Opinion

Peru Trade Bill: It's the Money, Stupid

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In terms of economic consequences, the new trade agreement with Peru is trivial. In political terms, however, it delivers an ominous message. When faced with a choice between money and their own rank-and-file, the Democratic leaders in the House will go with the money, even if it requires them to pass legislation with Republican votes. Even if a majority of their own caucus is opposed. Even if it means handing the shrinking president, George W. Bush, a rare legislative victory.

Speaker Nancy Pelosi pulled it off today at considerable cost to her own reputation. How different are the new Dems in Congress? Not very, it seems. That is a reasonable interpretation of events and the Speaker is now stuck with the burden of disproving it.

Pelosi's lieutenants "whipped" the party caucus energetically and did better than expected--109 Dems voting for the Peru trade bill, 116 Dems against.

But Pelosi still winds up looking like the great triangulator, Bill Clinton, who managed to pass important trade measures like NAFTA only by relying on Republican votes over his own party. Pelosi will come to regret the comparison, I suspect, because it suggests she is unreliable as a party leader, at least if you thought Democrats were going to change things. On the Peru vote, she played big-money contributors and the opposition party against her own troops. Clinton used to do this brilliantly with lots of soulful rhetoric extolling his own courage. Pelosi and team are not so adept.

Why would she depart from her usual form? After all, Pelosi normally won't bring an issue to the House floor unless assured of overwhelming consensus among her members.

Her explanation: "I don't want this party to be viewed as an anti-trade party." That is the same simple-minded non sequitur the multinational establishment always invoke to scold Democrats. None of the Democratic dissenters are arguing for "no trade." They are trying to change the rules of trade so US workers are not the first victims of new agreements. Pelosi argued that the Peru agreement includes an important reform--stronger language in support of labor and environmental standards--and it does. But is there perhaps another reason why she pushed so hard against her own caucus?

Steven R. Weisman of the New York Times gently suggested one. "Democrats from the prosperous areas of the East and West Coast have become especially responsive, many Democrats say, to the desire of Wall Street and the high technology, health, pharmaceutical and entertainment industries to expand their sales overseas," Weisman wrote. "These industries have also become major Democratic contributors."
She did it for the money. That is a more plausible explanation than insider arguments over the fine print in an inconsequential new trade bill. The big-money sectors are anxious to squelch the new critics of globalization in Democratic ranks before they can gain momentum in Congress. Looking toward financing the 2008 elections, Pelosi chose to stand with the money guys and dismiss the political backlash against globalization building across the country. She is probably betting people aren't paying attention to such trivial matters.

But I wouldn't count on that. She is liable to lose her bet as economic conditions worsen for folks in coming months. People are likely to get more anxious and angry than they already are. One thing Democrats should not try to tell voters in '08 is they are the party of change. Might yield more yawns and snickers than votes.