

THE FAIR TRADE SWEEP¹*By Chris Slevin and Todd Tucker*

In 2004, the celebrated author Thomas Frank asked: “What’s the Matter With Kansas?” The question sought to get to the root of why Democrats lose in districts and states where low-income and working-class people ought to be in open revolt against Republican economic policies.²

In 2006, we got the answer to Frank’s question. There’s nothing the matter with Kansas, or the rest of “red state” America, when Democrats are willing to run on an economic platform that emphasizes their opposition to corporate-sponsored trade deals and support for policies that address middle- and working-class needs. In the midterm elections, a net sum of 7 Senate and 30 House seats flipped from the anti-fair trade to the fair trade column.³ Moreover, as our research shows, most of those Democratic candidates that made a strong fair trade message a campaign priority won, while most of those that did not – including many high-profile candidates supported by the national party – lost. (A “fair trade” position supports strong and enforceable labor and environmental standards in the core text of trade agreements, is against harmful investment and protectionist pharmaceutical patent rules, and is open to replacing fast track with a more democratic alternative.)

And while nearly all Democrats ran on a platform that emphasized criticism of the Iraq War, the difference between those war-critic Democrats that won and those who lost was the strength of their trade and economic message. War criticism was a necessary but insufficient basis for electoral support; anyone who thought that merely being opposed to a war of choice that is costing American lives would carry the day was proved wrong. It’s not enough to be against something; voters want to know what candidates are for. A fair trade position was an indicator to voters that a candidate was serious about being for the middle class.

WHERE ARE WE ON TRADE POLICY AND HOW DID WE GET HERE?

The increasing diversity of opposition to the NAFTA-WTO model was becoming apparent in 2004 when a University of Maryland Project on International Policy Attitudes poll showed that nearly three-quarters of Americans making more than \$100,000 a year rejected actively promoting more trade deals, preferring instead a more passive approach or even a roll back of the status quo. This was the reverse of the group’s 1999 findings that found majority support among wealthy Americans for an aggressive tack.⁴

Polls since have showed growing public anxiety about the course of our trade policy. Global competition and the off-shoring of jobs was the top concern of Americans – no less important statistically than the Iraq War – according to a 2006 poll by Greenberg Quinlan Rosner Research.⁵ Eighty-seven percent of voters were concerned about off-shoring and 81 percent gave the government a C, D, or F in its handling of the issue, according to a 2006 Public Agenda poll.⁶

The public anxiety these polls capture has a clear basis in reality. Despite rising growth and productivity, income for the vast majority of Americans has been stagnant for a generation – leading to levels of economic inequality not seen since the robber baron era. As the U.S. trade deficit approaches \$800 billion this year – at six percent of U.S. GDP a level threatening to the global economy’s stability – millions of U.S. manufacturing jobs continue to disappear. The exploding negative balance between what we buy and sell is not only in manufactured goods: in August 2006, the U.S. agricultural trade balance went into deficit, a reality totally at odds with the image sold to Midwestern voters that they will export their way to wealth because the United States is “breadbasket to the world.”⁷

Between the 2004 and 2006 elections, in their voting record and messaging, Democrats reconnected with middle-class economics for the first time since the Clinton administration wheeled and dealt NAFTA through Congress in 1993, a move that blurred the line of economic policy differentiation between the parties. The 2005 vote on CAFTA, a Bush priority expanding NAFTA to Central America, was framed as a referendum on NAFTA’s decade of lived damage both in the United States and in Mexico. The Republican Party became owner of NAFTA’s legacy when just 15 House Democrats supported CAFTA, compared to the 102 Democrats who voted for NAFTA. The Senate CAFTA vote was uniquely tight with 45 senators voting against it. And all congressional Democrats said to be exploring 2008 presidential bids voted against CAFTA – including several who had supported NAFTA over a decade earlier. And in July 2006, most Democrats also voted against a NAFTA-style pact with Oman.

In the actual campaign season itself, fair trade organizations helped translate popular discontent over failed trade policy into electoral gains. In addition to trade playing a prominent role in the political work of organized labor,⁸ newer specifically fair-trade-focused electoral efforts operated nationwide this year – showing again the growing public saliency of the NAFTA-WTO critique. For instance, beginning in 2005, Working Families Win (WFW), a project of Americans for Democratic Action (ADA), ran a major 501(c)(3) and (c)(4) field program in Iowa, Minnesota, New Hampshire, North Carolina, Ohio, Pennsylvania, Washington and Wisconsin aimed at raising the visibility of economic issues, including fair trade, the minimum wage and universal healthcare.

But the fair trade effort with which we are most familiar was the affiliated political action committee (PAC) formed in 2006 by the Citizens Trade Campaign (CTC), a fair trade grassroots coalition initially founded in 1992 by consumer, labor, environmental, family farm and religious groups to fight NAFTA. After collecting trade policy questionnaires from dozens of candidates, CTC PAC endorsed 15 candidates and put paid organizers in seven campaigns that proved instrumental to the Democratic takeover, while making financial or other contributions to the remainder of the endorsed candidates. CTC PAC helped create media and get-out-the-vote operations specifically targeting independent voters considered receptive to a fair trade message. In the end, 12 out of 15 of CTC PAC’s candidates won their races, with a thirteenth race – Democrat Larry Kissell’s challenge of CAFTA and fast track flip-flopper Robin Hayes (R) in what should have been a solid GOP district – lost by just a few hundred votes.

As Table 1 shows, congressional candidates across the country ran and won on a fair trade platform against anti-fair trade incumbents and in open seats, resulting in a net fair trade gain of 7 Senate and 30 House seats.

TABLE 1: SENATE AND HOUSE FAIR TRADE PICK-UPS

State-District	Anti-fair trade (unless noted) GOP loser	Fair trade winner - Dem unless noted	Name and trade policy of retiring member (anti-fair trade unless noted)
Missouri-Senate	Jim Talent	Claire McCaskill	n/a
Montana-Senate	Conrad Burns	Jon Tester	n/a
Ohio-Senate	Mike DeWine	Sherrod Brown	n/a
Pennsylvania-Senate	Rick Santorum	Bob Casey, Jr.	n/a
Rhode Island-Senate	Lincoln Chafee	Sheldon Whitehouse	n/a
Vermont-Senate	Rich Tarrant	Bernie Sanders (I)	Jim Jeffords (I)
Virginia-Senate	George Allen	Jim Webb	n/a
Arizona-5	J.D. Hayworth	Harry Mitchell	n/a
Arizona-8	Randy Graf, good	Gabrielle Giffords	Jim Kolbe (R)
California-11	Richard Pombo	Jerry McNerney	n/a
Colorado-7	Rick O'Donnell	Ed Perlmutter	Bob Beauprez (R)
Connecticut-2	Rob Simmons, mixed	Joe Courtney	n/a
Connecticut-5	Nancy Johnson	Chris Murphy	n/a
Florida-11	Eddie Adams, unknown	Kathy Castor	Jim Davis (D)
Florida-16	Joe Negron, good	Tim Mahoney	Mark Foley (R)
Florida-22	Clay Shaw	Ron Klein	n/a
Hawaii-2	Bob Hogue, unknown	Mazie Hirono	Ed Case (D)
Indiana-2	Chris Chocola	Joe Donnelly	n/a
Iowa-1	Mike Whalen	Bruce Braley	Jim Nussle (R)
Iowa-2	Jim Leach	Dave Loebsack	n/a
Kansas-2	Jim Ryun	Nancy Boyda	n/a
Kentucky-3	Anne Northup	John Yarmuth	n/a
Minnesota-1	Gil Gutknecht	Tim Walz	n/a
New Hampshire-1	Jeb Bradley	Carol Shea-Porter	n/a
New Hampshire-2	Charles Bass	Paul Hodes	n/a
New York-19	Sue Kelly	John Hall	n/a
New York-20	John Sweeney	Kirsten Gillibrand	n/a
New York-24	Raymond Meier	Mike Arcuri	S. Boehlert (R)
North Carolina-11	Charles Taylor, mixed	Heath Shuler	n/a
Ohio-18	Joy Padgett, mixed	Zack Space	Bob Ney (R), mixed
Pennsylvania-10	Don Sherwood	Chris Carney	n/a
Pennsylvania-4	Melissa Hart	Jason Altmire	n/a
Pennsylvania-8	Mike Fitzpatrick	Patrick Murphy	n/a
Tennessee-9	Mark White	Steve Cohen	H. Ford (D), mixed
Texas-22	Shelley Sekula Gibbs	Nick Lampson	Tom DeLay (R)
Texas-23	Henry Bonilla	Ciro Rodriguez	n/a
Wisconsin-8	John Gard	Steve Kagen	Mark Green (R)

Furthermore, at least 25 campaigns ran paid TV ads highlighting fair trade positions. Fair trade was a campaign theme for nearly all Democrats, including those that replaced retiring fair traders and are thus not considered “net fair trade pick ups” in our analysis.

As described in our report “Election 2006: No to Staying the Course on Trade,” the tenor of the fair trade message varied widely across the country. But a remarkable finding is that locally-tuned versions of the fair trade message won elections in “pro-NAFTA” corn belt states, including Kansas, Iowa, and Missouri, where rural communities have seen the trail of broken promises from past failed trade deals. In areas swamped by manufacturing job loss, candidates talked about stopping trade deals that disadvantage U.S. workers. Others spoke about requiring that potential trade pact partners meet EU-style readiness criteria before trade negotiations are completed, and others approached the immigration issue through a trade lens, citing Mexican farmer displacement to the United States following NAFTA. Still others spoke of the need for replacement of the undemocratic fast track process with a better process that allows Congress to fill its constitutional role of conducting oversight and setting the terms of trade policy. But where all candidates agreed was that positive alternatives to the Clinton-Bush trade agenda need to be constructed to ensure that the benefits of trade are widely shared.

Still, there were certainly degrees of fair trade messaging. We graded the fair trade messaging of the Democrats who challenged incumbent Republicans in competitive races, with even the “F” candidates still likely to be better on trade than the GOP incumbent with a pro-NAFTA-WTO voting record. As Table 2 shows, the single most common grade Democrats received was an A-plus – showing just how widespread was the fair trade messaging in 2006. Furthermore, in 73 percent of the races where Democrats successfully dislodged an incumbent Republican, the Democrat in the race made a strong fair trade message a campaign priority (receiving either an A+ or an A). At the same time, in 72 percent of the races where the incumbent Republican emerged victorious, the Democrat in the race was much weaker on the fair trade issue, receiving a B, C, D or F.

TABLE 2: TRADE GRADE VS. OUTCOME

Fair Trade Grade	Dem Wins/ GOP Incum. Loses	Dem Loses/ GOP Incum. Wins	Total
A+	13	7	20
A	3	1	4
B	1	3	4
C	1	8	9
D	2	4	6
F	2	6	8

Many incoming Democratic House freshmen won – while many other Democratic challengers came within striking distance of winning – in very Republican districts. One widely-cited strategic approach was for Democrats to focus resources in districts that lean Democratic but have Republican congressional representation, where it was thought that another dollar spent or another ad run might make the difference in a close election. But another approach might consider how several very underfunded and understaffed Democratic candidates in very “red” districts came within hairs of winning. In such races – of which there were many – a small investment of Democratic Party resources might have made a difference. Fair-trade Democrat Gary Trauner’s tremendous showing in the Wyoming at-large race was one such example. The race, which was not ranked as even an “emerging” race by the Democratic Congressional Campaign Committee (DCCC), resulted in a 48-48 margin, with Republican anti-fair trader Barbara Cubin barely squeaking back into office in a district that went overwhelmingly for Bush in both 2000 and 2004.

DOES THE PARTY “GET” THE FAIR TRADE SWEEP?

There is some evidence that top Democratic Party officials may not understand the voter mandate for change on trade policy. Ninety-two Democrats voted for a lame-duck-session measure that will subject the U.S. labor force to more low-wage competition from Vietnam, while several incoming Democratic committee chairs have hinted that they might pursue a more-of-the-same trade policy. In the midterms, a majority of the DCCC’s hand-picked top candidates lost – 11 out of 20. All 11 scored low on our fair trade index, while 6 out of the 9 who emerged victorious received top fair trade grades. Meanwhile, all three challenger candidates who won on Election Day and who were not on the DCCC’s priority lists were A+’s on the fair trade index.

Politics, as DCCC Chairman Rahm Emanuel points out, is not a business in which you bat 100 percent. Still, the stated reason for the DCCC’s focus (and in turn, the focus of many other donors and Democratic-leaning groups that follow the DCCC’s lead) on specific candidates from Tammy Duckworth to Ken Lucas and beyond was that these races were deemed “winnable.” In contrast, fair trade groups looked beyond the party leadership’s top tier and focused on promoting and lending organizing resources to Democrats who recognized the failures of the NAFTA-WTO model and actively embraced a fair trade message. While several of these races were not deemed winnable by leaders in Democratic circles, nearly all of these candidates ended up winning or coming very close to winning.

Despite stacks of polling data and focus group evidence that a fair trade message resonates, there were also tactical decisions by candidates prioritized by the DCCC to not embrace stronger messages on globalization.

Two such instances are worth recounting. In Pennsylvania’s 6th district, Democrat Lois Murphy has twice come close to winning in a district that incorporates parts of the Philadelphia suburbs and also the manufacturing hub of Reading, which has lost a disproportionate number of jobs to trade relative to both the country and state of Pennsylvania. In the 6th district, two-term incumbent Republican Jim Gerlach has taken a lot of heat for voting wrong on

CAFTA and other trade deals, with constituents organizing a Valentine's Day protest and news conference about the increase in sweetheart corporate PAC money Gerlach had received after his CAFTA vote. While Murphy's trade position was decent, it was buried in a 40-page policy document. Efforts to run a trade-specific Reading GOTV program were not met with enthusiasm from the DCCC or Murphy camp, which is unfortunate for the Democrats considering that Murphy's margin in 96 percent of Reading's precincts dropped in 2006 relative to 2004.

Indeed, while Murphy carried every Reading precinct in 2004, she actually lost one precinct to Gerlach in 2006. While Murphy had outperformed John Kerry – who was considered very weak on trade – in 92 percent of Reading precincts in 2004, Murphy's 2006 margin actually sank below Kerry's 2004 margin in 80 percent of Reading precincts. Meanwhile, vocal fair trader Senator-elect Bob Casey, Jr. carried and outperformed Murphy's (and Kerry's) margin in all Reading precincts. Casey's fair trade message clearly resonated in Reading in a way that the more muted Murphy/Kerry message did not.

In a one-point Gerlach victory in the 6th district overall, a better trade message and showing in Reading could have provided Lois Murphy – whose race was considered winnable – with a margin of victory. Meanwhile, Democrat Patrick Murphy – the other Murphy running in the Philly suburbs in the neighboring 8th congressional district – was thought less likely to be able to pull off an upset against GOP incumbent and CAFTA-supporter Mike Fitzpatrick, but achieved a victory in a campaign that prominently and aggressively advocated fair trade and hammered Fitzpatrick for his CAFTA vote.

A similar fair trade message effort was attempted by fair trade groups in Ohio's 15th District, where Democrat Mary Jo Kilroy was seeking to oust anti-fair trade GOP incumbent Deborah Pryce, Democratic Party operatives chose not to emphasize a trade message, arguing that the Democrats' strongest county in the district – Franklin County – was composed of voters who were not displaced manufacturing workers. But Senator-elect Sherrod Brown's campaign, which focused heavily on a fair trade message, received a higher margin of the vote than Kilroy's campaign in each of the 15th District's counties, including in Franklin County, where party operatives predicted a fair trade message would not resonate. The reason for the Franklin County surprise was that voters are anxious about the economy not solely because of economic damage suffered by them personally, but also because they see people who are one-degree removed from them losing their jobs and health care and realize that Franklin County could be next. In other words, while some voters in Franklin County might be experiencing relatively decent economic outcomes, they are aware of the growing risk faced by the middle class overall in Ohio (which has lost one in five manufacturing jobs during the NAFTA-WTO decade) and fear economic crisis for their own families.

CONCLUSION: FAIR TRADE IS SMART POLICY AND SMART POLITICS

Stan Greenberg, in the days after the election, said "There was a missed opportunity here... I've sat down with Republican pollsters to discuss this race: They believe we left 10 to 20 seats on the table." Indeed, it seems that there were many real Democratic pickup opportunities missed, but it's unclear if any of these were the top-priority, weak-on-trade DCCC candidates.

As one political reporter told Roll Call, the biggest story of the 2006 races in North Carolina was “the Democratic Party’s abandonment of Larry Kissell. The national and state Democrats missed the boat.” Democratic fair-traders like Victoria Wulsin, who nearly won her Cincinnati race against “Mean Jean” Schmidt, have publicly questioned why they seemed to fall “through some DCCC cracks.”

2006 has shown us that fair trade is not only good policy, it’s smart politics. A fair trade position showed that a candidate was willing to fundamentally challenge the outdated corporate consensus that government must be hands-off when it comes to supporting the middle- and working-class, while being hands-on when pushing policies like NAFTA and WTO that redistribute income upwards. Contenders and donors in 2008 hoping to sweep even more elected offices will have to recognize that voters are ready to move beyond “staying the course” on the failed trade policies of the past and to embrace an agenda which promotes economic security and mobility for all.

Chris Slevin is deputy director of Public Citizen’s Global Trade Watch (GTW), and took a leave of absence in 2006 to run Citizens Trade Campaign’s affiliated political action committee (CTC PAC). Todd Tucker is GTW research director and author of a major post-election report on the role of fair trade in 140 federal and state level races.

¹The authors thank Phila Back, Heather Boushey, John Nichols and Lori Wallach for helpful comments on an earlier draft of this piece.

²Thomas Frank, *What’s The Matter with Kansas?* (Metropolitan Books: New York 2004).

³For our full report on the role of fair trade in 140 Senate, House and gubernatorial races see http://www.citizen.org/hot_issues/issue.cfm?ID=1471.

⁴Peronet Despeignes, “Poll: Enthusiasm for free trade fades; Dip sharpest for \$100K set; loss of jobs cited,” *USA Today*, Feb. 24, 2004.

⁵“Outsourcing of Jobs is Top Concern in U.S.,” Posted on Angus Reid Global Scan, March 22, 2006.

⁶Ana Maria Arumi and Scott Bittle, “Confidence in U.S. Foreign Policy Index 2,” *Public Agenda*, Winter 2006, at 15.

⁷Since 1959, the United States has maintained a positive annual agricultural trade balance. But this balance is trending downwards. Since 1979, there have only been 10 months where the monthly trade balance was negative – eight of these were in the past three calendar years. See U.S. Department of Agriculture’s Economic Research Service’s December 2006 trade balance update.

⁸Steven Greenhouse, “Labor Goes Door to Door To Rally Suburban Voters,” *New York Times*, Oct. 8, 2006.

⁹While most in the GOP are unrepentant anti-fair traders, a few have stayed in office a long time by amassing a voting record that is at once socially conservative and pro-fair trade. The Ellsworth and Shuler victories (the latter is listed in Table 1 because incumbent Charles Taylor “took a walk” on CAFTA and significantly angered his constituents) show that that Democrats can “out-fair trade” the GOP’s occasional fair traders.

¹⁰Daryll E. Ray, Daniel G. De La Torre Ugarte, and Kelly J. Tiller, “Rethinking U.S. Agricultural Policy: Changing Course to Secure Farmer Livelihoods Worldwide,” *Agricultural Policy Analysis Center Briefing Paper*, University of Tennessee, September 2003.

¹¹We considered races to be competitive if they were listed in the Cook Political Report of Nov. 6, 2006 as “Toss-Up,” “Lean Republican,” “Likely Republican,” “Lean Democrat,” or “Likely Democrat.” Many important Democratic pick-ups were in open seat races. Given the complex factors at work in a race with no incumbent, however, the following two tables focus only on those races where Democratic challengers faced Republican incumbents. Our grading system was extremely conservative. An F was reserved for candidates who had no known position, or who had a professional record that indicated they would likely be against fair trade, or for candidates that had previously served in the House and had a bad trade-vote record. (Many of these

promised to have “seen the light” of fair trade in their most recent campaigns.) A D was for candidates who had a vaguely fair trade position, but who had not made that position public beyond word-of-mouth. A C was for candidates who had a good position who did not put high emphasis on the issue. A B was for candidates who were more public about a good position (i.e. paid ads on manufacturing job loss, etc.). An A was for candidates with strong positions in favor of fair trade; while an A+ was for candidates with excellent, very public positions who made trade a top campaign priority.

¹²While the DCCC’s ranking of individual races was in flux throughout the campaign season, we consider the DCCC’s very “top candidates” to be the 20 races that were deemed “Red-to-Blue” in early 2006.

¹³Jill Lawrence, “Party recruiters lead charge for ‘06 vote; Choice of candidates to run in fall may decide who controls the House,” *USA Today*, May 25, 2006.

¹⁴“Pelosi and Emanuel want to do what the Republican National Committee is doing—husband the money so it can be pumped in massive quantities into tough but winnable races in the final months... [They oppose strategies that run] counter to the highly tactical approach that Emanuel has pursued, which is to pick winnable districts and candidates who can win them.” See Mike Allen and Perry Bacon Jr., “Whose Party Is It Anyway?” *Time*, June 12, 2006; see also Steve Kornacki, “Emanuel, Dean Still Sparring,” *Roll Call*, July 3, 2006.

¹⁵According to statistics from the Bureau of Labor Statistics’ Current Employment Survey, Reading, Pa. lost 25 percent of its manufacturing jobs during the NAFTA-WTO decade, while Pennsylvania lost 22 percent (and the United States 15 percent) of its manufacturing jobs during the same period.

¹⁶Douglas W. Wesner, “Citizens Group gives Gerlach scathing valentine,” *Westside Weekly*, Feb. 23, 2006.

¹⁷Reading overlaps more than one congressional district. We only considered precincts in the 6th district. See http://www.co.berks.pa.us/berks/lib/berks/departments/elections/election_results/2006/resultsprecinct2006.html and http://www.co.berks.pa.us/berks/lib/berks/departments/elections/reports/cong_06.htm

¹⁸See Bryan Schwartzman, “How Did Gerlach Dodge Disenchantment Bullet?” *Jewish Exponent*, Dec. 14, 2006.

¹⁹Patrick Murphy, “Fitzpatrick Sells Out Bucks County and Sends US Jobs Overseas,” Candidate Press Release, Nov. 18, 2005.

²⁰At the eleventh hour, Kilroy gave the go-ahead to run paid ads that highlighted her good position on trade, but perhaps too late to save her from her eventual loss.

²¹Brown received 59 percent of the vote in Franklin County, 47 percent of the vote in Madison County and 41 percent of the vote in Union County. Kilroy, by contrast, received 52, 38 and 34 percent of the vote in these counties, respectively. Note that Franklin County overlaps three congressional districts. In the 12th district, Bob Shamansky – who had no stated trade policy – squeaked by with 50.1 percent of the vote in Franklin County but lost the district by 15 percentage points. In the 7th district, Democrat William Connor carried Franklin County by 55 percent, but ultimately lost the district overall. Connor was very strong on fair trade, but his race was not considered competitive by the Cook Political Report and is therefore not featured in our analysis for methodological reasons explained above. See <http://www.sos.state.oh.us/SOS/ElectionsVoter/results2006.aspx?Section=1849>; <http://www.sos.state.oh.us/SOS/ElectionsVoter/results2006.aspx?Section=1846> and http://connerforus.com/Balance_of_Trade.htm.

²²For a nationwide analysis of this trend, see Jacob S. Hacker, *The Great Risk Shift*, (Oxford University Press: New York 2006), at 68.

²³Adam Nagourney, “Flush of Victory Past, Democrats Revert to Finger-Pointing,” *New York Times*, Nov. 16, 2006.

²⁴Louis Jacobson, “For a Red State, North Carolina’s GOP Is Surprisingly Embattled,” *Roll Call*, Dec. 11, 2006.

²⁵David Hammer, “Wulsin: Where was Dem support?” *Associated Press*, Nov. 23, 2006.

²⁶For a more detailed analysis of this pervasive double standard in the policy realm, see Dean Baker, *The Conservative Nanny State*, (Washington, D.C.: Center for Economic and Policy Research, 2006.)