

The Democratic Party and Free Trade: An Old Romance Restored\*

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For most of the 20<sup>th</sup> century the Democrats were the party of free trade and the Republicans the party of protection. The Republican Congress, backed by a G.O.P. President, passed the protectionist Smoot-Hawley tariff in 1930. Most economists and virtually all Democrats blamed this tariff for the onset of the Great Depression. And for more than three decades the Democrats waved the red shirt of Smoot-Hawley against the Republicans. They warned voters that Republicans were the tool of special interests who cared not a whit about the overall performance of the economy.

By the late 1960s, and especially during the 1970s and 1980s, the political winds had shifted on trade policy. The Democrats had moved toward protectionism. Increased global competition and two energy crises put pressure on the American economy and especially the jobs of the middle and lower classes—the party’s electoral base. The global economy led business to become more supportive of free trade. The Republicans followed along and equated free trade with open markets. Smaller government meant fewer favors for “special interests”—especially for industries that sought protection from the state, President Ronald Reagan believed. The parties had switched positions on trade.<sup>1</sup>

By the 1990s, with the ascension of Bill Clinton to the White House, the Democrats once more picked up the mantle of free trade. Republican President George Bush initiated the North American Free Trade Agreement in 1991, which extended the open markets accord with Canada to Mexico. Yet, it was Clinton, a Democratic President, who pushed a skeptical American public and an equally questioning Democratic Congress toward support for the accord in 1993 (cf. Uslaner, 1998a, 1998b). The third ranking Democrat in the House leadership, Rep. David Bonior (MI), led the opposition to the free trade pact; the number two leader, Majority Leader Richard Gephardt (MO), was less vocal but nonetheless remained a critic. While Republicans

were stronger supporters of free trade than Democrats, Clinton did get the votes of 40 percent of the Democrats in the House and almost half (49 percent) of the Democrats in the Senate. By the 1990s it was more difficult to break down support and opposition to free trade by simple party identification. Unions, traditional allies of the Democrats, were at the forefront of the opposition to NAFTA. Business, traditional allies of the Republicans, tended to support free trade, but there were many fissures in the economic dividing lines. Businesses hard hit by global trade, such as the shoe industry and agriculture, favored protection. Environmentalists, also traditional allies of the Democrats, were even more badly split (Audley and Uslaner, 1994). Trade opponents on both the left and the right worried about both child labor practices and civil liberties more generally in countries that would benefit from trade accords.

Within the Republican party, divisions arose between free marketeers and social conservatives. The social conservatives such as Pat Buchanan (now of the Reform Party) offered a populist message that echoed the arguments of labor and the more radical environmentalists about the exploitation of workers by multinational business. Religious conservatives viewed trade accords with suspicion. Many in the Christian right worried that countries hostile to the West wanted to dictate international economic and cultural policies to the United States. The best way to protect the American way of life, and Christianity in particular, was to remain as self-sufficient as possible—and thus as independent as possible of other nations. Social and religious conservatives became a more potent force in the Republican party, especially after the 1994 election that propelled the G.O.P. to power. With the rise in power of the religious right, the Republican hegemony in favor of free trade began to wane.

Democrats, particularly in the House, did not come back to free trade easily. Many, even most, did not come back at all. Yet, Clinton and both of his presumptive Democratic successors

in the Presidency—Vice President Al Gore and former New Jersey Senator Bill Bradley—have sung the praises of open markets. What has brought the Democrats back to free trade? And why have many Republicans veered away from free trade, which was a fundamental part of the doctrine of unfettered competition in markets?

The two most prominent explanations for party positions on trade are institutional and coalitional. First, Presidents look out for the national interest and Congress is concerned with particularistic benefits. So when the Republicans took over the Presidency, they shifted toward more free trade—and when the Democrats regained the Presidency, they too became more supportive of open markets. Second, the coalitional argument suggests that the Democrats moved away from free trade because organized labor pushed them in that direction. As labor became protectionist, so did the party that depended upon them.

Both of these arguments have a grain of truth, but they are both mostly wrong. I shall offer an alternative argument, which I call the partisan perspective. Most economists accept the argument that free trade stimulates economic growth (Passell, 1993; Blustein, 1996). And most political scientists accept the argument that a booming economy helps the incumbent party win reelection ( see Tufte, 1978; Fiorina, 1981; Gelman and King, 1993, among many others).

Putting these two arguments together leads to a very simple but powerful argument, the partisan perspective: Open markets lead to increased prosperity—and in turn to greater electoral success for the party espousing free trade. The contemporary Democratic party, at least at the Presidential level, supports free trade because open markets bring the prosperity that has helped Democrats keep the Presidency in 1996 (and perhaps 2000). The party of free trade is the party voters see as best for the economy—and the party that is likely to win the Presidency. And the party that embraces an optimistic view of the future is the one that is most likely to embrace open

markets and to fashion itself as the party that can convert its positive view into real prosperity. Yet a party cannot keep its eyes on the prize if it is burdened by the claims of its most avid supporters, who tend to be more supportive of protectionist barriers.

### Objections, Alternatives, and Explications

The partisan perspective is simple and straightforward. I shall show that there is also strong evidence for it. But it is also counterintuitive in at least two ways. First, it presumes that people will vote for something they don't want. Over almost two decades, the American public has consistently supported protectionism over free trade (Schneider, 1992, 58; Uslander, 1998a). So why should they vote for a party that promises them free trade? Secondly, this argument holds that free trade is the hallmark of a party that wants to foster prosperity. What party *doesn't* favor prosperity?

The partisan perspective can overcome these two objections rather easily. Americans do support protectionism over free trade, but these positions are neither fixed in stone. And trade rarely is a salient issue, either in public opinion or especially in elections. So parties have considerable freedom to maneuver—and to change positions—on the trade issue. People don't vote on specific economic policies as much as they do on the *results* of the policy. If free trade brings about economic growth, political leaders have the flexibility to pursue open markets even if the public favors protectionism. As Chairman Deng Xiao Ping of China said, "It doesn't matter whether the cat is black or white. What matters is whether it catches mice."

But political leaders are not always quite so free to choose their policy instruments. Parties are often the captives of their strongest supporters. Labor and environmentalists push Democrats away from free trade and religious conservatives lead Republicans in the same direction. Now this is part of the political tug of war and there is nothing exceptional about it.

Each party has loyal interest groups that expect the party to behave in certain ways. And each party “owns” issues that bring it electoral advantages (Axelrod, 1972; Petrocik, 1981, 1996). Democrats are pulled by labor to keep unemployment low—and in turn gain greater credibility with the broader electorate as the party that is better in creating jobs. The Republicans are tugged to the right on issues of personal morality by religious conservatives—and outscore the Democrats among the general public as the party better able to handle such issues. This “upside” of issue ownership gives each party an edge, often decisive, among the full electorate on issues that are near and dear to its most devoted supporters. Parties can eat their cake (take real issue positions) and have it too (win votes through issues).<sup>2</sup>

Issues are not always the key to success in Presidential elections. How well the incumbent party has handled the economy generally is more important than ideological concerns (Fiorina, 1981). Rational political leaders prefer maximum flexibility on economic policy—and this puts them at odds with their most loyal supporters. This is the downside of “issue ownership.” Parties can become the captives of those who back them most fervently.

Parties may lose control over the instruments of economic policy. Labor will fight any attempt to fight inflation if that risks increasing unemployment—and it will also fight movements to expand trade because it fears that such efforts will cost American jobs. And the religious right also worries about the power of big business (and has other concerns, as I shall argue below). So the more parties are the captives of their most powerful supporters, the less flexibility they have to shape economic policy to their electoral advantage. It is not much help for the Democrats to be the party of creating jobs when the unemployment rate is high, as Jimmy Carter realized in 1980.<sup>3</sup> When interest groups have a stranglehold over policy-making, economic growth will be lower (Olson, 1982).

A party's most devoted supporters cannot always control the issue positions candidates (even Presidential candidates) espouse. Sometimes the Democratic party has followed the platforms of organized labor and other groups and at other times it has taken a more centrist course. In 1972, Democratic nominee George McGovern was said to be the captive of anti-war activists and left-leaning activists. In 1984, Democratic nominee (and Vice President) Walter Mondale was widely denounced for being beholden to labor, environmentalists, and feminist groups. Mondale had no agenda of his own, critics charged. Bill Clinton sought to divorce himself and the Democratic party from such charges in 1992. Clinton proclaimed himself a "new Democrat," who was *not* beholden to the traditional range of groups that had marked Democratic party politics. In 1993 he attacked labor for its "roughshod, muscle-bound" tactics in exposing NAFTA (Devroy, 1993). Clinton succeeded where McGovern and Mondale failed. He was elected President and used his maneuvering room to steer the economy to its longest boom ever. Free trade was a key part of his agenda, even as both McGovern and Mondale heeded the call of labor to propose protection of American jobs through tariffs.

The lesson seems to be that Presidents need maneuvering room—and that is partially correct. Since the President is the only nationally elected leader, we tend to assume that Presidents think globally (cf. Goldstein, 1986, 215; Manley, 1970, 331). Members of Congress think locally: Former Speaker Thomas P. O'Neill reminded legislators that "all politics is local." The pressures that come from Congressional districts are more likely to be for protection than for free trade (O'Halloran, 1994; Schiller, 1999). But not all national politics are global. Presidents as well as legislators (not to mention Presidential candidates) have sought higher tariff rates (Magee and Young, 1987; Pastor, 1983). And Congress has often responded to executive calls for free trade—as the NAFTA experience in 1993 showed. A simple institutional explanation is

insufficient.

So is the presumption that *only* interest group pressure matters.<sup>4</sup> The Democrats backed off from their traditional free trade position somewhat *earlier* than labor gave up on its similar commitments to open markets. The Democratic withdrawal from open markets reflected tensions within the party about America's role in the world and what the future would look like for the United States. Democrats were torn apart in the 1960s by the conflict over Vietnam and many argued that the United States should look inward rather than outward. The theme of the 1972 Democratic nominee, McGovern, was "Come Home, America." But the movement toward a more isolationist policy had begun earlier. The 1968 Democratic platform still called for free trade—and was noticeably less protectionist than the G.O.P. platform—but it also indicated a shift toward tariffs and other barriers. In 1964 the Democrats pledged to "break down barriers against unfair competition." By 1968, the Democrats warned against "unfair *and destructive* competition" (emphasis added).

The war, the end of the economic boom of the early and mid-1960s, and race riots in America's cities destroyed the heart and soul of the Democratic party. Even more critically, this unhappy confluence of events crushed the party's most valuable asset, the sense of optimism that was the hallmark of Woodrow Wilson, Harry S Truman, John F. Kennedy, and especially Franklin D. Roosevelt ("the only thing we have to fear is fear itself"). Even Hubert Humphrey, the "Happy Warrior," seemed dispirited as he ran for President in 1968 as the leader of a divided and disconsolate party. The Democrats became the party of protectionism, because it had no clear vision of a bright future.

The nadir, of course, came during Jimmy Carter's administration and the two energy crises. In the first, Carter sat in the White House in a cardigan sweater and told the American



people that they had to make sacrifices because the American dream of a better tomorrow was, in effect, over. Even though he did not use the word, the fireside chat became known as Carter's "malaise" speech. And it was perfect political fodder for Reagan's upbeat campaign in 1980. Reagan promised that "America is back" and endorsing unfettered markets at home and abroad.

Free trade is a prescription for economic growth. But trade stems from an optimistic world view—the belief that the gains from trade are greater than the risks and that trade will create new jobs rather than take away old ones (Uslaner, 1998a). More critically, open markets depend upon a view that the other countries that we trade with are seeking mutual advantage rather than to exploit our markets (through underpaid laborers or government-subsidized dumping or suspension of environmental regulations or human rights). Trade negotiators and diplomats know (or ought to know) the culture of potential trading partners. But most people, including legislators, don't have this detailed knowledge much of the time.<sup>5</sup>

How do we determine whether the United States should sign a free trade pact or extend most favored nation status to Romania, Thailand, or Peru? We make leaps of faith—and this faith depends upon our world view about others. Are people from distant lands fundamentally different from or similar to ourselves? How we decide this depends upon our assumptions about human nature—and especially whether we believe that "most people can be trusted." Trust is the presumption that people who may be different from us are nevertheless part of our moral community—and it rests upon the optimistic foundation that the world tomorrow will be better than the world today. And people who trust other people *are* more likely to favor free trade. And countries with higher levels of trust are also more likely to have open markets (Uslaner, 1999, chs. 2, 6, and 7).<sup>6</sup> The upbeat and trusting party is the party of free trade—and, ultimately, of prosperity. Political leaders have leeway to pursue alternative economic policies when their

followers have faith in politicians' ability to control the economy. When voters and especially loyal supporters have less confidence in our capacity to shape our economic future, they press politicians to defend what resources people have. And this is when group pressure becomes stronger and more difficult for parties to resist.

The key actors are, then, parties and voters—much more so than Presidents and members of Congress. Presidents count, because it is through the race for the White House that we see most dramatically the conflicts between the two major parties. Interest groups matter—but they are not independent entrepreneurs. Interest groups seeking protection must convince office holders in both the legislative and executive branch of the worthiness of their pleas, in terms of both policy and electoral benefits. Against these arguments are the familiar claims by economists that free trade promotes economic growth—and *the collective benefits for belonging to a political party that brings prosperity to the country*,

#### The Evidence for the Partisan Perspective

If my argument is correct, the party that is more oriented toward open markets will be more likely to win Presidential elections. I perform a very rough test of the perspective as follows: I first classify the two major party platform trade planks from 1944 to 1996 on trade. I assign a score of +2 if the Democrats were considerably more pro-free trade than the Republicans, +1 if the Democrats were slightly more pro-free trade, 0 if both parties took similar positions, -1 if the Democrats were slightly more protectionist, and -2 if the Democrats were more strongly protectionist. I adjusted the score by subtracting one if a Republican candidate (Eisenhower) or a Democratic candidate (Carter) was a free trader when his party platform indicated otherwise.<sup>7</sup>

I present this rough test of the partisan perspective in Table 1. And the results are

striking. Of the 14 Presidential elections from 1944 to 1996, ten provide a clear-cut test of the perspective. In the other four, the parties were judged to have similar positions on trade. In nine of the ten cases where there is a clear prediction, the party more favorable to free trade won the Presidential election. The only exception is 1968, a very close contest where the Democrats lost despite having a less protectionist message. But the Democrats were divided along many other lines of cleavage. For the four cases in which the parties had identical scores on the free trade measure, the Democrats won two and the Republicans won two. The ordinal correlations between the measure of party advantage on free trade and a dummy variable for whether the Democrats or Republicans won the Presidential election are .635 (tau-c) and .907 (gamma).

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Table 1 about here

And the party that is more supportive of free trade is also more likely to be seen as better able to handle the nation's economic problems.<sup>8</sup> The relationship is strong: the  $R^2$  for a simple bivariate time-series regression with a correction (Cochrane-Orcutt) for autocorrelation is .597. When the Democrats are viewed as substantially more pro-free trade than the Republicans, they would gain almost an extra 19 percent of the public saying that they are better equipped to handle the economy than the Republicans. Even when they are just moderately more pro-free trade than the Republicans, they gain more than 9 percent.

So there is a direct route from free trade positions to public approval of the party that favors open markets. And there is also a powerful relationship between the party rated better on the economy and the party that wins the White House. I estimated models using both generalized least squares (to correct for autocorrelation) and probit analysis (since the dependent variable—whether the Democrats or Republicans won the Presidential election)—with very similar

results. The probit analysis correctly predicts almost two-thirds of the elections—while the generalized least squares estimation shows results at least as powerful, predicting almost 80 percent of the elections correctly.<sup>9</sup> This very simple GLS model produces an  $R^2$  of .733. When the Republicans are most highly favored on the economy, the probability that the Democrats will win the election is a mere .055. When the public is most positive toward the Democrats, they are almost certain to win the Presidential contest (probability = .999).

Trade has effects on Presidential election outcomes even beyond its impact on which party is best able to handle the overall economy. The party more favorable to free trade has significant coefficients in both the probit and generalized least squares models. (See Table 2 for the GLS model). Adding trade to the mix does not improve the predictive power of the GLS estimation (still 11 of 14 elections), but it has a marked effect on the probit (moving the correct predictions from 10 of 14 to 12 of 14).<sup>10</sup> So taking a position in favor of open markets helps a party win Presidential elections, even beyond the dynamics of the partisan perspective I have outlined.

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Table 2 about here

### Why the Democrats Have Returned to Free Trade

The model I have proposed offers an explanation of why parties would emphasize free trade. But it doesn't help explain why one party becomes more supportive of free trade than the other—so that it has an advantage in being seen as the party of prosperity. And specifically it doesn't tell us why the Democrats (or at least Democratic Presidential candidates) have been more favorable to free trade than the Republicans. After all, the Democrats in Congress remain relatively protectionist.

The Democrats have been more favorable to free trade in recent years because they have been more successful in reining in the members of their electoral coalition who are opposed to trade the Republicans have been. Democratic leaders who wish to pursue open markets and build up a reputation as the party of prosperity must battle protectionist pressures from environmentalists and especially from labor. Republican leaders must fight the Christian right.

Which set of party leaders has the easier job? Alas, data on the internal battles party leaders fight with clientele groups are scarce at best. Instead, I use public opinion data to get a handle on the roots of support for free trade and protection in the electorate—and within party coalitions.

I estimated probit analyses of support for restricting imports from the 1998 American National Election Study (ANES), first for all voters, and then for Democratic and Republican party identifiers separately.<sup>11</sup> I report these probits in Table 3. The independent variables include trust in other people, support for restrictions on immigration, age, living in a Western state, favoring stronger environmental regulations, having a union member in the family, and support for the Christian right on the ANES “feeling thermometer” (ranging from a hostile zero to a very “warm” 99). For the probits in Table 3, I report the coefficients, standard errors, significance levels, and “effects.” The effect is a measure of the change in probabilities from the minimum to the maximum values of the independent variables with all other variables held constant. It is the standard measure of the impact of probit estimates (Rosenstone and Hansen, 1993).<sup>12</sup>

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Table 3 about here

As I noted above, trust in other people is a key determinant of support for less restrictive

trade policies because it reflects an openness to people who may be different from yourself. Closely connected is a person's position on immigration (which also depends upon trust in others, see Uslaner, 1999, ch. 5)—reflective of the same inclusiveness of people of diverse backgrounds. Younger people have grown up in a global community and should be more open to trade. And the West has an economy that is heavily dependent on foreign trade, so I expect people living there should be less likely to favor restrictions on imports. Environmentalists (who favor stronger regulations on business), people from union families, and supporters of the Christian right should all be more likely to favor limiting imports. But the impacts should be different for each party, according to the theory of issue ownership. Environmentalists and union families should push Democrats (but not Republicans) away from free trade, while backers of the Christian right should have lead Republicans (but not Democrats) toward protectionism. Blacks are also core supporters of the Democratic party. African-Americans have not fared so well economically during the economic boom of the Clinton years. Many black leaders have argued that free trade has cost more jobs than it has brought in the African-American community. So blacks should join with environmentalists and union families in pushing the Democratic party away from free trade. Finally, I expect that Democrats should be more supportive of trade restrictions, even taking all of the other factors pushing them toward protectionism into account.

Most of these predictions are borne out in the probits. But I focus only on those that help explain partisan differences. The other variables are included primarily to have a well-specified model. For all respondents, the most powerful determinant of trade attitudes is a person's position on immigration. People who want to restrict immigration are strongly in favor of limiting imports. So are blacks, environmentalists, and backers of the Christian right. Union families are also somewhat more likely to favor limiting imports, but the effect is considerably

smaller (.121) than for other groups. Overall, people with positive views of the Christian right are *the most strongly in favor of restricting trade*. Blacks and environmentalists also favor less open markets. And on the surface it seems that the combined impact for African-Americans, environmentalists, and union families might push Democrats further away from free trade than the Christian right would move the GOP.

Yet separate analyses for the Democrats and Republicans show that Republicans seem to be at least as vulnerable to their core constituents' pressures than are Democrats. Among Democrats, blacks and union families are each about 16 percent less supportive of open markets than are whites and families without union members. And strong environmentalists are about 20 percent more likely to favor restricting imports among Democratic identifiers. But Republicans are equally pushed toward protection by their supporters who back environmental regulations. Supporters of the Christian right move the GOP quite far toward the protectionism. The strongest backers of the religious right are almost 40 percent more likely to say that the United States should limit imports compared to people who give fundamentalists a zero rating.

There is clear evidence of issue ownership. Union families don't move Republicans. There are so few African-American Republican identifiers that the estimation routine drops the variable "black" from the GOP equation. But both groups have significant effects on Democrats' attitudes toward open markets. Similarly, the Christian right has no significant effect on Democrats' beliefs on trade, but they have a powerful impact for the Republicans.

Overall, Republicans are moved more by their constituency groups (including environmentalists) than are Democrats. Among Democrats, African-Americans, union families, environmentalists, and opponents of increased immigration are 65 percent more likely to favor import limitations than are people with mirror image traits (whites, etc.). But for Republicans,

environmentalists, Christian fundamentalists, non-westerners, and opponents of immigration are 88 percent more supportive of trade barriers.

Constituency pressures toward protection are stronger for Republican identifiers than for Democrats. Now I have no evidence on decision-making by elites, but it is hardly unreasonable to presume that these issue publics within each party bubble up. Congressional districts are smaller and more homogenous than national electorates—and this gives more power to the party’s core supporters who push for more protection. In this sense, the 1994 Congressional elections that brought many more self-identified Christian conservatives into the House Republican Conference helped tilt the G.O.P. away from its free trade message of the 1980s. Unions similarly can influence Congressional (especially House) Democrats because of the close ties between labor and Democrats at the local level.

Unions became less central to the centrist Democratic agenda in 1992. Even as they fought NAFTA with all their hearts and souls in 1993, they had become almost peripheral to Clinton’s “new Democratic” agenda. Ironically, labor political action committee contributions had more influence on the voting behavior of House *Republicans* on the NAFTA vote than they did on how House Democrats cast their ballots (Uslaner, 1998b).

The renewal of the Democratic romance with free trade came about because national Democrats broke with their most loyal followers to reach out to the larger electorate. They put aside their natural issue advantage of staying with labor, environmentalists, and African-Americans in an attempt to broaden the party’s electoral appeal. Clinton pictured the Democrats as the party of prosperity, much as Roosevelt, Truman, Kennedy, and Johnson had done before him—and that Reagan and Bush had done for the Republicans. To make the case compelling, party leaders have to demonstrate independence from interests that offer a less optimistic picture



of the national economy. And in the 1990s, the Democrats regained their historic role as the party of open and prosperous markets.

The renewed romance of the Democrats with free trade may be a case of only partially requited love. It may reflect, as Samuel Johnson said of second marriages, the “triumph of hope over experience.”<sup>13</sup> Clinton was able to push many House Democrats to support NAFTA in 1993 because labor had become less central to the Democratic base. Clinton carried many states and Congressional districts in 1992 where labor was weak—both in terms of membership and campaign contributions.<sup>14</sup>

Yet, the party still had strong ties to groups that viewed free trade as anathema. Indeed, in 1996 and especially in 1998, organized labor fought a prolonged yet ultimately unsuccessful battle to restore a Democratic majority in the House. But labor became a more potent force in Democratic politics. The Democrats lost the House in 1994 for the first time in 40 years and with control of the Congress went the largesse of big business. Never in philosophical tune with the Democrats, business nevertheless was a substantial donor to Democratic House incumbents. The Democrats, as the majority party, controlled the policy agenda in Congress and business had no place else to go (Jacobson, 1999, ch. 4). But when the Democrats lost the House in 1994, business shifted their campaign contributions to the Republicans and the Democrats had to rely more heavily on labor. In 1996, union contributions amounted to almost half of all political action committee receipts for the Democrats—up from 32 percent in 1992. And this financial clout gave labor the influence to push House Democrats away from free trade—and to the defeat of fast track authority in 1997 and 1998 (Abramson with Greenhouse, 1997; Eilperin, 1998).

In the wake of protests by environmentalists and human rights activists at the World Trade Organization summit in Seattle in late 1999, Clinton promised to link future trade accords

to labor, environmental, and human rights issues. But he did not back down on his fundamental commitment to free trade and neither did the two Democrats who sought to succeed him in the White House.

Congressional Democrats tolerated the free trade message of the White House and sometimes even joined in (as on NAFTA and on most favored nation status for China) because they were not putting themselves at risk. I estimated a model (data not presented) of voting behavior in the 1998 Congressional elections. Voters cast ballots for the House for the party they felt best able to help the American family—though they did *not* favor candidates because they believed their party would better handle crime, foreign affairs, Social Security, the environment, or the economy generally. And positions on imports had no significant impact at all on elections. There was not even a trace of a Republican gain on the trade issue. The Democrats had a very slight, though insignificant, gain from free trade (three percent effect).<sup>15</sup>

Congressional Democrats paid no electoral price for tolerating or even supporting the free trade initiatives of their President. And as long as the economy was healthy, the party responsible for the good times could hardly fail to benefit. Free trade was good to Congressional Democrats—in more ways than one. It divided the Republicans and highlighted conflicts that made the Republicans look bad to many voters.

Yet, support of NAFTA was not costless to Congressional Democrats. As labor became a more important force in funding Democratic House races, it used its advantage strategically. Democrats who backed NAFTA received less money from unions in 1994 and labor particularly targeted members in close races (Francia, 2001). The free trade message was a good strategy for the national Democratic party—but it was a potentially dangerous one for Congressional Democrats. As the 2000 elections approached, Democrats seemed an even bet to retake the House, and

business contributions once more flowed to the party (Eilperin, 2000b). Will business once more lure Congressional Democrats to the message of free trade? Or is the romance over for good? Or will the Republicans emerge once more as the party most committed to free trade? Speaker of the House Dennis Hastert (R, IL) has said that free trade is the best “agent for democratic change and economic growth and individual prosperity” (Eilperin, 2000a). The party that stakes out the clearest support for open markets should fare best in the election—but each party must keep its own most loyal supporters in check first.

TABLE 1

## Democratic Presidential Victories and Party Advantages on Free Trade, 1944-1996

	Party Advantage on Free Trade					Total
	GOP Major Advantage	GOP Slight Advantage	Neither party Advantaged	Democratic Slight Advantage	Democratic Major Advantage	
Republican Victory	2	2	2	1	0	7
	100%	100%	50%	33%	0%	50%
Democratic Victory	0	0	2	2	3	7
	0%	0%	50%	67%	100%	50%
Total	2	2	4	3	3	

tau-c = .637    gamma = .907    Chi-square = 7.333 (p < .060)

TABLE 2

Generalized Least Squares Estimates of Democratic Presidential Victories, 1944-1996

	Coefficient	Standard Error	t Ratio
Party preferred on economy	.023**	.003	6.900
Party advantage on free trade	.190*	.097	1.963
Constant	.462	.436	1.057

 $R^2 = .832$      $\text{Adjusted } R^2 = .798$      $\text{RMSE} = .291$ 
 $N = 13$  (with correction for autocorrelation)

 \*\*  $p < .0001$     \*  $p < .05$ 

Estimation by generalized least squares with Cochrane-Orcutt correction for autocorrelation and with robust (White-corrected) standard errors.

TABLE 3

## Probit Analyses of Support for Import Restrictions: 1998 ANES

	All Respondents			Democratic Party Identifiers			Republican Party Identifiers		
	Coefficient	Std. Error	Effect	Coefficient	Std. Error	Effect	Coefficient	Std. Error	Effect
Trust in people	-.345***	.124	<b>-.117</b>	-.575***	.195	<b>-.198</b>	-.312**	.181	<b>-.102</b>
Decrease Immigration	.362****	.065	<b>.473</b>	.344***	.105	<b>.464</b>	.401****	.095	<b>.493</b>
Age	.016****	.004	<b>.309</b>	.019***	.006	<b>.348</b>	.016***	.006	<b>.286</b>
West	-.251*	.147	<b>-.084</b>	.078	.223	<b>.026</b>	-.504**	.222	<b>-.162</b>
Favor environmental regulations	.096***	.037	<b>.192</b>	.105**	.055	<b>.213</b>	.112**	.056	<b>.217</b>
Union family	.365**	.168	<b>.121</b>	.501**	.232	<b>.162</b>	.227	.269	<b>.074</b>
Christian right thermometer	.007****	.002	<b>.257</b>	.002	.003	<b>.069</b>	.012***	.004	<b>.374</b>
Black	-.609**	.266	<b>-.196</b>	-.482**	.254	<b>-.165</b>			
Party ID	-.097***	.031	<b>-.196</b>						
Constant	-1.631***	.351		-1.426**	.521		-2.334***	.520	
	N = 501 Estimated R <sup>2</sup> = .294			N = 224 Estimated R <sup>2</sup> = .293			N = 236 Estimated R <sup>2</sup> = .334		
	Percent predicted correctly (model): 70.3			Percent predicted correctly (model): 67.4			Percent predicted correctly (model): 69.2		
	Percent predicted correctly (null): 55.9			Percent predicted correctly (null): 55.8			Percent predicted correctly (null): 55.8		
	-2* Log Likelihood ratio = 587.366			-2* Log Likelihood ratio = 264.416			-2* Log Likelihood ratio = 268.638		

\*\*\*\* p < .0001 \*\*\* p < .001 \*\* p < .05 \* p < .10

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## NOTES

- \* The support of the General Research Board, University of Maryland–College Park, and the Everett McKinley Dirksen Center for Congressional Leadership is greatly appreciated.
- 1. This and the preceding paragraph, as well as much of the first section of this paper, follows Uslaner (1994).
- 2. See Hinich and Munger (1994).
- 3. The civilian unemployment rate jumped from 5.8 percent in 1979 to 7.1 percent in 1980.
- 4. This paragraph follows Uslaner (1994).
- 5. Clearly they do some of the time. Trade pacts with Canada or the United Kingdom don't require leaps of faith about cultural differences.
- 6. These results are based upon multivariate analysis at the individual level and simultaneous-equation estimation at the aggregate level (with countries having a legacy of Communism excluded).
- 7. For the party platform statements on trade, see Uslaner (1994), 36-40. Sources are listed on p. 40. For the 1996 Democratic platform, see (accessed on January 29, 2000):

<http://www.democrats.org/hq/resources/platform/index.html>.

For the 1996 Republican platform, see (accessed on January 20, 2000):

<http://www.gopnm.org/gopnm/platforms/plat3.html#trade>.

The texts of the platforms presented in Uslaner (1994) should provide evidence that the test is not tautological and that the rough categorizations I have employed are realistic portrayals of party stands on trade.

8. The data for 1944 to 1988 were extrapolated from Stanley and Niemi (1992, 168). For 1992 and 1996 I obtained the data from the American National Election Studies (ANES) codebooks available from the Inter-University Consortium for Political and Social Research (ICPSR). The measure is the percentage of the public saying that the Democrats would handle the economy better minus the percentage saying that the Republicans would handle the economy better.
9. There was also evidence of heteroskedasticity, so both the generalized least squares and probits were estimated with robust standard errors. The elections predicted incorrectly by the generalized least squares estimation were 1952, 1968, and 1992.
10. The probit employing only the party favored on the economy predicts the 1944, 1952, 1992, and 1996 elections incorrectly. The probit with both variables misses only 1968 and 1992.
11. To insure that these results are not idiosyncratic, I estimated a similar model from the 1996 General Social Survey. As with the 1998 ANES model, I found that trust in other people, attitudes on immigration (does immigration create or take away jobs), identifica-

tion as a Christian fundamentalist, and belonging to a union family all shaped attitudes on restricting education. So did education and satisfaction with one's personal financial situation, which were not significant in the 1998 estimation.

12. Probit coefficients, unlike regression coefficients, have no clear interpretation because the probit estimator is not linear. Note that the effects for age are calculated between 18 and 75.
13. Oxford Dictionary of Quotations, third ed. (Oxford: Oxford University Press, 1979), 275.
14. The correlation between the Clinton share of the vote in Congressional districts and the proportion of the work force that is unionized was .27 in 1992. And the correlation between union campaign contributions to Congressional candidates and the Clinton vote in 1992 was just .28. See Uslaner (1998b) for the data sources. There was a higher correlation (.53) between union campaign contributions and the share of the vote for Democratic House candidates.
15. Other variables in the model are party identification, a dummy for the South, Clinton job approval (not significant), and identification as a born-again Christian (not significant).