year, help guide the administration's media strategy, and channel the efforts of our spokespersons. It is clear that the President has the power to set the general political agenda in July and August; no candidate or committee can perform this valuable function.

Additional reinforcement of the themes and issues we outline can and must be given by the three major Republican committees. This should be done first and foremost through guidance on issues they offer candidates, and by providing them with the theme/issue structure for their advertising and their surrogates.

#### II. CAMPAIGN THEMES

Effective themes for the 1982 campaign should draw on the strong political legacy of the '80 campaign, as focused by the 1981-82 agenda of the Administration.

At bottom, the specific 1980 campaign legacy that provides a foundation for the 1982 elections is that voters supported the kind of change Ronald Reagan personified and that he now can provide the strength of leadership to deal effectively with the economy: an economy less buffeted by inflation, but more torn by unemployment. More generally, the 1980 campaign represented a rejection of the philosphy (but not always the specific policies) of the Democratic liberal welfare state. It thus provided this administration with a mandate for change and reflected an acceptance of an approach to governance as articulated by Ronald Reagan in 1980. There abides strong public support for the principles embedded in that approach, and we should keep public focus on these principles:

- The size of the federal government is too large and too wasteful -- hence, both the functions and the spending of the federal government must be curbed.
- . A direct correlary to the above principle follows. We must set in force a philosphy of governance that will maximize individual initiative. This means a reduction in government

regulation and taxes to increase individual incentives while exhibiting sensitivity to the inordinate risks borne by some members of our society in times of change.

- While this particular principle is at present brought into question by the levels of unemployment the economy is experiencing, nevertheless, we can and should articulate the point that we are setting in place the circumstances which will generate expanded growth employment and opportunities for Americans in the decade of the 80's. We should not forget that the purpose of our policies is to grant the option to every individual in our society to have more.
- America must seek peace through strength -- embarking upon simultaneously increasing defense spending as well as initiating negotiations that promise the reduction of nuclear arms.

The specific pieces of our program which should be emphasized and the unique characteristics of this President should be conditioned by perceptions that the electorate already holds. Briefly this President has been successful in keeping the following campaign promises. He has:

- provided the strong moral leadership the country sought in 1980,
- . reduced taxes.
- . kept our defenses strong,
- . enhanced our relationships with the allies,
- . cut down the size of the bureaucracy,
- . reduced the amount of federal regulation, and
- . "even though prices are still increasing," Ronald Reagan has slowed down the pace of inflation.

The most valuable perceptual asset that we must enhance through the campaign process this fall, is the impression held by a strong majority of Americans that this President, as opposed to the Democrats, does have "the best interests of the country at heart."

The specific presidential characteristics that we should reinforce over the next hundred days are that Ronald Reagan is strong, capable, effective, gets things done; in short, a President whose foreign and domestic policies are beginning to move the country in the right direction.

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The most effective theme for the Democrats will be "fairness," and the hurt induced by the depression. While we must not expend undue resources to counter this charge, nevertheless we must remain sensitive to this attack theme by considering every policy, position and symbol that we generate over the next few months against the question, "Does this exemplify a fair and equitable President and administration?" In particular, the President should project an awareness of the human dimensions of the economic calamity that a large portion of our economy is experiencing because of the present high levels of unemployment and bankruptcy. It is strongly suggested that the President reflect in his speeches a knowledge and understanding of the extent to which Americans are "hurting" economically. He must avoid attempts to put the best light on present circumstances by recourse to statistical arguments about unemployment. When this has been done in the past, Americans assumed he was either uninformed or uncaring about the unemployed, or both. Contrarily, it would be advantageous to perhaps say that the scope and extent of the economic difficulty we are experiencing is both larger than expected and completely unacceptable to this adminstration. It will take time to turn around the decades of the irresponsible and ineffective policies of "tax, tax and spend, spend." When this is done, we will go a long way to project greater sensitivity and understanding to not only those Americans who are now unemployed, but to that even larger group who, because of what they see and hear, fear unemployment.

There are two other issues that we must deal with specifically to neutralize the Democrats' cry of unfairness. These issues are social security and policies and positions that impact women and are reviewed in a section that follows.

#### III. ISSUES

It is absolutely imperative that we focus the issues on three or four topics and repeat our position on those issues, unremittingly, between now and the campaign. The scope of issues the President now deals with is both too broad and too unfocused to serve us well in guiding his public schedule and speech agenda. There are many intriguing policies offered by others that will clutter unnecesarily our agenda this fall if we give them attention. The flat tax ranks in the first order of such issues.

The specific issues we should highlight are discussed under three rubrics -- the mega issues that should dominate the campaign, some selected group issues and some issues to be avoided.

### IV. THE MEGA ISSUES

#### Introduction

There are only three issues that require our undivided attention through 1982: economic recovery, the perceived fairness of our programs and peace. This holds not only because most Americans'

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greatest concern still centers on the economy, but also because people's view of the economy will strongly condition the fall elections of 1982. While it would be counter-productive to overstate what has been accomplished to date with the economy, especially with unemployment, we must not leave it to the media and the Democrats to describe the present economic scene in their terms alone which would converge almost solely on the equity issue. We are well positioned on the peace issue and simply need to reinforce consistently our stated policy on nuclear reduction.

## The Economy

The one issue we cannot avoid is the economy. To date, Americans have exercised rather considerable patience in waiting for our economic program to work. While inflation has moderated, both unemployment and interest rates have increased dramatically since Reagan became President. Americans at this juncture, however, do not feel that the Reagan Administration can be blamed for the current recession. Contrarily, most believe that it will take at least a year or longer before the impact of Reaganomics will be fully felt. While this perception is now strongly held, this reservoir of patience will quickly run very dry should the Democrats alone interpret for the country where we have come from and where we are now and if, therethrough, Americans lose faith in the Reagan economic program. As long as large numbers of Americans believe that our programs will eventually redound to their economic benefit, we will not inherit the political whirlwind born of economic frustration.

Economic Recovery Program. There are action steps that can be taken to make our case. First, while we must not minimize the extent to which the country at present is suffering, we should encourage Americans to be both patient and hopeful. There have been accomplishments and they should be highlighted. It is essential in this regard that we speak of our economic program generically and not get involved in defending alone the individual elements of the program. The focus must remain on these six points:

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- The administration will encourage the Federal Research Board to increase the supply of money consistently to assure a steady rate in the growth of the money supply. (This does not perclude our establishing a commission to investigate the causes and consequences of high interest rates although we are not recommending that this be done at the moment.)
- . This administration will transfer functions that it has performed in the past back to the local and state governments who can perform those services more efficiently, responsively and sensitively.
- In sum, there are strong indications that we will be better off a year from now than we are now. Because of our total program, the most serious problem a year ago the fires of inflation are now being banked. This is a forerunner of other positive changes in the economy that will come.

If there is one lesson that comes out of the experience of 1981, it is that our program has greater impact than the sum of its parts. Whenever the President or others spoke of the economic recovery program in total, the response was much more favorable than when only one element, such as the reduction in government spending or taxes, was singled out.

Balanced Budget Amendment. There is, however, another economic objective we cannot ignore that the President addressed on many occasions in the past which was not an explicit part of his economic program -- the deficit. President Reagan said we could accomplish our economic goal of stimulating economic growth (through the above steps) and move toward a balanced budget.

It is important that we highlight our continuing commitment to a balanced budget through our support of the balanced budget amendment. But grandstanding the issue on the Capitol steps has its dangers which, if ignored, can bruise us politically.

Critics could claim that Reagan's support of the balanced budget amendment reflects cynical manipulation and nothing beyond. To undercut such outcries, other concrete steps must be taken to drive home the depth and strength of this administration's commitment to bring run-away deficits under control.

The Congress must not be allowed to break the present budget or to avoid the tough spending decisions through the old ruse of "continuing resolutions." If we waiver on this point, we lose both the issues of reducing the size of government and the balanced budget high ground. We should not forget that the American people believe that a balanced budget ranks as the top key element in Reagan's economic program.

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We must commit now to bring the outyear budgets in even closer balance when we submit our budget in January of 1983, but our first and most important step is to press the Congress for a record vote on the amendment.

In sum, if we hang tough, the balanced budget amendment provides us with the opportunity to:

- . put the President back in control of the budgetary process,
- re-synchronize the President's program with his principle of establishing vision and direction for the current government activities, and
- put back into force the <u>single driving element of our 1981</u> legislative successes: ramely, a unified Republican effort.

Reagan Federalism. Even though Reagan's New Federalism has come under severe attack, even from some of our own in the Senate, the Federalism theme can be used by the President in the 1982 elections to fulfill his 1980 promise to bring government closer to the people. It is essential to advance Reagan Federalism as:

- a philosophy of governance and a perennial issue of Constitutional government;
- . a set of themes and not a cluster of programs;
- an approach to governance compatible with the President's Economic Recovery Program, and consistent with the President's commitment to reduce the level of government;
- a strategy aimed at a significant contributor to the nation's economic problems -- big, unresponsive government distant from the people, and,
- . a strategy for reducing the <u>governmental bureaucratic complex</u> that has circumvented state legislatures.

The public debate on Federalism will, however, be lost if the arguments are made at the programmatic level, but can be won if it is presented thematically.

Future-Oriented Economic Issues. The single most dramatic perceptual change the Reagan victory induced was to position the Republican party as the party of innovation and change. That perception is an asset (now somewhat diminished through the recession) and we should build upon it -- especially if by October the economy

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gives us some breathing room so that we can refocus some resources on space, and high tech industries. Further we should seek out, define, and force some votes on the Hill that can be construed as votes for the future, and against the past as Americans have experienced it under the Democrats over the last 40 years. These opportunities would be of special value if they are linked to the economy, education and state of the art technology all focused on the promise and vision of what America's real economic potential can be. This could present us with an opportunity to challenge America's business leaders to plan for and actualize that vision.

## Peace Through Strength

Great political pressure will be brought to bear on the administration through the "peace" and anti-nuclear movements. We should continue to co-opt the peace marchers' positions whenever possible.

At present, we are positioned just about where we should be on the scale -- Peace-Strength. To maintain that position:

- . The President should continue to reinforce his Eureaka College position on the elements of arms control frequently.
- . A White House review of the Geneva negotiations with our chief negotiator might be in order late September or early October.
- . Use George Sthultz -- who so well projects a thoughtful, reasoned and balanced approach to foreign policy -- in the spokesman role this fall.
- . Assess very carefully any situation that even on a token basis might involve American troops in a shooting war.

#### V. GROUP ISSUES

#### Reagan Democrats

Democrats who voted for Reagan were primarily drawn to us not only because of the economic issues, but also because of the Reagan position on social issues. Given the profile that we have recently developed on who these individuals are and what issues they are concerned about, the administration should continue to take a high profile on the issue of voluntary prayer in the schools. Busing on the other hand must be handled very carefully because of its civil rights overtones.

In this regard between now and the election, the President should re-address the "family issues," not primarily in terms of policies or programs, but in terms of his own commitments and priorities. Those



values that were appealed to during the campaign are still very much alive -- particularly among the Reagan Democrats -- and we should reinforce our ties with them.

## Women

Women represent our single most serious source of political alienation. The reasons for that alienation are complex and multifaceted, but we cannot drift into the fall elections without providing some positive pegs for Republican candidates who will take heat from this alienation. At minimum we should:

- propose legislation guaranteeing equal compensation for equal work, or if sufficient laws are already on the books revitalize and strengthen their enforcement,
- . boost and highlight what we have accomplished for women,
- . keep the emphasis on our peace negotiations,
- express interest and concern in the particular problems of working women, especially those who are heads of households and single.
- highlight any children's issues -- drugs, education, health care, etc.

## Present and Soon-to-Be Social Security Recipients

We should strongly consider launching either a televised or highly visible presidential speech -- along the lines already outlined -- on social security to provide both a bridge to diffuse the political heat from the issue until the Greenspan Committee submits its report and to provide, as well, a frame of reference for our Republican candidates.

#### VI. CONCLUSIONS

We should attempt to frame the campaign along the following theme line:

For much too long the country has suffered economic dispair because of the failure of past Democratic policies. President Reagan and Republican policies, some of which have been implemented over the last two years, have started to change the basic course of our economy and the country from going in the wrong direction to going in the right direction. This election will decide basically whether we continue to move forward with these new policies which are going to give Americans a better and more prosperous life, or whether we return to the failed Democratic policies.

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Hence, as the November vote now rapidly approaches, there is probably little substantive change that we can induce to influence the course of the economy or the status of our strategic arms reduction talks with the Soviets. However, it is imperative that we marshall all of our resources to condition the key question the undecided or weakly-committed voter will ask himself as he walks in to the polling booths this fall.

Basically if that question, because of the way we structure our dealing with the issues and the way we highlight them, hinges on, "Should America turn back to the failed policies of the liberal welfare state, or has sufficient progress been made to justify granting the Reagan Administration and the Republicans at least two more years to apply their principles of governance to the present problems that bruise America?" -- we will clearly win more seats than we would if we simply let this election float along its natural course, which could easily find us losing 40 congressional seats and perhaps even the Senate.

We should also be prepared to highlight Reagan's strength of leadership and his commitment to peace by considering other somewhat more dramatic action this coming fall. A meeting with Breshney with all of its risks might provide such an event. Such a meeting would dominate the news in a critical period and bring into focus the President's commitment to peace.

Another clear option that we should not ignore would be to call the Congress back into special session. This would be appropriate, in particular, if they saddle us with a plethora of unresolved legislation critical to the country or subvert the budgetary process one more time through the make-shift alternative of budgeting by continuing resolutions.

Clearly we have outlined more issues than the President should handle this fall. He should concentrate primarily on no more than four. At this writing three should be:

the economy,

peace,

sensitivity to fairness, and

. the fourth issue to be determined if needed mid-September.

A limited number of targeted issues that focus on "Reagan Democrats," women, farmers, and small businessmen that do not alienate our base, can be handled by surrogates and the Administration more generally.

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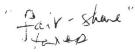
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greatest concern still centers on the economy, but also because people's view of the economy will strongly condition the fall elections of 1982. While it would be counter-productive to overstate what has been accomplished to date with the economy, especially with unemployment, we must not leave it to the media and the Democrats to describe the present economic scene in their terms alone which would converge almost solely on the equity issue. We are well positioned on the peace issue and simply need to reinforce consistently our stated policy on nuclear reduction.

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We should attempt to frame the campaign along the following theme line:

For much too long the country has suffered economic dispair because of the failure of past Democratic policies. President Reagan and Republican policies, some of which have been implemented over the last two years, have started to change the basic course of our economy and the country from going in the wrong direction to going in the right direction. This election will decide basically whether we continue to move forward with these new policies which are going to give Americans a better and more prosperous life, or whether we return to the failed Democratic policies.

Hence, as the November vote now rapidly approaches, there is probably little substantive change that we can induce to influence the course of the economy or the status of our strategic arms reduction talks with the Soviets. However, it is imperative that we marshall all of our resources to condition the key question the undecided or weakly-committed voter will ask himself as he walks in to the polling booths this fall.

Basically if that question, because of the way we structure our dealing with the issues and the way we highlight them, hinges on, "Should America turn back to the failed policies of the liberal welfare state, or has sufficient progress been made to justify granting the Reagan Administration and the Republicans at least two more years to apply their principles of governance to the present problems that bruise America?" -- we will clearly win more seats than we would if we simply let this election float along its natural course, which could easily find us losing 40 congressional seats and perhaps even the Senate.

We should also be prepared to highlight Reagan's strength of leadership and his commitment to peace by considering other somewhat more dramatic action this coming fall. A meeting with Breshnev with all of its risks might provide such an event. Such a meeting would dominate the news in a critical period and bring into focus the President's commitment to peace.

Another clear option that we should not ignore would be to call the Congress back into special session. This would be appropriate, in particular, if they saddle us with a plethora of unresolved legislation critical to the country or subvert the budgetary process one more time through the make-shift alternative of budgeting by continuing resolutions.

Clearly we have outlined more issues than the President should handle this fall. He should concentrate primarily on no more than four. At this writing three should be:

- . the economy,
- . peace,
- . sensitivity to fairness, and
- . the fourth issue to be determined if needed mid-September.

A limited number of targeted issues that focus on "Reagan Democrats," women, farmers, and small businessmen that do not alienate our base, can be handled by surrogates and the Administration more generally.