

Congress, the President and Trade Policy in the Obama Years

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Abstract

Some changes are evident in recent years, but American trade politics is characterized by continuity in many respects. Democrats remain less supportive than Republicans of trade liberalization in Congress and more supportive of trade adjustment assistance. The Senate is still more supportive of freer trade than the House. Elites in the policy community remain much more supportive of trade liberalization than the general public. Trade is a minor issue in Presidential campaigns. The one evident change is that while Presidents are typically much more enthusiastic about trade liberalization than Congresses, Barack Obama has, without embracing protectionism, been less active on the issue than recent Chief Executives of either party. I discuss reasons for these patterns and this discontinuity.

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Trade politics in the U.S. is distinctive, but it is not chaotic. Many patterns evident over several decades are well-known to students of trade policy. Developments in trade politics during the Obama Administration have mostly been consistent with what history would lead us to expect. There are some unusual aspects of the current situation as well, but trade policy observers must be struck by the important continuities in many areas.

In this paper I will identify key respects in which trade politics in the current Congress and administration does and does not fit within patterns trade scholars have identified. I will discuss the orientation of political parties toward trade policy, the pattern of Congressional-Presidential relations on trade, including the reluctance to grant the President authority to negotiate agreements or unilaterally reduce barriers to trade, differences between the House and Senate, the gap between political elites and the public on trade policy and the marginality of trade issues in Presidential elections. All of these areas reveal great continuity with previous Congresses and administrations and in views of trade policy in society more generally. I will then turn to the more limited ways in which the current moment might be distinctive, focusing on the slowness of President Obama to embrace the pro-trade role that modern Presidents have adopted and the prospects for change.

The Role of Political Parties in Trade Policy.

Discussions of trade politics often focus on economic interests prominent in various regions of the country. The “rustbelt” of declining industries in the Midwest and the textiles towns of the Carolina Piedmont are said to be the home of protectionists, while regions where industries benefitting from trade are concentrated like Silicon Valley are said to be “pro-trade.” The nature of the economy in a Senator or Representative’s constituency certainly does help us predict the stands they take on trade policy. In a polarized Congress deviations from party-line voting are noteworthy and as a result journalists have often tended to emphasize the extent to which trade policy produces strange bedfellows and cross-party coalitions.

There is some validity to this view, especially when the distinctive role of the President – which I discuss below – is taken into account. Yet party affiliation has long been a strong predictor of the behavior of Members of Congress on trade and often the leading one. The partisan divide that emerges on trade issues is *not* simply a result of the fact that Democrats and Republicans tend to represent districts or states with differing economic profiles. When we compare Senators from different parties who represent the same states (in 2011 34 Senators were members of such “mixed delegations” we still see differences on trade policy. The 17 Republican Senators serving with a Democratic home-state colleague all voted for the Columbia Trade Promotion Agreement, yet only 8 of the 17 Democrats from those states voted yes.¹

We can understand this partisan divide by recalling that Democrats and Republicans are not equally close to the same interests within their states and districts. Democrats will ordinarily have close ties to unions and environmentalists who are critical of trade agreements, while Republicans will have stronger relationships with business and agricultural interests that generally seek to lower barriers to trade.

The role of parties on trade policy has changed however. For most of their history Democrats were the low-tariff party and the Republicans were the protectionist bloc.² This alignment is

¹ <http://www.opencongress.org/vote/2011/s/163>

² The classic studies of the history of U.S. tariff policy are Stanwood (1903,1904) and Taussig (1931) The leading contemporary equivalent is Destler (2005)

traceable to the societal interest the parties represented at that time. Farmers who grew crops for export supported Democrats, especially cotton growers in the South, while Whigs and later Republicans won backing from industrialists.

When party coalitions changed during the New Deal era there were few immediate consequences for trade policy alignments. The labor unions that grew enormously during the time of FDR and became a central part of the Democratic Party's New Deal Coalition were initially divided on trade policy and preoccupied by other concerns. In the first two decades after World War Two leading unions actually supported policies to reduce barriers to global trade, reinforcing the traditional Democratic position.

This durable alignment came to an end around 1970. Pushed by unions that became increasingly concerned about imports that were decimating unionized sectors of American industry, most Congressional Democrats reversed their historic stance. During the postwar years Republicans gradually became less protectionist as the business community developed a more global orientation.³ In recent years environmentalists have become increasingly concerned with ecological damage caused by shifts of production to countries with lax environmental standards or minimal enforcement of whatever laws exist. Their lobbying has reinforced that of unions on the Democratic side of the aisle. As a result of all of these changes the Congressional parties "traded places" on trade policy, much as they have on other issues, including race and defense spending.

The partisan alignment on trade has been visible on Capitol Hill for over four decades now and it hasn't changed much in the Obama years. Some observers wrote about protectionist leanings among Tea Party supporters and pollsters found evidence for this contention⁴, but the overwhelming support for trade agreements in the current Congress by House Republicans suggest that these sentiments have not had much impact on Capitol Hill. Far from reflecting these views, FreedomWorks, a key D.C. based ally of local tea party activists urged Tea Party supporters to contact their Members of Congress and lobby them to vote for the trade agreements.⁵

Besides their long-standing disagreement about trade liberalization, the related question of trade adjustment assistance has tended to divide the parties. Economists have long noted that even though freer trade should increase efficiency and produce greater wealth in the economy as a whole, there are people and companies who lose out when barriers to trade are reduced. These can include investors firms in industrial sectors that are not competitive, workers in those industries and other people and businesses located in areas in which an affected industry is central to the economy. A policy of aid to firms and workers adversely impacted by trade liberalization might mitigate the suffering caused by a liberal trade policy and reduce protectionist sentiment.

Starting in the 1950s labor unions pushed for a program of "trade adjustment assistance" that would provide retraining for workers who lost their jobs due to trade and affected firms. This proposal was aired by David McDonald, the President of the United Steelworkers who was serving on a Presidential commission designed to increase support for trade liberalization, chaired by Clarence Randall. At the time McDonald was outvoted on the commission and Republicans displayed little interest in this idea. However Democrats and unions remained supportive of the concept and it was enacted in 1962 as part of JFK's Trade Expansion Act. The inclusion of this program helped allay growing concerns among unions regarding foreign competition and they

³ For an extensive discussion of the transformation of the parties' positions on trade see Karol (2009a Ch.2)

⁴ "Why Business Doesn't Trust the Tea Party" *Businessweek*, October 13,2010 (ONLINE)

⁵ <http://www.freedomworks.org/blog/mkibbe/house-key-vote-yes-on-panama-columbia-and-south-ko>

supported Kennedy's bill⁶ Republicans, who lack Democrats' strong ties to the organized labor have tended to view the TAA program more critically.

On trade adjustment assistance (or TAA), unlike the broader question of trade liberalization, the parties have NOT changed sides. Democrats have consistently been more supportive than Republicans of this policy. In the trade fights during the current Congress the debate over TAA was very reminiscent of previous alignments. Republicans showed little enthusiasm for trade adjustment assistance, but Democrats linked to unions, , were strongly in favor of a renewed commitment to TAA.

The Trade Adjustment Assistance program, like various grants of trade negotiating authority, has been repeatedly been enacted on a temporary basis. The most recent authorization had expired in February 2011 and Democrats wanted a reauthorization of trade adjustment assistance to be bundled in the same legislation with the Free Trade Agreements. They insisted that the trade agreements President Bush negotiated in 2006 should not be approved until TAA was renewed.⁷

Republicans led by Senator Mitch McConnell were resistant to this proposal. The GOP Senate Leader asked the Obama Administration to "send us the three pending trade agreements that the president himself has said would create tens of thousands of American jobs and to leave trade adjustment assistance out of it." Instead of being extended in tandem with the passage of the Free Trade Agreements, McConnell insisted that "any discussion of trade adjustment assistance only be done as part of the debate over extending trade promotion authority, the way it's been done for decades."⁸

Given that trade promotion authority is frequently a controversial issue in Congress and does not appear near passage as of this writing some eight months after McConnell's comments, the Kentucky Senator's proposal can be seen as an attempt to defer any renewal of trade adjustment assistance indefinitely, reflecting Republicans' traditional skepticism regarding the merits of the TAA program.

In the end however a compromise was reached. TAA was *not* included in the same bills as the FTAs, as many Democrats had advocated. Instead the program was renewed as part of a bill extending the largely uncontroversial Generalized System of Preferences under which Presidents can unilaterally grant tariff reductions to products from the poorest countries. TAA was renewed even though the President still lacks Trade Promotion Authority. This renewal however, was not without controversy. While the bill passed by wide margins (70-27 in the Senate and 307-122 in the House) and won support on both sides of the aisle, legislators' party affiliations were still good predictors of their stance. While Democrats in both House and Senate were unanimous in favor TAA renewal, majorities of Republicans in both chambers were opposed.⁹

⁶ See Bauer, Poole and Dexter (1972) for extensive discussion of these developments.

⁷ "White House Ties Trade Pacts to Unemployment Benefits" *New York Times* May 16,2012 (ONLINE)

⁸ "Senate Republicans Urge White House to drop conditions on Pending Trade Deals." *The Hill* (online) June 7,2011.

⁹ For the Senate vote see

http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=112&session=1&vote=00150 For the House vote see <http://clerk.house.gov/evs/2011/roll784.xml>

The President Supports Trade Liberalization.

One key feature of trade politics in the contemporary United States is that Presidents, regardless of party, generally seek to reduce trade barriers and resist major efforts emanating from Congress to enact protectionist policies. Party affiliation has mattered far less among Presidents than among Members of Congress when it came to trade policy. It is not that all Presidents are equally devoted to freer trade or that they do not deviate from this goal in small ways on occasion, but all have been broadly committed to it. This has been the case for all Presidents since Franklin Roosevelt.

This pattern is noteworthy for a number of reasons. In many policy areas there is no consistent “presidential position.” If the question is “is Congress or the President friendlier to environmentalists?” or “which branch of government is more supportive of raising the minimum wage?” the answer will depend on which party controls Congress and the White House at any given time. The same pattern of disagreement based on party affiliation rather than institutional position is evident on many other policies from abortion to taxation. So the pro-trade positioning of the White House vis-à-vis the more protectionist Congress, regardless of who is sitting in the Oval Office and on Capitol Hill, is distinctive when one thinks of the range of issues Congress and the President consider for which this is not the case.¹⁰

The continued Presidential interest in freer trade is not however, merely an interesting historical fact. It is a consequential regularity on which policymakers have relied to create an architecture of policy over many decades. The structure of American trade policymaking since the 1930s presupposes a President who is at least as supportive of trade liberalization as Congress.¹¹ This is the case because since Congress stopped writing general tariffs after the Smoot-Hawley debacle in 1930. Instead a strategy of periodic Congressional delegation of authority to the President to reach bilateral and multilateral trade agreements with other countries has been the dominant form of trade legislation. This strategy offered a number of benefits. The President, unlike Congress, was in a position to negotiate with foreign governments and secure access to their markets for American producers or “reciprocity” in exchange for the ability to export to the enormous American market. Some also argue –more controversially- that the Congress chose to delegate to the President because they knew he would be more able to resist protectionist lobbies than they would. In either case, if a President with protectionist stands was elected the system would no longer work.

The first post Smoot-Hawley trade initiative in based on Congressional delegation of authority to the President was the Reciprocal Trade Agreements Act of 1934.¹² Through this law Congress delegated authority to the President to reach agreements with other countries lowering tariff rates up to 50%. The act expired in 1937, but was renewed that year and on several other occasions by Democratic, and eventually, Republican Congresses.

¹⁰ This pattern of institutional rather than merely partisan conflict is evident on some other issues as well. Presidents are more pro-immigration and pro-foreign aid than Congress generally. They are also less supportive of veterans programs, the so-called “pork-barrel” and agriculture programs. (Karol, 2009b)

¹¹ For an extended discussion of this, see Destler (2005).

¹² Instances of Congressional delegation to the President in the trade policy area predate 1934. Discuss Blaine. But scholars agree that these earlier initiatives were of very limited importance and did not succeed the way Reciprocal Trade and subsequent policies did.

In 1934 and again in 1937 and 1940 votes on Reciprocal Trade in Congress broke almost entirely along party lines, with Democrats in favor and Republicans opposed. FDR's 1936 opponent Kansas Governor Alf Landon also spoke out against the trade program in his 1936 White House bid.

However Reciprocal Trade began to win Republican support. The policy was endorsed by GOP Presidential nominee Wendell Wilkie in 1940 (though not by his running-mate Charles McNary or the Republican Platform that year) and Thomas Dewey in his 1944 and 1948 Presidential campaigns. When Dwight Eisenhower became President he was a strong supporter of trade liberalization as well. Eisenhower played an important role in putting a bipartisan stamp of approval on what had been a Democratic policy. Although Congressional Republicans remained more skeptical than Democrats, Eisenhower won more support from GOP legislators, and somewhat less from Democrats, than had been evident on previous extensions of Reciprocal Trade.¹³ More recently, the grants of Trade Promotion Authority (formerly known as "fast-track" authority) have succeeded, to the extent that they have, because Presidents of both parties have wanted to reduce barriers to trade.

Yet it was not always the case that the White House was a bastion of free trade advocacy. In the 19th and early 20th Centuries Whig and later Republican Presidents often took openly protectionist stands. In some cases they were even more protectionist than the Congresses with which they served. Whig Presidents repeatedly recommended tariff increases in their State of the Union Messages to Congress, which the Legislative Branch did not end up enacting. William Howard Taft actually vetoed several bills reducing tariffs passed by the Democratic-controlled Congress in the second half of his term.¹⁴

The last President however, to be committed to protection as a major point of principle was Herbert Hoover. Hoover signed the bill enacting the so-called Smoot-Hawley Tariff rather than veto it, despite the recommendations of many editorial pages and a famous petition sent to him by virtually all the economists in the U.S.¹⁵ The narrow margin by which this tariff-increasing bill passed (44-42 in the Senate) strongly suggested that a Hoover veto would have been sustained.¹⁶

While these examples may seem like ancient history of dubious relevance, they are important because they demonstrate that Presidents are not *inherently* pro-trade. Factors often said to lead Presidents to be more favorable than Congress to trade liberalization (the President's large national constituency, his resistance to collective action problems and his greater focus on foreign affairs) have been in place since 1789, yet the pro-trade Presidency does not make its appearance until the mid-20th century.

My own view, described at greater length elsewhere¹⁷ is that the emergence of the pro-trade President is a result of two trends; the declining importance of trade policy as a defining issue for political parties and the stigmatization of protectionism in elite opinion that became evident as early as the late 1940s. Contemporary Presidents and their aides believe that freer trade will benefit the economy, because this is the dominant view in their milieu. Earlier in American history however

¹³ Karol (2000.)

¹⁴ See Stanwood (1903,1904) and Taussig (1932) for extensive discussion of these developments.

¹⁵ "Economists Demand Veto of Tariff Bill" Baltimore Sun May 5,1930 P.1

¹⁶ "Senate Passes Tariff Bill 44-42" *Wall Street Journal* June 14,1930 p.1

¹⁷ See Karol 2009a and 2009b

protectionism was a respectable doctrine and some Presidents might well have been sincerely protectionist.

Moreover, whatever earlier Presidents believed, they also had less ability to maneuver on a policy area that Theodore Roosevelt called the “foundationstone” of Republican dominance.¹⁸ By contrast Bill Clinton was able to retain union backing despite his NAFTA heresy, as was Al Gore and as is Barack Obama, despite his belated support for trade agreements labor opposes. This is probably the case because unions care about so many issues besides trade that as long as Presidents do enough to keep them happy on those issues the unions cannot credibly threaten to withdraw their support and risk Republicans gaining control of the White House. (It is more credible however that unions will fail to support a given Member of Congress and many Democrats do not want to be singled out as an example.)

Barack Obama has been less enthusiastic and consistent in his support for trade liberalization than other recent Presidents, as I discuss further below, but his Administration cannot be compared with the protectionist Presidencies that were not uncommon prior to the time of FDR.

Congress Often Resists the President on Trade Policy

Presidents’ trade policy agendas are often blocked or at least pared down by a skeptical Congress. At present President Obama lacks authority to negotiate trade agreements and have them brought up under a closed rule in Congress, and it seems doubtful that he will receive it in the remaining nine months of the current Congress. Obama is far from unique among chief executives in being without such authority for some time. The power voted President G.W. Bush by the 107th Congress in 2002, known as “Trade Promotion Authority”, expired in 2007 and was not renewed for the rest of his Presidency. Similarly, Bill Clinton’s “fast track” negotiating authority (the same program later renamed Trade Promotion Authority) expired in 1994 and his bid to gain renewed “fast track” authority in 1997 was unsuccessful, leaving him without these powers for the rest of his time in the White House.

Fast track authority was first created in the 1974 Trade Act. Prior to the 1970s Congress had delegated not just authority to negotiate trade deals that would be brought before Congress under a closed rule, but the actual power to reach agreements reducing tariffs a specified amount. This approach, which was central to the Reciprocal Trade Act and its many extensions from 1934 to 1967 became a dead end when President Johnson was unable to find Congressional support for renewed trade powers. For the next seven years first Johnson and then Nixon would be without substantial delegated authority on trade policy, be it of the traditional reciprocal trade variety or the newer fast track sort.

In the three decades in which Reciprocal Trade was the cornerstone of U.S. trade policy conflict between Congress and the President was still evident, with Congress often insisting on briefer grants of authority than the President sought and sometimes including clauses meant to provide a cushion for industries especially hard hit by imports.¹⁹

¹⁸ Skowronek (1993, 239)

¹⁹ Destler (2005) details this history.

The Senate is more Pro-Trade than the House

The differences between the House and Senate, like those between Congress and the President, are long-standing, but do NOT date to the beginning of the country. There is more agreement about the fact that the Senate is more pro-trade in recent decades than there is concerning the reasons for this inter-cameral divergence. Many scholars contend that Senators' larger and more diverse constituencies make them less beholden to any narrow economic interests and are less protectionist than Representatives as a result. The argument resembles that used to explain Presidents' pro-trade position.²⁰

As in the case of the President, there is some reason to doubt this explanation, however. Senators have always represented larger and generally more diverse constituencies than Representatives. Yet I have shown in a previous study that the gap between the two Houses of Congress on trade issues is a modern one that did not exist before the mid 20th century at the earliest. I also find that even in the recent decades when the chambers do differ on trade state size is generally uncorrelated with Senators' trade policy votes and that when one compares Senators and Representatives with identical constituencies, i.e. the Members of Congress from small states with only one Congressional District, Senators are still more pro-trade than Representatives, but only since World War Two. This chronology and these findings call the prevailing explanations into serious question.²¹

Whatever the causes for greater support for pro-trade policies in the Senate as opposed to the House, there is little debate that this gap between the two chambers is real. The votes on the most recent trade agreements approved by Congress in 2011 (with Panama, South Korea and Columbia) were consistent with the pattern evident in the last several decades. All three agreements ultimately were ultimately approved by solid margins, with the accord with Columbia the most divisive.

Yet while the margins in favor of the agreements differed, in all three cases opposition was greater in the House than the Senate. Panama (300 to 129 in the House and 77-22 in the Senate), South Korea (278-151 in the House, 83-15 in the Senate) and Columbia (262-167 in the House and 66-33 in the Senate)²² This inter-cameral gap on all three trade agreements is especially striking in that the Senate is controlled by the party more skeptical of trade agreements while the majority in the House is from the party that tends to be more supportive of freer trade.

²⁰ See Karol (2007) for a long list of works cited making this claim.

²¹ *Ibid* My own view is that Senators, like Presidents are more likely than Representatives to act in ways consistent with elite opinion because they know that they are more consequential actors. In the earlier period when elite opinion was more divided on the merits of free trade vs. protectionism Senators were not consistently more pro-trade than Representatives.

²² For votes on the Panama TPA see <http://clerk.house.gov/evs/2011/roll782.xml> and http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=112&session=1&vote=00162. For the votes on the Korean TPA see <http://clerk.house.gov/evs/2011/roll783.xml> and http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=112&session=1&vote=00161. For the Columbian TPA see <http://clerk.house.gov/evs/2011/roll781.xml> and http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=112&session=1&vote=00163

Elite Opinion is More Pro-Trade than is the American Public

One constant in trade politics is a pronounced gap between elite sentiment and public opinion. Elites who work in politics or follow it closely are strongly committed to trade and not especially worried about possible resulting job losses. Voters feel quite differently. Three major quadrennial studies track both public and elite opinion on trade policy since the 1970s. Since 1974 the Chicago Council on Foreign Relations (CCFR) has polled the public and an elite sample including federal officials, MCs and staff, business executives, scholars and university administrators, labor leaders, clergy and journalists. The Foreign Policy Leadership Project Survey ran from 1976 to 1996 and included questions on trade policy in later years. Finally, since 1993 the Center for the People and the Press has polled the public and an elite sample of “influentials.”

These studies differ in their question wording and sampling frames, but are consistent in their support for two key claims. Firstly, elite opinion in the U.S. has long been highly supportive of liberal trade policies. Secondly, a persistent gap is evident between the pro-trade elite and public opinion, which is far more divided on the issue.

Figure 1

**Percentage of Public and Elite Sample Sympathizing with Those Saying
Tariffs are “Necessary”
Chicago Council on Foreign Relations Studies, 1978-1998**

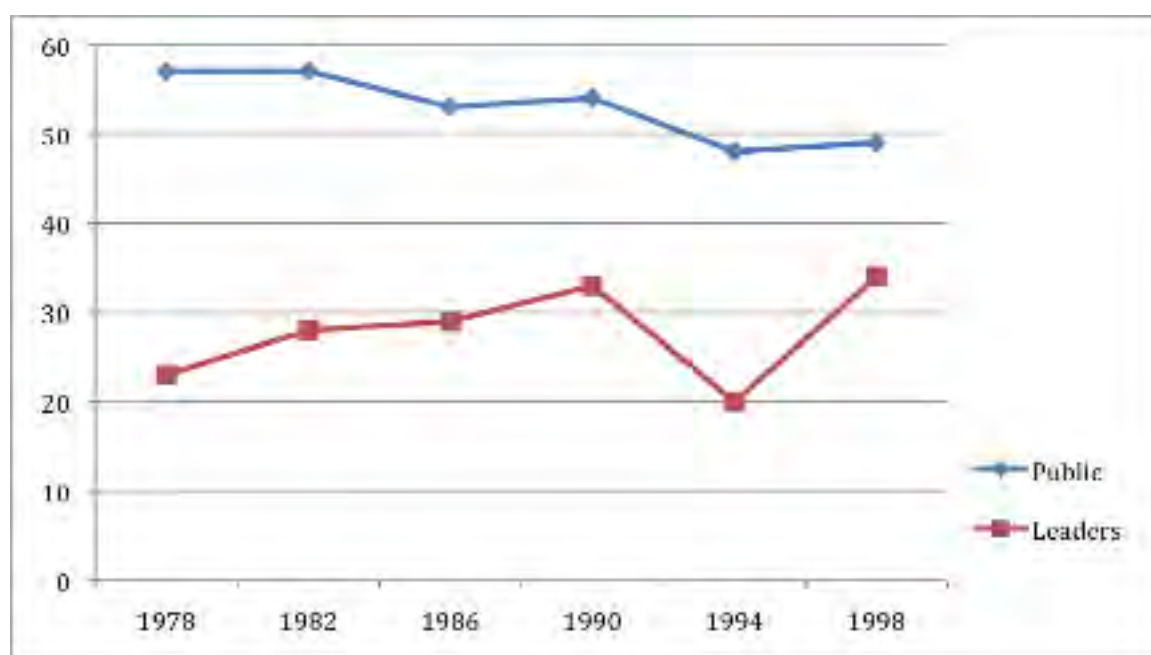


Figure 1 is drawn from the CCFR surveys. It shows the gap between public and elite opinion on trade issues from 1974 to 1998 revealing relatively little change over this period. Elites consistently were far more supportive of freer trade than masses.

Holsti (2004, 188) summarizes evidence from the final iteration of the Foreign Policy Leadership Project (FPLP) survey in 1996. He finds that “striking agreement among Democrats, Republicans, and independent opinion leaders on trade-related issues represents an island of

harmony in an ocean of partisan discord.” Views of trade policy in public opinion are much less harmonious. In view of this, we can say that scholars’ conception of “the public interest” is distinct from public opinion.

Unfortunately, only fragmentary survey data is available regarding elite attitudes on trade policy for the period prior to the mid-1970s. In 1953 Gallup surveyed respondents drawn from individuals listed in *Who’s Who in America*. While much cruder than the elite surveys of later years, this study can be compared with Gallup surveys of the public from the same year. While the question wording varies across samples the comparison is still somewhat informative. Table 1 reporting the Gallup data suggests that the gap evident since the 1970s already existed in 1953: elite opinion strongly favored freer trade while the public was far more mixed.

Table 1
General Public vs. Who’s Who in America Sample on Lowering Tariffs:
(1953 Gallup Polls)

	General Public	<i>Who’s Who</i> Sample
Higher	13%	**
Same	21%	11% (Opposed lowering rates in dichotomous choice.
Lower	30%	67%
No Opinion	36%	22%

Beyond elite surveys another useful index of elite opinion is editorials. Journalists are included in some of the recent elite opinion studies. Moreover, editorialists are participants in elite discourse par excellence, both shaping and being shaped by it. The case for editorials as an elite opinion measure is strengthened by the finding that they now reflect the same perspective revealed by elite surveys on trade policy.

Table 2 shows the distribution of editorial opinion among the 40 largest circulation American newspapersⁱ on major trade issues considered in the last two decades: The 1990 textile, apparel and footwear quota bill, the 1993 North American Free Trade Agreement (NAFTA), Bill Clinton’s 1997 request for “fast track” negotiating authority, George W. Bush’s 2002 bid for “trade promotion authority”(TPA), the 2005 Dominican-Republic Central American Free Trade Agreement (DR-CAFTA) and the 2011 trade agreements with South Korea, Columbia and Panama.²³

²³ In handful of cases editorialists focused entirely on the South Korean agreement, which is most consequentially economically. For papers’ stands see Karol (2009b.)

Table 2
Editorial Opinion Among Leading Newspapers on Trade Issues:
1990-2011

Year	Trade Bill	For	Mixed	Against
1990	Textile Quota Bill	0	0	21
1993	NAFTA	33	0	1
1997	Fast Track Authority	35	0	0
2002	Trade Promotion Authority	31	1	0
2005	DR-CAFTA	36	1	0
2011	S.Korea/Columbia/Panama	25	0	0

While these papers disagreed on many other topics, the table reveals a remarkable near-unanimity in favor both of the liberalizing proposals that were narrowly adopted (NAFTA, TPA, DR-CAFTA) and the one that failed (Fast Track), as well as universal rejection of a protectionist measure that won majorities in both Houses of Congress before being vetoed (the textile bill.)ⁱⁱ The table reveals that it was business as usual on trade policy as far as editorialists were concerned, with the agreements with South Korea, Panama and Columbia winning overwhelming backing. This quasi-monolithic editorial view of trade policy is long-standing, but was not always present. In other research I show that it emerged in the 1940s and in earlier years a majority of Republican newspapers were generally protectionist.²⁴

While the recent trade agreements were much less widely-discussed than NAFTA or some other trade issues, some polling data suggest that the public retains its traditional skepticism regarding the benefits of moving toward freer trade. A National Journal poll found that only 38% of voters supported the 2011 trade agreements while 41% were opposed, with the rest undecided or too uninformed to answer. Similarly, 44% of respondents favored the bill punishing China for currency manipulation while 41% were opposed.²⁵

Trade Plays a Minor Role in Presidential Campaigns

Trade policy was once a central concern of political parties. In the period prior to the New Deal it was often the leading economic issue dividing the parties. But in recent decades as government's role in the economy has grown new issues have come to the fore leaving trade politics far from the center of debates in Presidential campaigns.

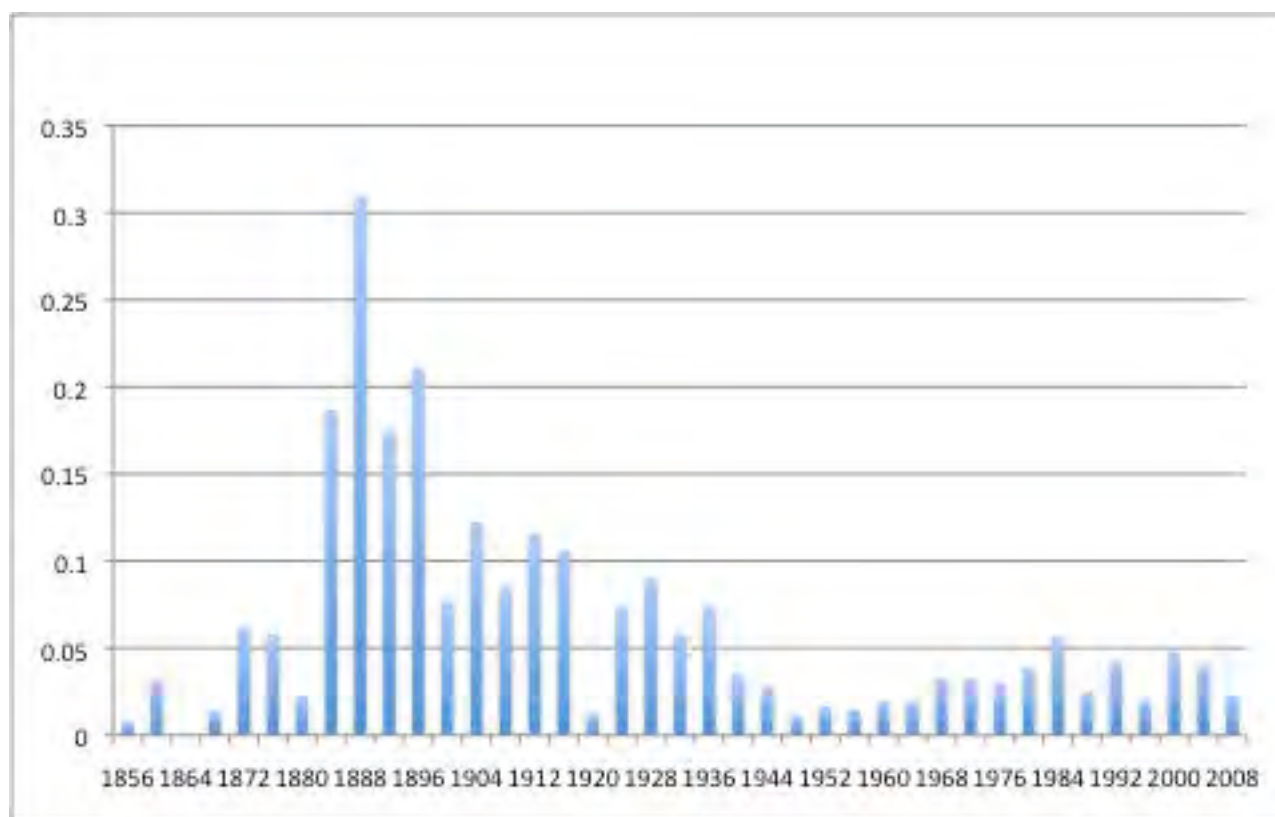
One way to see this change is to look at party platforms. Figure 2 charts the share of words in party platforms devoted to trade policy since 1856 when the Democrats and Republicans became

²⁴ *ibid*

²⁵ "In Both Parties a Schism on Trade" *National Journal*, October 17,2011 (ONLINE)

the major parties. I report the mean share averaging the shares of the two parties. Figure 3 shows the same statistic, albeit for presidential nominees' letters of acceptance and speeches.²⁶ The figures differ slightly in the period they cover since party platforms are available from the middle of the 19th century, but candidates did not regularly issue substantial (greater than 1000 words) letters until 1876.

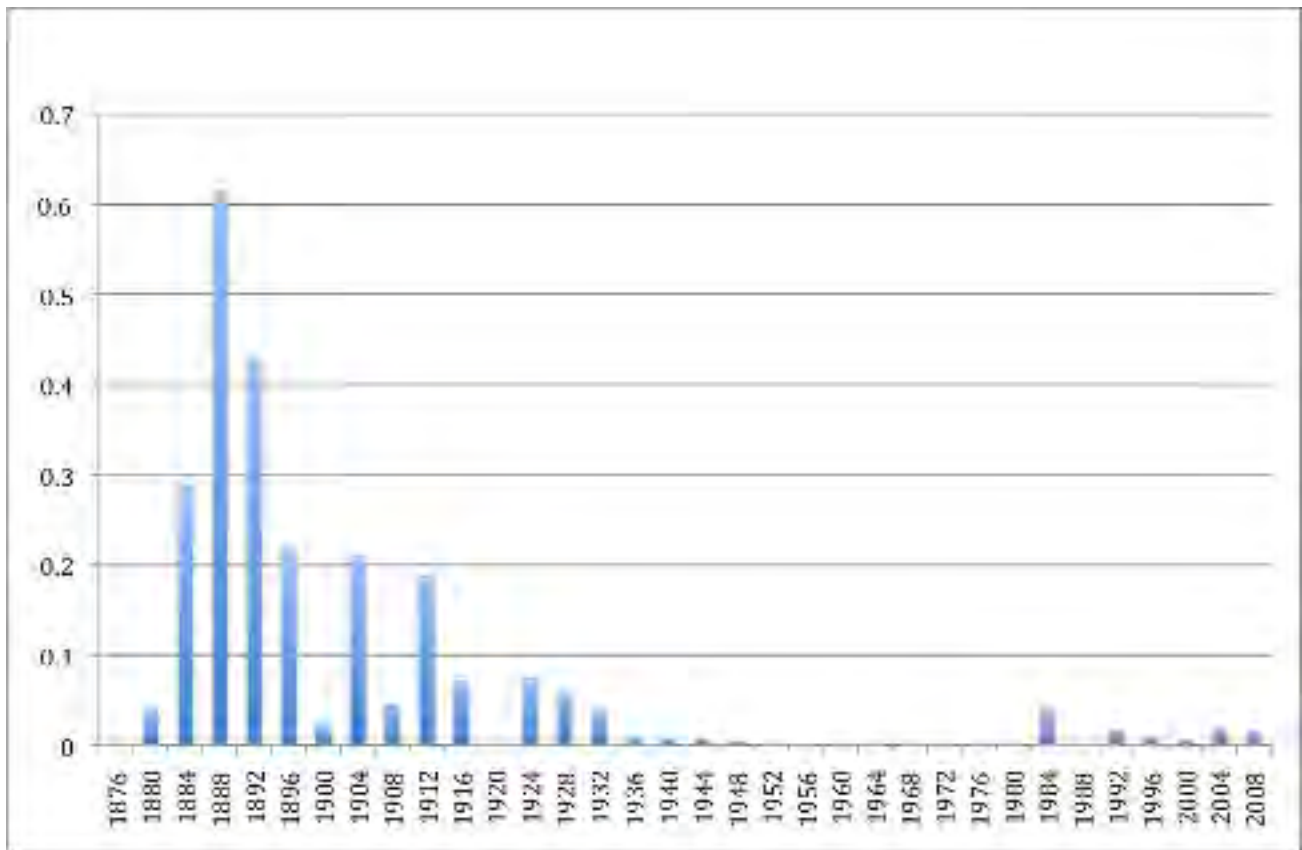
Figure 2
Mean Share of Major Party Platforms
Devoted to Trade Policy: 1856-2008



²⁶ The platforms and speeches are available at <http://www.presidency.ucsb.edu/platforms.php> For more discussion of these issues seek Karol (2009b.)

Figure 3

Mean Share of Major Part Presidential Nominees' Acceptance Statements/Speeches Devoted to Trade Policy: 1876-2008



The key finding revealed by Figures 2 and 3 is that trade policy has greatly declined in prominence within campaign rhetoric, both in party platforms and in nominees' speeches and statements. In the late 19th and early 20th century it was very prominent. This was especially true once issues of race were sidelined following the end of Reconstruction. There was some volatility in trade's share of the debate however, as in postwar elections (1900 and 1920) trade briefly receded in prominence.

It is also evident that the decline in salience of the trade issue began before Congress stopped writing major tariffs after the enactment of the Reciprocal Trade Agreements Act in 1934. Discussion of trade in platforms and nominees' statements declined further in the wake of the New Deal and the rise of new economic issues.

In the postwar years discussion of trade became vestigial in platforms and was totally absent from nominees' speeches in the 1950s and 1960s. Since the 1970s there has been a modest revival of discussion of trade in both platforms and nominees' speeches in the wake of the industrial decline and greater consciousness of globalization's impact, but the share of text the topic accounts for does not begin to approach the level it once reached. The one outlier in recent decades is the 1984

campaign, when Walter Mondale tried to make trade a major issue amid massive trade deficits and concerns about industrial decline and Japanese competition.

To the extent trade policy IS discussed in campaigns, we often observe Presidential candidates often campaigning in a more protectionist way than they govern. In this respect the current administration is typical. Running for the Democratic nomination in 2008 both then Senator Obama and his rival Senator Hillary Clinton were critical of NAFTA, with the two candidates suggesting the trade agreement could somehow be re-negotiated.

At the time Obama's seriousness was called into question when it was reported that his economic advisor Austan Goolsbee had reassured Canadian diplomats that such promises were merely campaign rhetoric.²⁷ Obama was backing away from the pledge to revisit NAFTA even before he was elected and within one month of taking office signaled that no such renegotiation was imminent, insisting "Now is a time where we've got to be very careful about any signals of protectionism."²⁸

At the moment the GOP Presidential front-runner is also talking tough on trade. Former Massachusetts Governor Mitt Romney has been highly critical of Chinese trade practices.²⁹ The rhetorical gap between candidates on trade is often greatest when a challenger is facing an incumbent President seeking re-election. It is easy for the challenger, unconstrained by diplomatic responsibilities, to castigate the administration for failing to be vigilant in defense of American interests in international trade.

What, if Anything is Different in Recent Years?

Given all these decades-long continuities in trade policy has nothing changed? The most significant difference in trade policy in the last few years concerns the President. Barack Obama has been slower to push for trade liberalization than most other modern Chief Executives. Possibly chastened by Bill Clinton's example and dissuaded by Congressional Democratic leaders during the 112th Congress, President Obama put trade agreements on the backburner initially and insisted on renegotiating them before submitting them to Congress for approval in the third year of his term. While U.S. Trade Representative Ron Kirk stated last month that "we've got to have it", with the "it" being Trade Promotion Authority, the White House still has not formally requested TPA in the fourth year of the Obama Administration.³⁰

To be sure, President Obama is not a new Hoover or McKinley. He has not moved to impose major new tariff barriers to protect American industry from foreign competition.³¹ When Congress has taken steps in this direction Obama has made clear his disagreement. The President opposed language in an early version of the 2009 stimulus bill that would impose "Buy American" requirements on the government.³² While becoming increasingly critical of Chinese trade practices,

²⁷ "Clinton, Obama Clash over NAFTA, Iraq" *USA Today* 2/27/2008 (ONLINE), "Barack Obama Takes Heat over NAFTA, Rezko Memo" *Chicago Tribune* March 4, 2008 (ONLINE)

²⁸ "NAFTA Renegotiation Must Wait, Obama Says: President Warns Against Protectionism." *Washington Post*. February 20, 2009 P.A2 (ONLINE)

²⁹ "Romney Talks Tough on China During Ohio Visit" *Washington Post* February 29, 2012 (ONLINE)

³⁰ "White House Wants Trade Promotion Authority: Kirk" *Reuters.com* February, 28, 2012 (ONLINE)

³¹ Like previous Presidents Obama has provided some temporary relief to industries suffering from imports, with tire producers being a prominent example. Following the recommendation of the International Trade Commission Obama acted to provide temporary protection to this industry from Chinese imports early in his term. "Obama Slaps Duties on Tire Imports from China" *Reuters.com* September 11, 2009 (ONLINE)

³² "Obama Backs Off 'Buy American'" *Politico* February 12, 2009 (ONLINE)

President Obama has also opposed a bill in 2011 that won support from a large majority in the Senate that would raise tariffs on Chinese products if that country did not cease “manipulating” the value of its currency to promote exports.³³

Nor has Obama only opposed protectionist measures. He also has, like all other postwar Presidents, supported some initiatives that reduced trade barriers, i.e. the trade agreements with South Korea, Columbia and Panama. Like other Presidents from the relatively protectionist party including Eisenhower and Clinton, Obama ultimately aligned more closely with Congressional leaders and legislators from the other party than his co-partisans.

Since the passage of the three agreements last fall Obama has not wholly abandoned the trade issue. H is pushing for Congressional approval of Permanent Normal Trade Relations with Russia due to that country’s imminent entry into the World Trade Organization, which the U.S. supported.³⁴ The administration is also committed to the Trans-Pacific Partnership, an initiative aimed at establishing a multilateral trade agreement among Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam and the U.S.³⁵

So in the broadest sense Obama is arguably in the bipartisan tradition of pro-trade presidents since FDR. Yet speed matters along with direction, and this President has moved slowly where trade policy is concerned. He did not submit the trade agreements, negotiated during the Bush Administration, to Congress until 2011 and not until he had renegotiated them. Barring an unexpected development, Obama will be the only the second postwar President, along with Richard Nixon, to serve an entire term without receiving any significant delegation of authority in the trade area from Congress.³⁶

Why Obama has proceeded in this halting manner on trade policy is unclear. Two explanations are Democratic Party politics and a limited agenda space in which other economic concerns took priority during a time of crisis and severe recession. The Clinton Administration’s advocacy of NAFTA and to a lesser extent Permanent Normal Trade Relations with China was quite divisive within the Democratic Party, alienating organized labor and more than a few Democratic Members of Congress. In 1994 labor unions, which had long been closely associated with the Democratic Party, reduced contributions to Democratic Representatives who had supported the trade agreement.³⁷ According to some scholars, support for NAFTA cost Democratic incumbents votes in the 1994 election.³⁸

By the time of Clinton’s failed 1997 bid for “fast-track trade negotiating authority”, a defeat primarily due to that President’s inability to win much support for his trade agenda from Congressional Democrats, NAFTA was seen as a disappointment or a “failure.” Even in 2008 the agreement remained sufficiently unpopular among Democrats for Obama and Hilary Clinton to campaign against it in their bids for the Democratic Presidential nomination. It is possible that

³³ “Pelosi Calls for Vote on Chinese Currency Bill before Trade Bills” *The Hill* October 12, 2011 (ONLINE)

³⁴ “Obama Push for Russia Trade Bill Ignites Debate” Reuters.com March 7, 2012 (ONLINE)

³⁵ <http://www.ustr.gov/tpp>

³⁶ The 2011 renewal of the Generalized System of Preferences *is* a delegation of authority for the President to unilaterally reduce tariffs on goods from very poor countries, but it is considered a minor and uncontroversial issue within the realm of trade policy.

³⁷ See Engel and Jackson (1998)

³⁸ Gary Jacobson (1996) has provided evidence supporting this view regarding House races, although Brady et al (1996) reach the opposite conclusion.

Obama received signals from Democratic Congressional leaders that they would block consideration of trade agreements or at least did not want their Members to have to vote on such a divisive topic at a time when they had already taken tough votes on health care and (in the House) “cap and trade.”³⁹

A related factor in Obama’s slowness to play the traditional Presidential role of free trade champion is less a reluctance in principle to act on the issue than a judgment that this policy area was a lower priority than others including first the stimulus and later health care and financial reform, the two measures that dominated the last Congress. The Clinton Administration had moved on NAFTA before health care and this was not seen as a success by many observers. Obama moved on health care first and this left Democratic Members of Congress vulnerable and less willing to challenge key supporters in an election year.

Conclusions

In most respects recent developments in U.S. trade politics are consistent with the patterns scholars have identified over the last several decades. Trade remains a partisan issue on Capitol Hill, with Democrats showing less enthusiasm for trade liberalization in the current Congress than Republicans, as they have since the 1970s. Votes have not broken perfectly on party lines however, and state and district economic interests have pulled both Democrats and Republicans away from their party on key trade votes in a fair number of cases. The related issue of trade adjustment assistance has also seen partisan disagreement, with Congressional Democrats far more supportive than their Republican colleagues of the program designed to aid firms and workers displaced by imports.

Institutional position as well as party affiliation and constituency also predict the stands of Members of Congress in a familiar way in the current Congress. As has been the case for several decades, trade agreements continue to win greater support from Senators than U.S. Representatives. This was the case in 2011 even though the more pro-trade GOP is in the majority in the House and the relatively protectionist Democrats control the Senate. Within each chamber Republicans were more likely to support trade agreements, but especially in the Democratic Party Senators were more likely to vote to reduce barriers to trade than Representatives.

Looking beyond Congress, we see that support for freer trade remains far more robust in elite opinion, especially editorial pages, where backing for trade agreements is virtually unanimous, than among the general public. The trade issue, once so central to the identity of American politics is a very minor topic in Presidential elections.

The main noteworthy feature of the current situation in historical perspective is that the Obama White House has been less enthusiastic about trade liberalization than other recent Democratic and Republican administrations. Some of the reasons for this may be less relevant if Obama is re-elected. The other economic issues that were immediate priorities and seemed to have crowded trade off the agenda, the stimulus, health care, and financial reform, have become law.

On the other hand, there is little evidence that Congressional Democrats or the Democrats’ interest group allies is eager for further trade liberalization. Senate Democratic Leader Harry Reid broke with Obama on all three trade agreements in 2011 and House Democratic Leader Pelosi opposed the Columbia agreement. Possibly a re-elected Obama would be less apt to defer to his fellow Democrats on the issue, especially if they remain in the minority, and would more actively

³⁹ “Trade Villain of Its Own Making” *New York Times* April 4, 2010 (ONLINE)

seek to work with Republicans on trade issues, winning support from those Congressional Democrats who have stronger than average ties to the business community and represent districts or states that greatly benefit from trade.

The difficulty with this strategy is that the group most receptive to it, moderate Congressional Democrats whose shared partisanship with Obama and ties to business interests make the most open to such an approach have become far less numerous on Capitol Hill since the days of the Clinton Administration. The polarization between the parties has also led to mistrust between Democratic and Republican leaders, making cooperation difficult even when there is some agreement in principle, as there seems to be between Obama and many Republicans on trade. Still, Obama and Congressional Republicans ultimately agreed on trade in 2011 and might be able to do so again if he is re-elected.

A Republican President's prospects of making an impact on trade policy would depend at least as much on the outcome of the Congressional elections. He could expect even less support from Congressional Democrats than Obama has received, but lacking connections to labor and environmental groups might make it easier for him to win support from Congressional Republicans and some foreign governments on further agreements.

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