The Magic Bullet? The RTAA, Institutional Reform, and Trade Liberalization

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Introduction

The Reciprocal Trade Agreements Act (RTAA) of 1934 has long been heralded as a simple institutional reform with revolutionary consequences. It is typically portrayed as a clever maneuver that, by shifting authority over trade policy from Congress to the president, fundamentally altered the nature of the policymaking process and drastically changed the future course of U.S. trade relations. Wedded to high levels of tariff protection for most of its history, the United States began a steady process of tariff reduction after 1934 that helped to transform the international economy.

The connection between the RTAA and the shift in policy seems obvious. How else can we explain the sudden swing toward liberalization after 1934 than by reference to the institutional change of 1934? Why else would there be a sudden movement away from a seemingly robust protectionist equilibrium? In the political-economy literature, the standard explanation for inefficient protectionism is that the benefits of tariffs are concentrated among producers in import-competing industries, whereas the costs are dispersed among producers in other industries and consumers; so the former find it easier to organize collectively to influence policy to their advantage. An escape from this political trap is likely only if some change in the institutions that govern policymaking can provide greater political weight to members of the large free-trade bloc.

The conventional wisdom on the RTAA relies on two versions of this same claim. The first version focuses on how delegating authority to the president eliminated protectionist logrolling and made more salient the costs of tariffs to consumers that would otherwise have been neglected because they were dispersed across electoral

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districts.[1] The second version emphasizes how empowering the president to negotiate trade agreements that elicited reciprocal tariff reductions from other nations generated larger gains for, and thus more political support from, export interests.[2]

I argue that, though these accounts provide sound reasons why the RTAA might have helped to produce more liberal policy outcomes ex post facto, they fail to provide an adequate explanation for just how the institutional innovation was achieved and sustained in the face of protectionist opposition. Instead, a closer examination of the changing nature of the underlying trade policy coalitions, and their relationships with the two parties, makes more sense of the American experience. The RTAA system was instituted by a Democratic majority with a core constituency of interests that favored more liberal trade policies and hoped to make them more resilient to Republican majorities in the future. But it narrowly survived the Republican majorities that did follow in the 1940s and 1950s only because growing divisions over the trade issue arose within the Republicans' electoral base. These changes reflected the dramatic, *exogenous* effects of World War II on U.S. export and import-competing industries as well as longer-term shifts in U.S. comparative advantage and in party constituencies. In this alternative account of the RTAA and U.S. trade liberalization, the historical coincidence of several profound economic and political changes are central to the eventual outcome. As a consequence, the RTAA story offers few if any lessons for trade policy reform in the current system. It does emphasize, however, that since trade liberalization was driven by a particular alignment of societal coalitions in the past, it might well be stymied or reversed by a different alignment in the future. This possibility for change is ruled out by conventional accounts of the RTAA.

In the next section I briefly discuss the origins of the RTAA and the evidence that it coincided with a dramatic shift in U.S. trade policy. The third section examines the claim that the reform was essentially a congressional act of self-restraint, aimed at eliminating logrolling in tariff legislation by delegating authority over policy to the president. The fourth section then considers an alternative claim that the reform was a Democratic ploy to swing the political balance in favor of free-trade interests by basing trade policymaking on reciprocal concessions negotiated by the executive branch. I show that neither view fits well with the record of congressional voting on trade bills during the last century. Moreover, both stories neglect important exogenous changes in party constituencies and societal preferences that had crucial effects on congressional votes to extend the RTAA authority and liberalize trade after 1945. In the fifth section I develop this point in more detail by outlining a simple model of distributive conflict over trade and its manifestation within Congress. The model emphasizes the role of dynamic shifts in the preferences of societal groups, and the positions taken by the parties, in the evolution of U.S. trade policy.

1. Lohmann and O'Halloran 1994.
2. Bailey, Goldstein, and Weingast 1997.

The Magic Bullet: The RTAA and the Death of U.S. (Tariff) Protectionism

The immediate origins of the RTAA lie in the elections of 1932 in which the Democrats won massive majorities in both the House and Senate and installed Roosevelt in the White House. Trade policy initially took a backseat to the new administration's ambitious domestic plans, and Roosevelt himself backed away from staking out a clear position on the trade issue, but he did appoint Cordell Hull, long-time champion of the free-trade cause in Congress, as his secretary of state. Having reluctantly accepted that unilateral tariff reductions were politically impractical in the midst of recession, Hull began to champion bilateral agreements with trading partners as "the next best method" of reform.[3] In 1933 he drafted a bill authorizing the president to negotiate such treaties. That bill became the basis for the RTAA, written as an amendment to the infamous 1930 Smoot-Hawley tariff laws and granting the president authority (for three years) to negotiate alterations of up to 50 percent in the existing import duties. When that initial authority expired in 1937, Congress renewed it and continued to do so in the decades that followed. In later years, the president's authority was expanded to cover negotiations over a range of nontariff barriers to trade, although various procedural and monitoring provisions were also introduced to constrain executive behavior.[4]

The effects of the RTAA seem profound, at least prima facie. Between 1934 and 1939, twenty-two separate agreements reducing tariffs were negotiated under its authority.[5] After World War II, extensions of the authority enabled both Democratic and Republican administrations to take a leadership role in negotiating multilateral tariff reductions in successive rounds of the General Agreement on Tariffs and Trade (GATT). Figure 1 plots the data on estimated levels of U.S. protection between 1824 and 1994, using standard measures of average *ad valorem* tariffs (the annual receipts from customs and import duties as a percentage of the annual value of all imports and the value of all dutiable imports). The case for 1934 as the beginning of a radical change in U.S. trade politics appears strong. Estimated tariffs reached peaks during the years of Republican control after the Civil War and between 1922 and 1930, and though the Democrats did lower protection significantly in 1894 and 1913 during their brief stints in power, a steady long-term reversal only began in the 1930s.[6]

Considerable caution is warranted here, however, in dealing only with these measures of tariff levels. The standard estimates have been defended as a decent overall indicator of protection,[7] but they have significant weaknesses. One problem is that they can shift as a result of changes in the *composition* of imports: decreasing, for

3. Hull 1948, 356.
4. Destler 1992, 71–76.
5. Tasca 1938.
6. One problem with a straight "institutionalist" interpretation of events here is immediately apparent from Figure 1: in the pre-1934 period, in which the rules of tariff policymaking were essentially constant, policy nevertheless varied substantially. It is very difficult to classify this era as representative of one stable protectionist equilibrium.
7. OECD 1985.

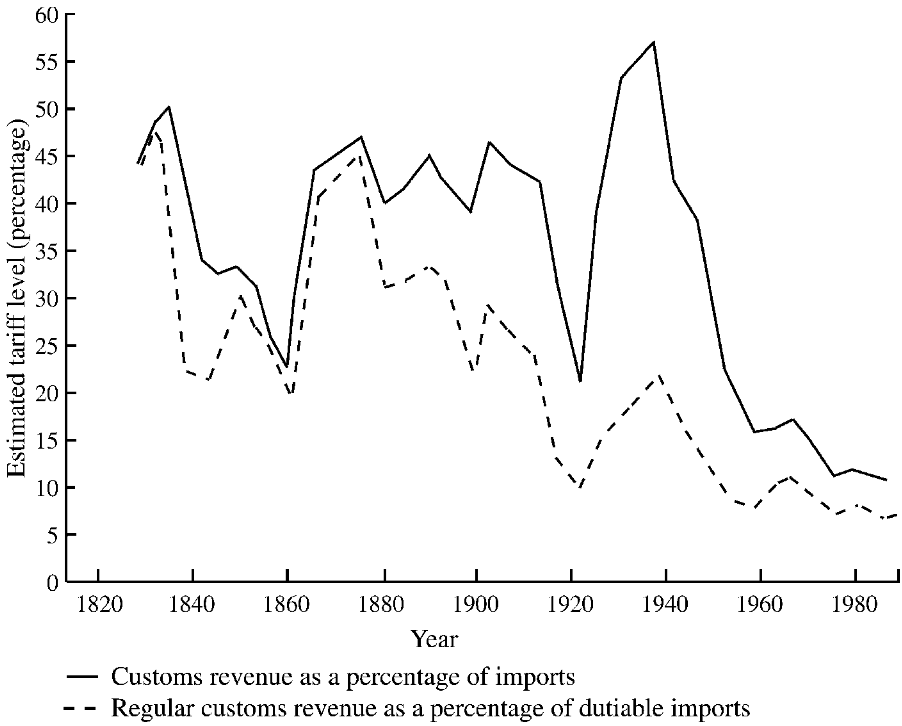

FIGURE 1. *Levels of protection in the United States, 1824–1994*

instance, if imports of low-duty goods increase for some reason.[8] The measures also cannot discriminate between duties levied for revenue rather than protective reasons: any significant shift away from the reliance on the tariff for revenue generation is likely to overstate reductions in tariff protection. Such a shift, of course, occurred in the United States in the late 1920s and 1930s with the increasing dependence on personal and corporate income taxes.[9]

In addition, *nontariff* forms of protection, which do not generate customs revenue, have become increasingly important in the wake of the post-1934 tariff reductions.[10] In fact, new import quotas on a range of agricultural goods played a major role in trade agreements after 1934. The Jones-Costigan Act, passed in the same year, provided for quotas on imports of sugar, wheat, rye, barley, dairy products, cotton, oats, and a range of other farm goods.[11] In 1937 quotas were introduced on dairy products, beef, potatoes, and lumber that effectively offset negotiated tariff reductions on Canadian imports. New quotas on tobacco, cotton, and crude oil were adopted in follow-

8. Irwin 1993.
9. Studenski and Krooss 1963, 406.
10. See Bhagwati 1988; and Baldwin 1993.
11. Goldstein 1993, 156.

ing years, and, by 1939, a full quarter of dutiable imports were subject to quantitative limits.[12] In the postwar era, of course, the most popular forms of the "new protectionism," such as voluntary export restraints (VERs), have severely restricted imports of major items including textiles and clothing, footwear, steel, and automobiles.[13]

Perhaps most important, the tariff estimates shown in Figure 1 are extremely sensitive to import price levels when the actual tariffs imposed are in the form of specific duties rather than *ad valorem* duties. If import price levels rise, fixed specific duties will yield declining estimates of average *ad valorem* tariffs. Since roughly two-thirds of dutiable imports to the United States were subject to specific duties in the 1940s, and import prices rose some 81 percent between 1945 and 1955, this represents a glaring problem. Douglas Irwin has calculated that over three-quarters of the decline in estimated tariff levels between 1934 and 1967 can be attributed to the dramatic rise in import prices in the postwar period—only the remaining one-quarter of the estimated drop in tariffs was actually caused by changes in policy.[14] The common story told about a radical change in trade policy after 1934 thus needs to be drastically amended.

Even after taking such qualifications into account, the 1930s and 1940s still appear to be a turning point of sorts in U.S. trade politics. Trade policy did shift in a more liberal direction, and the change broadly coincided with the passage of the RTAA. What happened? Without doing too much damage to the subtleties, we can distinguish two major "magic bullet" theses in the literature: (1) members of Congress recognized that the existing rules produced sub-optimal results because of logrolling and chose to delegate authority to the executive branch to ensure more efficient policies; and (2) leaders of the Democratic party, hoping to make trade liberalization more lasting, chose to base it on reciprocal concessions that would solidify support from export interests. Each of these broad claims warrants scrutiny.

The RTAA as a Solution to Logrolling

The most common view that has emerged in all the various accounts of the RTAA is that the delegation of authority it entailed was the result of members of Congress recognizing that logrolling in the passage of tariff legislation produced highly protectionist outcomes in which all were left worse off.[15] Tariff setting in a legislature is regarded as a classic case of "distributive politics" in the famous Lowi typology.[16] Tariff benefits can be doled out to import-competing producers in one area without

12. Diebold 1941, 19.
13. Bhagwati 1988.
14. Irwin 1996. He develops an econometric model of the estimated average tariff rate from 1865 to 1973, then uses parameter estimates to distinguish the effects of import price inflation and changes in commercial policy. Notice that just as the price inflation of the 1940s and 1950s leads to a vast overstatement of tariff reductions in those years, the price deflation during the Depression years of the early 1930s leads to an overstatement of the tariff increase in the Smoot-Hawley Act of 1930.
15. See Baldwin 1985; Goldstein 1988; and Destler 1992.
16. Lowi 1979, 690.

hindering the benefits conferred to producers in other areas, and the costs of these measures are born generally by all consumers. In such cases, legislatures are expected to generate a high degree of unanimity in the form of a universal logroll.[17] Each member of the legislature will propose generous protective measures for industries in his or her own district without accounting for the costs they impose on consumers elsewhere. To gain support for these measures, each member will vote in favor of similar measures proposed by other legislators. If members can vote indefinitely on a sequence of such proposals, a universal logroll is supported as an equilibrium by each legislator's belief that a vote against another's proposal would induce others to retaliate by offering an amendment to withdraw protection from the defector's district.[18] The result of such unchecked logrolling is that district-specific benefits (in this case, protective measures) are oversupplied: the costs to consumers are such that all legislators are worse off than they were before the bill was passed.[19]

This lesson was brought home to Congress, so the argument goes, by the infamous Smoot-Hawley Act of 1930 in which logrolling appeared to run wild.[20] Congress supposedly resolved to mend its ways and delegate control of policy to an agent who would act more responsibly: the president. Having a national constituency, the president is expected to internalize the negative (cross-district) externalities to consumers when setting tariff rates and adopt lower, more efficient, levels of protection. The most sophisticated version of this argument is provided by Susanne Lohmann and Sharyn O'Halloran.[21] They develop a model of the delegation of trade policymaking authority in which Congress can choose between full delegation, partial delegation (which imposes a congressional veto on the president's proposal), and zero delegation. In the absence of partisan considerations, they expect legislators will prefer the more efficient outcomes provided by full delegation to the president. If the president is expected to be partisan in setting tariffs, however, favoring legislators in the president's own party over others, full delegation is only expected when the president's party has majority control since, under divided government, the congressional majority has an incentive to constrain the president. It fits, according to this view, that the RTAA provided full delegation to the president under unified Democratic government in the 1930s, allowing for rapid trade liberalization, and that greater restraints on presidential tariff cutting were imposed in later years under divided rule.

How convincing is this anti-logrolling story? A debilitating weakness in this account of the RTAA, as Karen Schneitz has pointed out, is that the congressional voting records indicate precious little learning on the part of legislators. Among members of Congress voting on both bills, almost all those who voted for Smoot-Hawley in 1930 voted against the RTAA in 1934: 225 representatives voted on both bills in the House, for instance, and only 9 of these changed their views in the liberal

17. Weingast 1979.
18. Lohmann and O'Halloran 1994, 605.
19. Weingast, Shepsle, and Johnsen 1981.
20. The Senate alone made 1,253 amendments to the original House bill, and duties on over twenty thousand items were altered. Pastor 1980, 77–78.
21. Lohmann and O'Halloran 1994.

direction.[22] The vote on the RTAA in 1934 was just as partisan as the vote on Smoot-Hawley, with the Republicans sticking to their historical platform favoring high tariffs: Republicans voted 111–12 and 30–5 against the bill in the House and Senate, respectively, whereas Democrats voted 279–4 and 51–7 for the bill. Clearly, with a few more Republican legislators around to cast votes in 1934 or 1937, and a few less Democrats, the historic reform would have been quickly scuttled. Table 1 shows the votes on legislation extending the president's authority to negotiate trade agreements between 1937 and 1974.[23]

It seems clear that there was no general shift away from protectionism and in favor of liberalizing delegation in the years immediately following the 1930 debacle, as the simple learning thesis would imply, but rather a far more gradual evolution of party positions in which both became more internally divided on the matter.[24] (I will return to this point later in the article.)

The Lohmann–O'Halloran model can do little better than the cruder form of the anti-logrolling argument on this score. It does anticipate that some level of partisanship in presidential tariff setting (a parameter) can result in partisan voting contests over delegation, as occurred in the 1934 RTAA vote and votes on extensions of negotiating authority in the 1930s and 1940s. But votes extending the president's authority over trade policy have grown increasingly *less* partisan over time as significant divisions have appeared in each party on the issue. The Lohmann–O'Halloran model cannot account for this trend because it demands that all members of the same party cast *identical* votes when it comes to delegation. The model also contains no theory of presidential partisanship in tariff-setting, it should be noted, and allows for no other source of congressional partisanship on the trade issue: a remarkable oversight given the historical conflict between Democrats and Republicans over the tariff.

The overall evidence for the Lohmann–O'Halloran model from just the post-1934 record of delegation and policy change is far from convincing. True, there are several examples that seem to fit with their prediction that greater delegation should be associated with unified governments than with divided ones: the Republican Congresses of the late 1940s shortened the period of delegation to the Democratic president (Truman), for instance, and imposed "peril point" provisions that prohibited tariff reductions that threatened "serious injury" to domestic industries. In 1974 a Democratic Congress imposed a new congressional veto on trade agreements negotiated by the Republican president (Nixon). But there are also counter-examples: in 1951, for instance, a Democratic Congress revived the peril-point constraint and imposed it on their own president. In 1953 and 1954 Republican Congresses required an enormous amount of arm twisting before they were willing to grant the Eisenhower administration a renewal of bargaining authority and refused to extend it for

22. Schneitz 1994, 128–32.

23. Appendix I provides a longer list of votes on trade legislation between 1890 and 1994, including bills after 1974 that, while granting new extensions of authority to the president, included a host of other measures.

24. See Watson 1956; and Hiscox 1997.

TABLE 1. *Congressional votes on trade legislation, 1934–74*

	Legislation	*Party*	*Senate Yeas*	*Senate Nays*	*House Yeas*	*House Nays*
1934	RTAA	Dem	51	5	279	12
		Rep	7	30	4	111
1937	RTAA extension	Dem	56	8	286	11
	3 years	Rep	1	15	3	87
1940	RTAA extension	Dem	41	15	212	20
	3 years	Rep	0	30	5	146
1943	RTAA extension	Dem	41	8	195	11
	2 years	Rep	0	20	145	52
1945	RTAA extension	Dem	44	7	205	12
	3 years	Rep	15	21	33	140
1948	RTAA extension[a]	Dem	23	17	16	142
	1 year	Rep	47	1	218	5
1949	RTAA extension	Dem	47	1	234	6
	2 years	Rep	15	18	84	63
1951	RTAA extension	Dem	39	3	(voice vote)	
	2 years	Rep	51	0		
1953	RTAA extension	Dem	(voice vote)		184	11
	1 year	Rep			180	25
1954	RTAA extension	Dem	46	1	156	15
	1 year	Rep	42	4	133	47
1955	RTAA extension	Dem	40	6	190	38
	3 years	Rep	40	8	113	80
1958	RTAA extension	Dem	41	6	185	40
	4 years	Rep	37	11	134	60
1962	Trade Expansion Act (5-year authority)	Dem	61	0	215	36
		Rep	23	14	85	91
1974	Trade Reform Act (5-year authority)	Dem	47	4	115	124
		Rep	38	1	163	19

[a]Introduced the controversial "peril point" provision favored by Republicans (and opposed by Truman in the 1948 campaign) prohibiting tariff reductions that threatened "serious injury" to domestic industries.

more than one year at a time.[25] By contrast, in 1955 new Democratic majorities in Congress readily voted the Republican president three years of authority.[26]

There are other empirical and theoretical problems with the anti-logrolling view. It is not at all clear that universalistic (or even partisan) logrolls have been an otherwise

25. Pastor 1980.

26. When it comes to evaluating whether divided government has had positive effects on levels of protection, Lohmann and O'Halloran are hamstrung by reliance on tariff data, and have failed to control for the timing of conclusions to GATT rounds, which often arrive only after many years of bargaining by different administrations. As luck would have it, the most important multiyear rounds of negotiation that reduced tariff rates, the Dillon (1960–61), Kennedy (1962–68), and Tokyo Rounds (1974–79), all happened to conclude in periods of unified government—though the delegation decisions that allowed U.S. participation in two of these cases (Dillon and Tokyo) were made under divided government.

unsolvable problem for tariff legislation in the United States (or elsewhere). Previous protectionist bills in the United States, including Smoot-Hawley, were not passed with the unanimity that one would expect if logrolling was the driving force: the votes for Smoot-Hawley were 49–47 and 245–175 in the Senate and House, respectively (see Table A1 in the appendix).[27] Moreover, the thesis is unable to explain those cases in which *liberalizing* bills were passed by legislatures in the absence of delegation. In the United States the major acts passed by the Democrats when in control of government before 1934 (the Wilson-Gorman Tariff Act of 1894 and the Underwood Tariff Act of 1913) stand out in this regard. Examples abound in the histories of liberal democracies.[28]

In addition, the notion that any president, by dint of having a larger constituency, must be less protectionist than the median member of Congress, is hopelessly ahistorical. Throughout the ninety-six years of the party's existence before 1950, a long list of Republican presidents came out clearly for high tariffs in election campaigns, backed the most protectionist of Republican tariff bills in Congress, and even had to veto tariff reductions pushed by congressional Democrats. Indeed, the fact that the presidency was *not* inherently less protectionist was foremost in the minds of Democrats at the time of the RTAA's passage. Aggrieved at the way Republican presidents had perverted Wilson's beloved Tariff Commission in the 1920s, the Democrats' official party platform in 1928 and 1932 emphasized the need to end "the Executive dominion which has destroyed the usefulness of the present Commission." In 1932 Democratic majorities voted to transfer to Congress the authority to act on the commission's findings, a step that Hoover quickly vetoed.[29]

Thus, the anti-logrolling story lacks an explanation not only for partisanship on the trade issue in Congress but also for partisanship on trade in the White House and for changes in party positions on trade over time.

27. This is also true in voting on tariff legislation in many Western democracies over the last two centuries. Votes on trade legislation in the British Parliament throughout the nineteenth century and up to the 1930s, for instance, and in Australian state and federal Parliaments from the 1880s, have demonstrated strong partisanship—often favoring free trade—rather than universal protectionist accommodation. Hiscox 1997.

28. It should not be a mystery as to why. In parliamentary systems, a majority party (or coalition) that forms a government can typically impose strict control over the policy agenda. Even in the U.S. system, studies indicate that majority party leaders exercise considerable control in Congress, and there are good reasons to believe that, if so inclined, they could take steps to head off an undesirable tariff logroll without delegating to the executive branch. Cox and McCubbins 1993.

29. The Wilson administration had experimented with institutional change in 1916 by establishing the Tariff Commission. Chaired by presidential appointees, the commission was charged with the task of gathering information and making recommendations for adjustments in tariff rates (that could be acted on by the president or Congress) on a more "scientific" basis. This step proved vulnerable to Republican manipulation when they won back control in 1920: Harding simply installed protectionist-leaning chairmen to the commission and altered the criteria applied in the commission's recommendations so that it reflected the party's trade platform (tariffs were aimed at equalizing the costs of production between local and foreign producers). Pastor 1980, 83.

The RTAA, the Parties, and Reciprocity

An alternative thesis that also appears in most accounts of the RTAA and postwar U.S. trade policy concentrates more on the partisan character of U.S. trade politics in the 1930s. The basic argument involves recognizing the partisan origins of the RTAA in the long struggle by the Democrats, the traditional champions of free trade, to remove the protectionist edifice built during Republican political dominance in the period since the end of the Civil War.[30] The Democrats had tried unilateral reductions of tariff protection when they briefly gained control of government in this period, passing the Wilson-Gorman Act in 1894 and the Underwood Tariff Act in 1913. The Republicans simply reinstated tariffs on returning to power in 1896 (the Dingley Tariff Act) and 1922 (the Fordney-McCumber Act). In 1934, so the story goes, the Democrats tried again. But this time they tried to lock in the results by delegating to the executive branch the authority to negotiate reciprocal trade agreements.

The key point in this argument is that the president was not delegated authority to set tariffs at any level, only to alter rates in response to the concessions made by other nations.[31] Ordinarily, the odds are against export interests having much of an impact on trade politics. To organize for political action would require overcoming severe collective action problems: as long as domestic tariff cuts are not linked directly to market access for their products exporters, *all* share a general preference for lower tariffs (to avoid closure in foreign markets and to lower costs of inputs) and so the benefits of any political action are greatly dispersed. By instituting that policymaking proceed on the principle of reciprocity, the Democrats, in I. M. Destler's words, "shifted the balance of trade politics by engaging the interests of export producers, since tariff reductions could now be defended as direct means of winning new markets for American products overseas."[32]

Michael Bailey, Judith Goldstein, and Barry Weingast develop this argument with the aid of a simple spatial model in which actors have preferences over foreign as well as domestic tariff levels.[33] All actors in the domestic political scene are assumed to prefer that foreign tariffs are as low as possible to benefit exporters. But, in view of the historical positions of the two parties, the median Democratic legislator's ideal point is assumed to be less protectionist that the ideal point of the median Republican. From there the logic is simple. If the leadership of the Democratic majority in Congress (in 1934) is restricted to making unilateral reductions in tariffs, the best that can be done is to shift policy as close to the Democratic ideal as possible while still offering a proposal that the floor median will prefer to the status quo. But if a reciprocal trade deal can be made with the foreign government, tariff reductions confer added benefits to all domestic actors by simultaneously reducing foreign tariffs. This opens up a range of outcomes closer to the low-tariff Democratic ideal that are now preferred by the floor median to the status quo. The Democratic leadership can thus

30. See Pastor 1980; and Schnietz 1994.
31. Gilligan 1997, 12.
32. Destler 1992, 16.
33. Bailey, Goldstein, and Weingast 1997.

achieve a more liberal outcome by linking tariff cuts at home to tariff cuts abroad and delegating negotiating power to the president.

But how could such a simple maneuver have lasting effects in the face of changes in government, given what we know about the powerful interests (still largely backing Republicans) that were opposed to liberalization? Bailey, Goldstein, and Weingast argue that the RTAA liberalization was self-sustaining for two broad reasons: an inherent "durability" and its "long-term effects." The first leg of the argument states that the RTAA would last as long as the Republicans did not win back unified control of government or, more importantly, in the event they did, as long as the floor median's ideal point did not shift too much in favor of protection. The second leg states that the RTAA had long-term effects because increasing levels of trade reduced the political weight of import-competing interests and increased the political weight of export interests. Bailey, Goldstein, and Weingast go so far as to suggest that many industries facing import competition simply disappeared and so dropped out of the political calculus.[34] As a consequence, they argue that the ideal points of all the political actors (Democrat and Republican alike) shifted toward lower levels of protection.

There are several problems with this partisan-reciprocity story. First, under the given assumptions about party preferences, a subsequent Republican victory *would* imply a significant shift in the floor median toward the Republican median preference for higher protection—and thus we should expect that the Republican leadership could then defeat the delegation tariff with a high tariff proposal. Bailey, Goldstein, and Weingast fall back on the notion that a Republican president might be an internationalist with preferences closer to the Democrats, with the implication that, for a Republican victory to reverse the RTAA equilibrium, floor preferences would have to shift far enough to be able to defend a high tariff proposal from a presidential veto. However, given the highly protectionist track record of Republican administrations up to 1934, such an assumption could not have been a reasonable basis for the RTAA gambit. Republican presidents had been ardently protectionist.

Worse perhaps, it is simply not true that industries facing import competition disappeared from the political scene: on the contrary, they dug in and fought for exceptions from trade agreements, often with tremendous success (in the form of nontariff barriers). Destler rightly notes that the very success of trade reform actually acted as a "multiplier" of trade pressures and generated an increased number of producers adversely affected by foreign competition. Studies of legislative votes on trade bills from periods both before and after 1934 indicate that lobbying by import-competing industries has actually become *more* important in determining voting decisions.[35] It

34. Ibid., 329.

35. See Gilligan 1997; and Hiscox 1997. Hathaway's study of changes in the footwear, textile, and apparel industries since the 1950s indicates that tariff reductions may have led ultimately to a decline in protectionist pressure by the 1990s, though only after decades of hard-fought political battles. Hathaway 1998. It is quite true that if political resistance to liberalization is unsuccessful, adjustment—in the form of downsizing or exiting an industry, investment in new technology, or investment in production abroad—can lead to a long-term decline in protectionist pressure in an industry. Destler's point is broader, of course: liberalization and the expansion of international trade makes it more likely that a greater range of firms and industries in the local economy will face competition from foreign imports.

does appear that export interests now have a greater impact on those voting decisions, as Michael Gilligan's study of twelve trade bills pre- and post-RTAA indicates.[36] But if pressure from import-competing interests has also risen, the net political effect of the change, and the extent to which it can be regarded as self-perpetuating, is problematic.

To support their claim that all political actors became less protectionist as a result of the RTAA, Bailey, Goldstein, and Weingast point out that Republicans voted in greater numbers for liberalization between 1934 and 1962. This happy picture is darkened considerably if we look past 1962. Figure 2 shows the percentages of party members voting for trade liberalization—or against new protection—on major trade legislation in Congress since 1870.[37] While it seems clear that Republican preferences have indeed become more liberal on trade, the preferences of Democrats have shifted in the *opposite* direction. The result has been the creation of significant divisions and tensions within the parties over the trade issue. This outcome is not at all consistent with a claim that trade has created its own supporters and eliminated its opposition. Something else has been going on.

Trade Policy Coalitions, Partisanship, and the RTAA

The dominant "magic bullet" arguments about the success of the RTAA reform, by emphasizing the benefits derived from delegating authority to the executive (to avoid the evils of logrolling) or from entrenching the principle of reciprocity in policymaking (to court the support of export industries), provide reasons why the reform might have aided trade liberalization. But they are far less successful in providing a coherent account of this institutional innovation that also explains how it was engineered and sustained in the face of protectionist opposition. Most importantly, neither thesis can explain the decline in partisanship in votes on trade legislation in Congress since the 1930s and the growing divisions over trade within the parties.

A stronger explanation for the RTAA and later liberalizations in U.S. trade policy emerges from evidence of a profound shift in the preferences of the different constituencies of each party. The story is best told with the aid of a simple model of the U.S. economy and decision making by members of Congress (see Appendix II for the formalization). Begin with the standard general-equilibrium model in which the returns to owners of "specific" factors of production are tied closely to the fortunes of the industry in which they are employed.[38] Factors specific to export industries receive a real increase in returns due to trade liberalization, whereas those employed in import-competing industries lose in real terms.[39] Owners of these different types of

36. Bailey, Goldstein, and Weingast offer comparatively little evidence on this front: they examine House votes on trade bills in 1953 and 1962, showing that a district measure of export dependence has significant effects on legislative votes for liberalization.

37. These votes are described in more detail in Appendix I.

38. Jones 1971. See also Mussa 1974 and 1982.

39. Returns on mobile factors, of course, rise relative to the price of the imported good, but fall relative to the price of exports, so that the income effects of trade for owners of this factor depend on patterns of consumption.

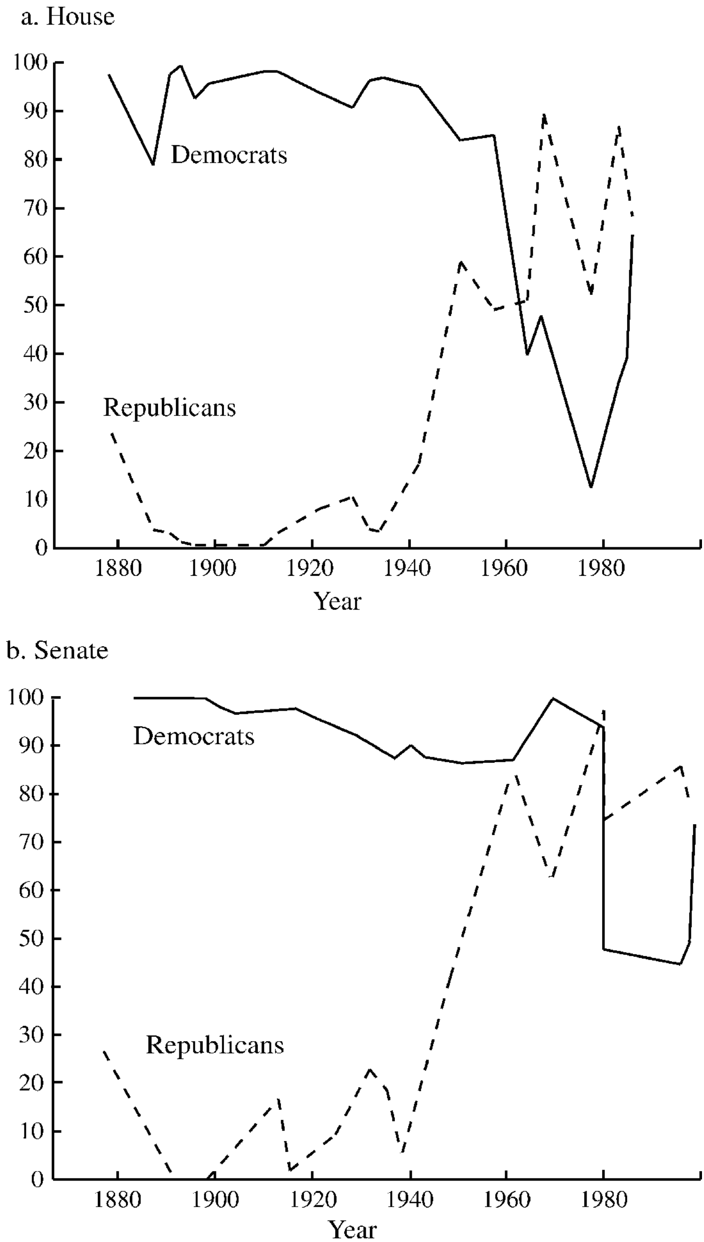

FIGURE 2. *Percentage of party members voting for freer trade, 1870–1994*

factors comprise the relevant trade policy coalitions that support or oppose trade liberalization, whereas those employed in import-competing industries lose in real terms.[40]

Members of Congress will obviously have very different calculations of the utility associated with a change in trade policy if specific factors (and hence industries) assume different levels of importance in their constituencies. Since endowments of factors tend to be distributed unevenly by geography, and industries tend to be concentrated regionally, such differences should be profound. But how do parties figure into the story? It is likely that parties differ (in the aggregate) over such a policy change because they draw support unevenly from different regions and hence from owners of different types of factors. A simplified view of the pre-1930s U.S. system, for instance, would place owners of industrial capital in the Northeast and Midwest, still at the heart of the Republicans' core constituency, whereas owners of large-tract, arable land in the South and West threw support mostly to the Democrats.[41] The Republican party's traditional support for industrial tariffs, and the Democrat's opposition, thus emerges as a consequence of the factoral-regional distinctiveness of party constituencies.[42]

Data on the geographical distribution of industrial and agricultural production in the United States paints a clear picture. Figure 3 reports measures of the importance of the major export and import-competing industries in the constituencies of Republicans and Democrats in the House of Representatives for each year in which a major trade vote was taken. I calculated the percentage of total state income accounted for by the leading export and import-competing industries in each state.[43] The median scores among members of each party in the House provide the indicator of the distribution of industries in each party's support base over time.[44]

Clearly, the economic composition of each party's support base has been distinctive at times, yet subject to change over time. In the late nineteenth century, and the early part of the twentieth century, export industries were much more important in

40. Note how this model differs from the implicit model of the economy underlying the Lohmann–O'Halloran analysis. To develop a "distributive" (rather than redistributive) model of tariffs they effectively assume that there is a unique import-competing industry and associated specific factor located in each district and no export industries or specific factors that gain from liberalization.

41. This is a crude characterization of the results of the "realignment" of the 1890s when the Bryan Populists finally took control of the Democratic party and resolved the dispute over the silver issue in favor of farmers. See Sundquist 1983; and Burnham 1965 and 1970. With the Republicans standing behind the tariff and gold, the urban–rural cleavage was placed at the center of the U.S. party system.

42. The approach here, in emphasizing that political parties typically have distinct core or "reelection constituencies," is consistent with a great deal of recent work on partisan cycles in economic policy. See Hibbs 1977; Lange and Garrett 1985; Alesina 1989; and Alesina and Rosenthal 1995.

43. I used the leading eight export and import-competing commodities for each year, based on net exports and imports (drawn from the U.S. Commerce Department, *Commerce and Navigation of the United States*). The approach here is modeled on that used by Gilligan 1997. State income data are from the U.S. Commerce Department, *State Personal Income*. Data on production of commodities by state are from the *Census of Manufactures* and the *Census of Agriculture*. All data are available from the author on request.

44. The median score is chosen here for its particular role in spatial analysis as well as to discount outliers. The results are almost identical using mean scores for party members.

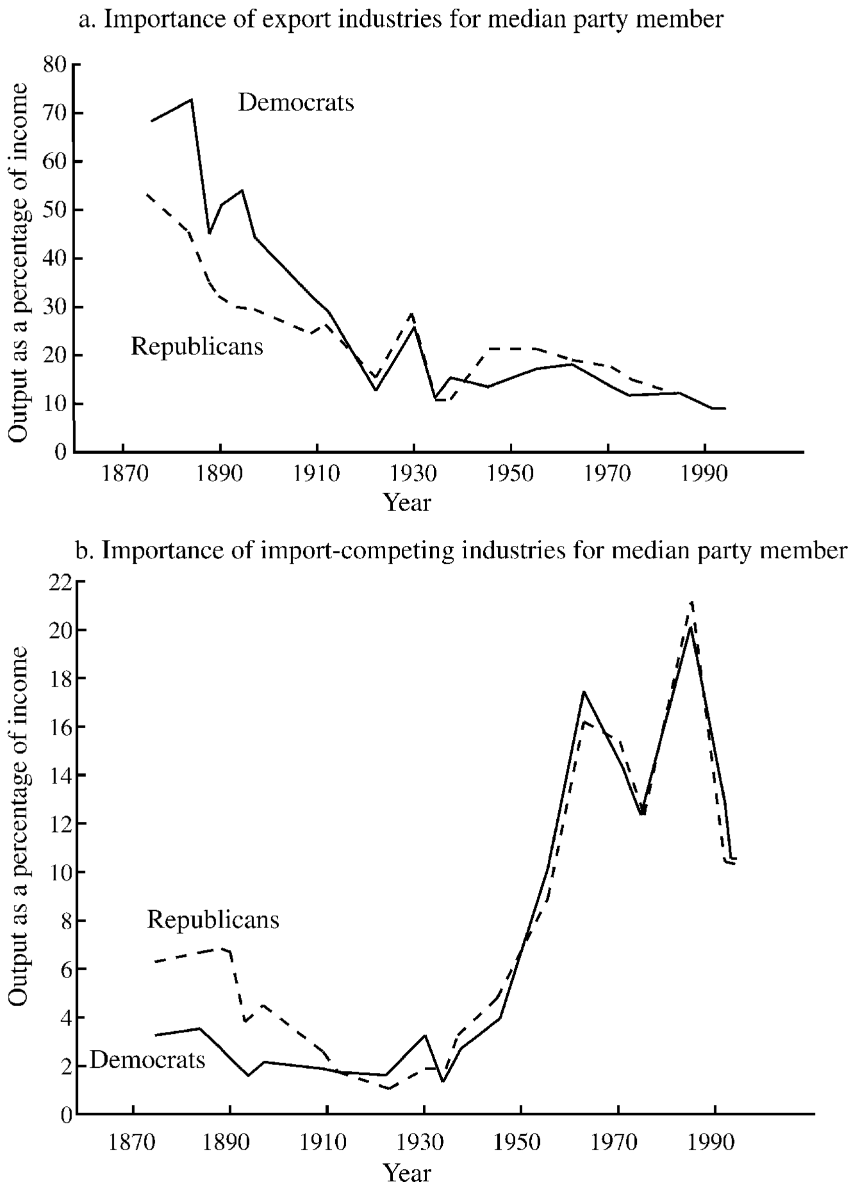

FIGURE 3. *Industry composition of party constituencies*

Democratic constituencies than in Republican ones, whereas the reverse was true for import-competing industries. According to these simple indicators, the economic character of the Republican support base clearly mandated a more protectionist position for the party, in contrast to the Democrats, at least until the 1920s and 1930s.

Around that time the partisan differences in constituency makeup began to diminish rapidly.

If we freeze the picture in 1934, we can return to the question of why the Democrats would choose to push through the RTAA. The coalitions story fits with the evidence. By the simple indicators of constituency composition shown earlier, Democrats in 1934 should have been more disposed to pursue any liberalizing measure with redistributive effects that favored export industries. However, by 1934, there is only a small difference between the party medians on the scores for export and import-competing industries. It should also be noted that the partisan realignment that began in the 1920s had already reshuffled constituencies enough that Democrats appeared slightly *less* dependent than Republicans on support from export interests in 1922 and 1930. That change is certainly consistent with evidence of growing internal disagreement among the Democratic leadership about how forcefully to pursue trade liberalization in the 1920s and 1930s.[45] Nevertheless, in 1934 the party's platform still contained the pledge to reform the protectionist edifice erected by the Republicans.[46]

Given that predisposition, and with their party in control of Congress and the White House, why should the Democrats on Capitol Hill delegate authority over trade policy to the president? For reasons outlined earlier, it could *not* have been the result of an expectation that presidents are inherently less protectionist. Republican presidents—drawing from a geographical support base resembling that of their congressional party—had proven themselves loyal to the protectionist cause up to that point in time; Democratic presidents had been roughly as free trade as their party's median member in Congress, seldom more so (and seldom less). The partisan-reciprocity thesis offers a more convincing explanation here (and one that is a necessary part of any broad coalitions story), at least in showing why the Democrats might have had reasonable expectations that the RTAA could only have worked in their favor—if it worked for long at all, that is. The effects of institutionalizing reciprocity, and thus generating more political support from export interests, could only have had the effect of making it more likely that legislators would vote for more trade liberalization. In that sense, it was a one-way bet for Democrats hoping to reduce tariffs as much as possible while they held power; it could help as long as Republicans who preferred existing tariff levels to any reciprocal tariff cuts were the minority in Congress.[47]

45. There were, for instance, expressions of support for protective tariffs by Al Smith of New York (the Democratic candidate for president in 1928), and Roosevelt himself was extremely ambiguous about his position on tariffs during the 1932 campaign, coming close at times to supporting the old Republican "cost-equalizing" approach. Haggard 1988, 106. While Roosevelt chose Hull as his secretary of state, his vaunted "brains trust" also included the noted protectionist George Peek, whom he made foreign trade advisor as well as head of the agricultural reform program. Pastor 1980, 86.

46. The text of the platform advocates a competitive tariff for revenue, with a fact-finding Tariff Commission free from executive interference, reciprocal trade agreements with other nations, and an international economic conference designed to restore international trade and facilitate exchange. *Congressional Record*, 15 August 1949, 12903.

47. There is evidence that the RTAA was actually not viewed at the time as a radically liberalizing measure. Lake 1988, 206. Francis Sayre, who served under Hull in the State Department and was one of

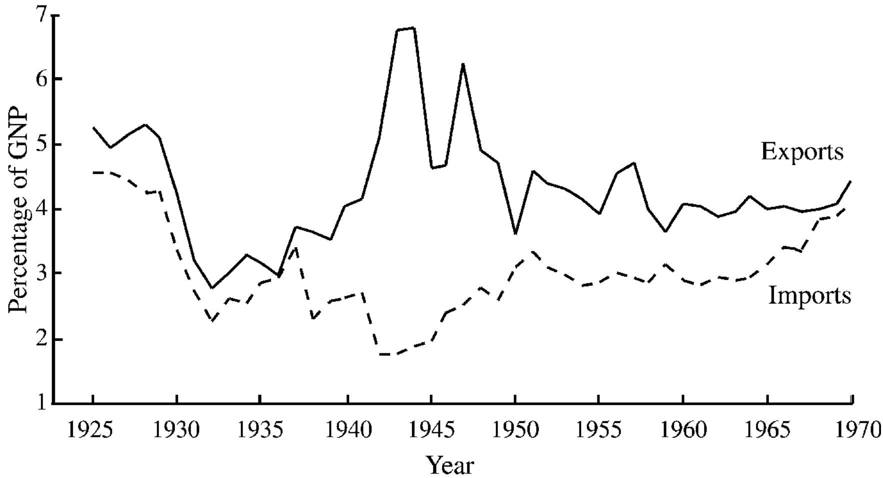

FIGURE 4. *U.S. exports and imports as a percentage of GNP*

But now look ahead to 1946 when the Republicans regained control of Congress. Why did the RTAA system survive? The official Republican platforms in 1936 and 1940 stated the party's firm commitment to repealing the "futile and dangerous" RTAA. What happened in the meantime, of course, was World War II. The most important effect of the devastation that the war brought to European and Asian economies, in this context, was the drastic, temporary reduction in import competition for U.S. manufacturers and the tremendous expansion in export demand. The dramatic effects of the war on trade flows are clear from the basic trade statistics. Figure 4 shows the levels of U.S. exports and imports as shares of gross national product (GNP) from 1925 to 1970. Figure 5 charts the annual trade balance in real terms.

Exports rose sharply in the early postwar period, whereas imports plunged relative to GNP, and the trade surplus ballooned. Manufacturing industries, even the traditionally protectionist textile, clothing, and footwear industries, experienced an export boom, and the threat posed by import competition for a vast range of industrial producers all but vanished. In this environment, of course, formerly protectionist Republicans were far more likely to approve an extension of the RTAA authority allowing the president to go ahead with the postwar multilateral negotiations that followed the signing of the GATT in 1947.[48]

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the architects of the act, recounted that "the whole program was based upon finding places in the tariff wall where reductions could be made without substantial injury to American producers." Sayre 1957, 170. Only a very limited range of products was actually included in the subsequent trade negotiations in the 1930s, and even in those cases products were often reclassified on the tariff schedule or subjected to new import quotas (discussed in an earlier section). Haggard 1988, 92.

48. It helped greatly that, seeking to maintain its executive discretion, the Truman administration took care in 1947 to demand an "escape clause" in the new trade agreements allowing for their suspension in the event they caused "serious injury" to domestic producers. Pastor 1980, 99–100.

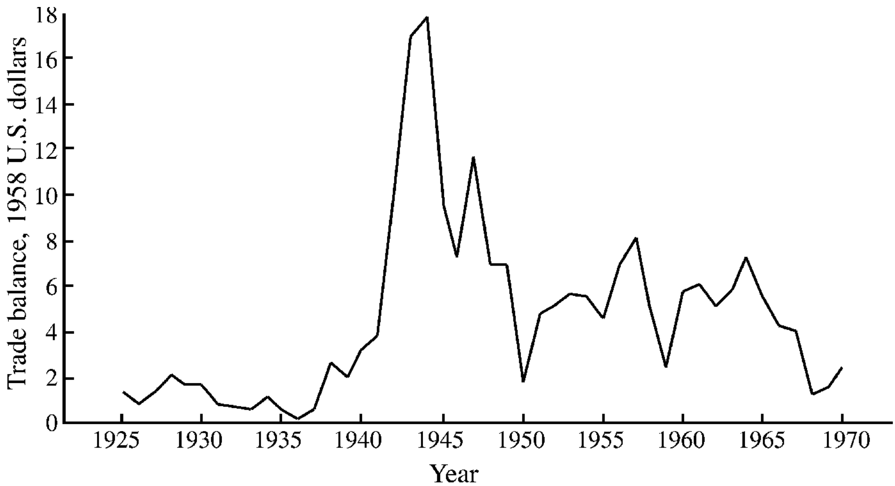

FIGURE 5. *U.S. merchandise trade balance*

In 1948 the Republican platform dropped its strong prewar opposition to the Reciprocal Trade Agreements program and pledged, "while safeguarding our own industry and agriculture," to "support the system of reciprocal trade and encourage international commerce."[49] The shift among Republicans became clearer in 1953 when Eisenhower, in his state of the union address, called for the extension of the RTAA authority and a renewed emphasis on trade liberalization as a key component of U.S. foreign policy. In that year Eisenhower established a special commission made up of ten congressional Republicans and seven presidential appointees that, despite deep divisions, endorsed his approach.[50] Congress granted the president one-year extensions of authority in 1953 and 1954, and in 1955 Democratic majorities approved a three-year extension. By then it was clear that a large number of Republican legislators had switched sides on the trade issue, and the RTAA bill that year received solid bipartisan support (the Republican vote was 40–8 and 113–80 for the bill in the Senate and House, respectively; see Table 1).

What happened after the postwar boom? By the early 1960s, the boon for the tradable sector was ending with rapid economic growth in Europe and Asia. But the Republicans still did not scuttle the RTAA rules. By then the party, like the Democrats across the aisle, had become host to serious internal divisions over the trade issue. The growing divisions are clearly apparent in the voting patterns on trade legislation after the 1950s (shown in Figure 2). Figure 6 shows party cohesion scores

49. Quoted in *Congressional Record*, 15 August 1949, 12901. However, in the bill extending the presidential negotiating authority that year, the Republicans inserted a new "peril point" provision requiring that the Tariff Commission advise the administration on the permissible concessions that could be granted without "causing or threatening serious injury to the domestic industry."

50. Pastor 1980, 102.

for the political parties derived from House and Senate votes on trade legislation between 1870 and 1994.[51]

The dashed lines in Figure 6 show cohesion scores for *all votes* in corresponding sessions of the House and Senate, and the fit between these and the cohesion scores on trade is poor. By the 1960s both parties were less cohesive in their positions on trade than they had been at any time since the Civil War. And this breakdown in party cohesion on trade was not simply a by-product of some general "party decline" in the United States resulting from extraneous institutional or political changes.[52]

The key to the resilience of the RTAA reform thus turned out to be the breakdown in party unity on the trade issue as the postwar boom subsided—a breakdown that can be linked to the growing diversity among societal coalitions in each party's core constituency. Not only did exogenous changes in world markets alter the preferences of groups within the Republican's traditional bases of support among business communities and capital-intensive industries in the Northeast and Midwest; the party also began to draw electoral support increasingly from the South and West where export industries—including agricultural producers who deserted the Democrats in these years, along with newer, high-tech manufacturing and service industries—accounted for larger shares of the economy.[53] Democrats, once a minor force in the great urban and commercial centers of the East, began to draw heavy support from the large northeastern cities and the cities of the Midwest. Even as many Republicans continued to shift away from protectionism in the postwar era, many Democrats shifted in the other direction. Led by powerful unions in the textile and steel industries, which came under growing pressure from imports in the 1960s, the AFL-CIO withdrew its lukewarm support of the liberalization process and took many members of the Democratic party with it.

The changes show up clearly in Figure 3, which reveals that, by about the 1930s, the once large distinction between the industry composition of the party constituencies had all but disappeared. Republicans in the postwar period were elected from a set of districts in which export and import-competing industries were distributed in more or less identical fashion to their importance in districts represented by Democrats. The growing similarity in the industry composition of party constituencies over the course of the century is striking. It likely reflects not just changes in the regional strengths of the parties but a steady decline in the regional concentration of the U.S. economy that was coincident with the slow demise of the "rust belt" industries and

51. The Rice index used here is simply the absolute difference between the percentage of party members voting "yea" and "nay" and thus ranges from zero to one hundred, with zero representing a total absence of cohesion (50 percent of party voting on opposite sides) and one hundred representing perfect cohesion (all party members voting the same). For a discussion of the Rice index of cohesion, see Rice [1928] 1969, 208–209; and Dollar and Jensen 1971, 107–108.

52. For the "party decline" thesis, see Burnham 1965 and 1970; Crotty and Jacobson 1980; and Wattenberg 1984. For recent dissenting views, see Schlesinger 1985; Rohde 1990; Cox and McCubbins 1993; and Aldrich 1995.

53. The great realignment of the 1930s, of course, had thrown labor support firmly over to the Democrats, and the party consolidated its strength in the largest urban centers in the East and North in the postwar period. Meanwhile, the Republicans made huge electoral inroads in the South and West (Sundquist 1983).

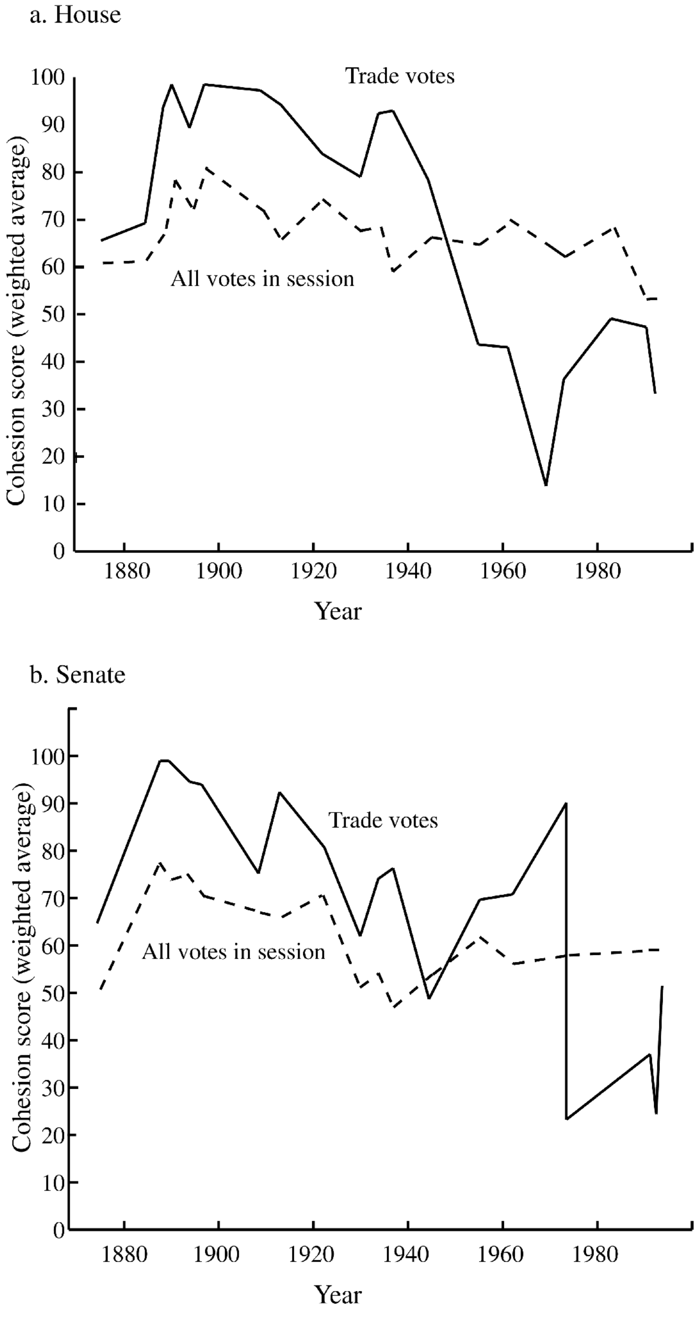

FIGURE 6. *Party cohesion on trade votes in Congress, 1870–1994*

the waning significance of external economies of scale.[54] The net result is that regional party strengths became less salient in defining differences over trade among party constituencies.

Notice, too, in Figure 3, in addition to the diminishing difference between the parties, that the importance of export and import-competing industries in constituencies (for both parties) has actually converged to almost identical levels. The great increase in the proportion of income accounted for by production in import-competing industries after 1945 flies in the face of the claim by Bailey, Goldstein, and Weingast that such industries became less important as trade expanded. The effects of the war on foreign competition clearly helped domestic producers to expand rapidly in sectors like steel, textiles, and apparel: the political effects of this were felt acutely when foreign competition rose again dramatically in the late 1960s and 1970s.

One implication of this analysis is that future shuffling of party constituencies may yield an alignment not so favorable to the continuation of the RTAA program. Since 1994, the president has been without fast-track negotiating authority (for the first time since 1974) and has only residual authority to negotiate new agreements under the 1994 legislation implementing the GATT. The Democratic administration, deterred from pushing Congress to a vote on a new extension in 1997 for fear of exacerbating internal party disputes, plunged ahead regardless in 1998 and was rebuffed in humiliating fashion (House Democrats voted against the president's bill 171–29). Notice that neither the Lohmann–O'Halloran model nor the Bailey, Goldstein, and Weingast account anticipates this state of affairs. The latter assumes that liberalization is self-perpetuating; the former allows only that the president would be constrained by partisan opposition—but more Republicans than Democrats actually voted for extending authority to the Clinton administration in 1993 and again in 1998.[55]

It is not terribly difficult to imagine the present stalemate giving way over the next decade or two to the final completion of the historic switch in party positions on trade: with the Democrats taking a unified stand in opposition to liberalization. The Democrats might simply grow more dependent on electoral support from labor and business in the older urban-industrial regions of the East and North from which emanates the most ardent opposition to trade liberalization. A Democratic majority in Congress might then be willing to take back the reins of trade policy in order to enact trade and industrial policies more in line with the preferences of its core constituency. In such a scenario, inconceivable according to the two "magic bullet" theses, we might actually see the return of pronounced partisan cycles in this area of economic policymaking in the United States.

54. See Krugman 1991; and Kim 1993.

55. In 1993 the Republicans voted 37–4 and 150–23 for the extension in the Senate and House, respectively; the Democratic vote was 39–12 and 145–102. In 1998 House Republicans voted 151–7–1 for new fast-track authorization.

Conclusion

How is trade liberalization possible? Somehow the standard political dynamic must be upset or altered in such a way as to shift policy outcomes away from otherwise stable protectionist equilibria. A natural inclination among political scientists is to look to the institutions that govern trade policymaking. Perhaps canny political entrepreneurs aiming to reform trade policies might be able to alter the rules of the game in such as way as to avoid the protectionist trap. Students of U.S. trade politics often point to the 1934 RTAA as the example *par excellence* of just such an institutional "end run."

The RTAA has long been hailed as a bold stroke that, by changing the trade policymaking process, drastically altered the future course of U.S. policy and with it the future of the world trading system. I tell a different story here, one that emphasizes the behavior of political parties, the cohesiveness of their policy preferences, and their relationships with different trade policy coalitions. I argue that the success of the RTAA, and trade liberalization more generally, was due in large part to *exogenous* changes in trade policy coalitions that altered the preferences of Republicans and Democrats enough to cement the new system in place. The postwar boom in the tradable sector was enough to stave off the reversal of the RTAA that the Republicans had promised in their platforms in the 1930s and 1940s when in opposition. By the time the boom subsided in the late 1950s it was clear that the historic Republican support for protectionism had disintegrated. Exogenous shifts in the support base of the Republican party that favored more export-oriented constituencies in the South and West, and the long-term shift in U.S. comparative advantage in favor of capital-intensive production, meant that a substantial component of the party supported liberalization.

On close inspection, the principal arguments advanced in the literature appear to have overstated the lessons that can be drawn from the RTAA for trade policy reform. There is embedded here, of course, a basic "Rikerian" distrust of claims about simple institutional manipulations: if the political equilibrium is an *equilibrium*, the rules (like the policy) will already reflect the existing arrangement of preferences and power.[56] The dismal conclusion is that, if policy is settled in a protectionist equilibrium (that is, reform is needed), it is unlikely that a simple change in the policymaking rules will also be possible or sustainable for long in the absence of some serendipitous change in actor preferences. Protectionists will take the first opportunity they get to undo what was done.

Delegation to an executive agent is only useful in reducing logrolling to the extent that logrolling is the key problem. Reciprocity may help boost support for trade liberalization, but it is now routinely assured as a central tenet of policy for most governments through their membership commitments in the World Trade Organization. And in small nations with limited international bargaining power, there are good reasons to doubt whether a reciprocity strategy carries many benefits at all. Recent

56. Riker 1980.

debates about trade policy reform in Australia and New Zealand have emphasized this skepticism. In Australia, serious trade reform has essentially been put on hold for the past several decades due to the government's inability to negotiate reductions in U.S. and European barriers to agricultural imports.

These considerations might help explain why there are no comparable analyses of institutional "revolutions" in discussions of trade politics in the other industrial democracies to match against all the ink spilled over the RTAA. Most importantly, perhaps, by pointing out that past U.S. trade liberalization was driven by a particular alignment that societal coalitions brought about by fortuitous circumstances in the postwar period, the story told here also makes clear that liberalization might well be stymied or reversed by a different alignment of interests and party constituencies in the future.

Appendix I. Notes on Congressional Votes

Table A1 provides the votes (including pairs) on major U.S. trade legislation since 1870. The reduced list of trade bills included for the House and Senate in the calculation of party votes and cohesion scores, and how they have been coded—as either protectionist or liberalizing—is shown in Table A2. For this list I selected only major pieces of legislation after 1870 that directly raised or lowered barriers to imports. Approximately two bills per decade were selected, for a total of twenty-two altogether. I excluded bills that were unclear or controversial in nature and difficult to interpret as either protectionist or liberalizing. The 1870 and 1872 Tariff Acts, and the 1883 "Mongrel Tariff," in which Republicans cut some (primarily revenue) duties in response to surplus revenues but with the aim of defending protection generally, are prime examples of bills that are difficult to characterize.[57] The omnibus trade legislation voted on between 1986 and 1988, to which was attached a wide array of nontrade-related provisions, is another. Similarly, I included the protectionist Trade Remedies Reform Act of 1984 rather than the omnibus Trade and Tariff Act of the same year, into which it was ultimately incorporated, since the latter contained a mixture of liberal and protectionist measures. Finally, two large "hurrah" votes in recent times, the 1979 Trade Agreements Act, which implemented the Tokyo Round agreement, and the 1988 Canada–U.S. Free Trade Agreement, were also excluded on the grounds that there is almost no variation in the dependent variable.

Several other general pieces of trade legislation might have been included given more time and resources, and the decisions to exclude them (rather than any of the listed bills) were made in light of the basic criteria described earlier (the generality and clarity of their provisions) and data availability. For instance, the 1877 Mills Resolution that the tariff should be for revenue purposes only is a possible candidate for study, but it was a symbolic gesture in the House, and 146 representatives did not cast a vote. The 1878 Wood bill to reduce duties on manufactures was more important, but it was defeated (by a motion to strike out the enacting clause) in the House, and I have included the 1875 Tariff Act instead. The Morrison bills of 1886, which did not survive motions to proceed to their consideration in the House, were excluded in favor of the more successful, and almost identical, 1884 bill. To avoid excessive duplication, I included only two of the numerous post–World War II votes on RTAA extension bills, excluding the

57. Taussig 1931, 178–89, 232–50.

TABLE A1. *Congressional votes on major trade bills, 1870–1994*

			Senate		*House*	
	Legislation	*Party*	*Yeas*	*Nays*	*Yeas*	*Nays*
1875	Tariff Act	Dem	0	20	2	76
		Rep	32	11	125	39
1884	Morrison Bill	Dem	(N/A)		43	153
		Rep			113	4
1888	Mills Bill	Dem	0	36	157	5
		Rep	37	0	4	145
1890	McKinley Tariff	Dem	0	31	1	139
		Rep	40	0	163	1
1894	Gorman Tariff	Dem	40	1	196	17
		Rep	0	35	0	126
1897	Dingley Tariff	Dem	1	26	5	115
		Rep	37	1	199	0
1909	Payne-Aldrich Tariff	Dem	1	30	4	160
		Rep	50	10	213	1
1913	Underwood Tariff	Dem	46	2	276	6
		Rep	1	38	4	128
1922	Fordney McCumber Tariff	Dem	3	33	7	88
		Rep	54	6	220	19
1930	Smoot-Hawley Tariff	Dem	5	34	17	148
		Rep	44	13	228	27
1934	RTAA	Dem	51	5	279	12
		Rep	7	30	4	111
1937	RTAA extension	Dem	56	8	286	11
	3 years	Rep	1	15	3	87
1940	RTAA extension	Dem	41	15	212	20
	3 years	Rep	0	30	5	146
1943	RTAA extension	Dem	41	8	195	11
	2 years	Rep	0	20	145	52
1945	RTAA extension	Dem	44	7	205	12
	3 years	Rep	15	21	33	140
1948	RTAA extension	Dem	23	17	16	142
	1 year	Rep	47	1	218	5
1949	RTAA extension	Dem	47	1	234	6
	2 years	Rep	15	18	84	63
1951	RTAA extension	Dem	39	3	(voice vote)	
	2 years	Rep	51	0		
1953	RTAA extension	Dem	(voice vote)		184	11
	1 year	Rep		180	25	
1954	RTAA extension	Dem	46	1	156	15
	1 year	Rep	42	4	133	47
1955	RTAA extension	Dem	40	6	190	38
	3 years	Rep	40	8	113	80
1958	RTAA extension	Dem	41	6	185	40
	4 years	Rep	37	11	134	60
1962	Trade Expansion Act (5-year authority)	Dem	61	0	215	36
		Rep	23	14	85	91
1970	Mills Bill	Dem	(N/A)		143	90
		Rep			85	88

TABLE A1. *continued*

	Legislation	Party	Senate Yeas	Senate Nays	House Yeas	House Nays
1974	Trade Reform Act (5-year authority)	Dem	47	4	115	124
		Rep	38	1	163	19
1974	McIntyre Amendment	Dem	26	23	(N/A)	
		Rep	9	25		
1979	Trade Agreements Act	Dem	52	3	247	5
		Rep	38	1	148	2
1984	Trade Remedies Reform Act	Dem	(N/A)		194	25
		Rep			66	72
1986	Omnibus Trade Bill	Dem	52	0	247	6
		Rep	19	27	43	131
1988	Omnibus Trade and Competitiveness Act	Dem	39	12	243	4
		Rep	35	10	133	41
1991	Disapprove Fast-Track Extension	Dem	32	25	172	91
		Rep	3	37	21	143
1993	NAFTA	Dem	27	28	102	156
		Rep	34	10	132	43
1993	GATT Fast-Track Extension	Dem	39	12	145	102
		Rep	37	4	150	23
1994	GATT Uruguay Agreement	Dem	41	14	167	89
		Rep	35	10	121	56

TABLE A2. *Selected trade bills*

	Legislation	Coded
1870–1924	Tariff Act, 1875	Protectionist
	Morrison Bill, 1884	Protectionist (House only)
	Mills Bill, 1888	Liberal (House)/Protectionist (Senate)
	McKinley Tariff, 1890	Protectionist
	Gorman Tariff, 1894	Liberal
	Dingley Tariff, 1897	Protectionist
	Payne-Aldrich Tariff, 1909	Protectionist
	Underwood Tariff, 1913	Liberal
1919–39	Fordney McCumber Tariff, 1922	Protectionist
	Smoot-Hawley Tariff, 1930	Protectionist
	RTAA, 1934	Liberal
	RTAA Extension, 1937	Liberal
1945–94	RTAA Extension, 1945	Liberal
	RTAA Extension, 1955	Liberal
	Trade Expansion Act, 1962	Liberal
	Mills Bill, 1970	Protectionist (House only)
	Trade Reform Act, 1974	Liberal
	McIntyre Amendment, 1974	Protectionist (Senate only)
	Trade Remedies Reform, 1984	Protectionist (House only)
	Disapprove Fast-Track, 1991	Protectionist
	NAFTA, 1993	Liberal
	GATT Uruguay Round, 1994	Liberal

votes of 1948, 1949, 1951, 1953, 1954, and 1958 (although the votes on all these extensions are shown in Table A1). The 1948, 1949, and 1951 votes are also somewhat more ambiguous in their liberal character, since they introduced the "peril-point" and escape clause provisions designed to ensure that trade treaties would do no harm to domestic industries, and thus were supported by many protectionists.[58] The 1987 Gephardt Amendment to the omnibus trade bill of that year, requiring action against nations running large trade deficits with the United States, might well have been included if time allowed, although in political substance it probably approximates the 1984 Trade Remedies Reform bill, which made the list. Finally, the 1993 vote to extend the president's authority to complete the Uruguay Round of GATT negotiations was excluded to make way for the 1994 vote to implement the actual agreement.

Most of the coding decisions on these bills were straightforward. I split the House and Senate bills of 1888. The Mills' bill in the House proposed large tariff reductions, but the Senate revised it completely, formulating a protectionist bill that was the blueprint for the McKinley tariff of 1890. For each trade bill, the votes used are those on final passage or, where applicable, those on the adoption of conference reports. The presumption is that earlier votes on amendments and procedural questions relating to bills are more likely to be affected by strategic concerns. Votes on the passage of legislation should generally be more accurate as a gauge of public position taking on trade. Of course there remains the general problem that, as a consequence of vote-trading coalitions, these votes may not be independent from votes on other bills.

The sources for the votes are the *Congressional Globe* and the *Congressional Record.* Partisan affiliations are from the *Biographical Directory of the American Congress.* Calculations for general party cohesion in each session are based on the Rosenthal-Poole updated Inter-University Consortium for Political and Social Research (ICPSR) data set.

All data are available from the author on request.

Appendix II. A Model of Trade Policy Coalitions and Partisanship

The model applied here is Ronald Jones's standard two-good, three-factor model.[59] Consider an economy in which two commodities, X_1 and X_2, are produced, and sector i uses a factor specific to it, K_1, and a mobile factor shared with the other sector, L. Equilibrium is described by full employment of each factor (equations 1–3) and competitive profits (equations 4 and 5):

$$a_{K11} X_1 = K_1 \tag{1}$$

$$a_{K22} X_2 = K_2 \tag{2}$$

$$a_{L1} X_1 + a_{L2} X_2 = L \tag{3}$$

$$a_{K11} r_1 + a_{L1} w = p_1 \tag{4}$$

58. Pastor 1980, 96.
59. Jones 1971.

$$a_{K22} r_2 + a_{L2} w = p_2 \tag{5}$$

where a_{Lj} and a_{Kij} are the quantities of L and K_{ji} required per unit output of X_j, w and r_j are returns to labor and capital in industry j, and p_j is commodity prices. Full employment requires that techniques of production are variable and, since competition ensures that unit costs are minimized, each a_{ij} depends on the ratio of factor prices in industry j: $a_{ij} = a_{ij}(w_j/r_j)$.

Factor endowments and commodity prices are exogenous (in accord with the small-economy assumption). The structure of the model is examined by describing the manner in which the equilibrium is disturbed by changes in commodity prices. After differentiating totally, we get the classic Jones solutions for the percentage change in factor returns as a function of the percentage change in commodity prices:

$$\frac{dr_1}{r_1} = \tag{6}$$

$$\frac{1}{\Delta}\left[\left(\tau_{L1}\frac{\sigma_1}{\theta_{K11}} + \frac{1}{\theta_{K11}}\tau_{L2}\frac{\sigma_2}{\theta_{K22}}\right)\frac{dp_1}{p_1} - \frac{\theta_{L1}}{\theta_{K11}}\tau_{L2}\frac{\sigma_2}{\theta_{K22}}\frac{dp_2}{p_2} + \frac{\theta_{L1}}{\theta_{K11}}\left(\frac{dL}{L} - \tau_{L1} - \frac{dK_1}{K_1} - \tau_{L2}\frac{dK_2}{K_2}\right)\right]$$

$$\frac{dr_2}{r_2} = \tag{7}$$

$$\frac{1}{\Delta}\left[\left(\tau_{L2}\frac{\sigma_2}{\theta_{K22}} + \frac{1}{\theta_{K22}}\tau_{L2}\frac{\sigma_1}{\theta_{K11}}\right)\frac{dp_2}{p_2} - \frac{\theta_{L2}}{\theta_{K22}}\tau_{L1}\frac{\sigma_{L1}}{\theta_{K11}}\frac{dp_1}{p_1} + \frac{\theta_{L2}}{\theta_{K22}}\left(\frac{dL}{L} - \tau_{L2} - \frac{dK_2}{K_2} - \tau_{L1}\frac{dK_1}{K_1}\right)\right]$$

$$\frac{dw}{w} = \frac{1}{\Delta}\left[\tau_{L1}\frac{\sigma_1}{\theta_{K11}}\frac{dp_1}{p_1} + \tau_{L2}\frac{\sigma_2}{\theta_{K22}}\frac{dp_2}{p_2} + \left(\tau_{L1}\frac{dK_1}{K_1} + \tau_{L2}\frac{dK_2}{K_2} - \frac{dL}{L}\right)\right] \tag{8}$$

where

$$\Delta = \tau_{L1}\frac{\sigma_1}{\theta_{K11}} = \tau_{L2}\frac{\sigma_2}{\theta_{K22}};$$

and where σ_j is the elasticity of substitution between labor and capital in industry j, θ_{Lij} and θ_{Kij} are the distributive shares of factor i in the value of output of industry j, and τ_{ij} and τ_{ij} are the fractions of total labor and capital employed in industry j.

Equations (6)–(8) produce the standard Ricardo-Viner results. Specifically, if p_2 rises, the return on the specific factor in the second industry increases at a faster rate than p_2, whereas in the first industry it falls: $\hat{r}_2 > \hat{p}_2 > 0 > \hat{r}_1$ ("hats" indicate percentages). Further, the wage rate rises but at a slower rate than p_2: $\hat{p}_2 > \hat{w} > 0$.

The simplest way to proceed to politics here is to consider the political fate of any proposed change in trade policy. We can think of the policy continuum here as a measure of the *ad valorem* tariff, t, applied to the imported good produced by industry 1, which has limiting values of zero and t_p (where t_p is the prohibitive rate). The price of good 1, p_1, can now be written as $p_w(1 + t)$, where p_w is the world price. Let the (exogenous) proposal for a policy change be some adjustment in t, dt, which would imply a corresponding change dp_1 ($= p_w dt$).

Assume that any dth member of the legislature is only concerned with the effect of policy on the income of his or her constituents:

$$U^d = r_1 K_1^d + r_2 K_2^d + wL^d \tag{9}$$

Then the change in utility from dt for the dth member is:

$$dU^d = dr_1 K_1^d + dr_2 K_2^d + dwL^d \tag{10}$$

since endowments are fixed.[60] Substituting from equations (6)–(8) yields:

$$dU^d = dt \frac{p_w}{p_1} \frac{1}{\Delta} \left[w\tau_{L1} \frac{\sigma_1}{\theta_{K11}} L^d + r_1 \left(\tau_{L1} \frac{\sigma_1}{\theta_{K11}} + \frac{1}{\theta_{K11}} \tau_{L2} \frac{\sigma_2}{\theta_{K22}} \right) K_1^d - r_2 \frac{\theta_{L2}}{\theta_{K22}} \tau_{L2} \frac{\sigma_1}{\theta_{K11}} K_2^d \right] \tag{11}$$

Clearly, members will have different calculations of the utility associated with a policy change depending on their endowments of the specific factors, since in equation (11) the wage and profit effects are simply weighted by district endowments: K_1^d, K_2^d, and L^d.

If we allow that the effect of reciprocity is to link any cut in t with an increase in p_2 (the result of an expansion in world demand for the export good due to a reciprocal reduction in foreign trade barriers), the effect of the tariff reduction for the dth legislator becomes

$$dU_R^d = dU^d \tag{12}$$

$$+ dt \frac{\delta p_2}{\delta p_1} \frac{p_w}{p_1} \frac{1}{\Delta} \left[w\tau_{L1} \frac{\sigma_2}{\theta_{K22}} L^d + r_1 \tau_{L2} + \tau_{L1} \frac{\theta_{L1}}{\theta_{K11}} \frac{\sigma_2}{\theta_{K22}} K_1^d + r_2 \left(\tau_{L2} \frac{\sigma_2}{\theta_{K22}} + \tau_{L1} \frac{1}{\theta_{K22}} \frac{\sigma_1}{\theta_{K11}} \right) K_2^d \right]$$

Since $dt<0$, and $\partial p_2/\partial p_1 < 0$, it is clear that $dU_R^d > dU^d$, and the difference is a function of bargaining power in international negotiations (reflected in the absolute size of $\partial p_2/\partial p_1$.

The effect of an exogenous (war-induced) reduction in import competition would be an upward shift in the world price of the imported good 1, p_w, due to excess demand. How would this alter calculations about the effects of a tariff reduction on the utilities of members of Congress? It is a simple task to show from equation (11), or (12), that:

$$\frac{\delta}{\delta p_w} dU^d > 0 \tag{13}$$

60. Using total differentiation is a convenience here. Solving for an optimal tariff rate for the member (or the member's ideal point) would require adding restrictions to the model of the economy: specifically, we would need to define reduced-form production functions.

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