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CHAPTER 7

Executive-Congressional Collaboration for Trade Liberalization or Games Legislators Play

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Abstract

Over the past 70 years, members of Congress have employed multiple devices (games) to support trade liberalization without always seeming to do so. Most prominent have been: (1) stressing export expansion while ignoring or criticizing the role of imports; (2) delegating responsibility for specific decisions to executive branch negotiators and quasi-judicial procedures; and (3) drawing a prominent distinction between 'fair' and 'unfair' trade. These games have allowed legislators to be tough in their rhetoric but trade-enhancing in their practice. Their continued pursuit could complicate future US trade liberalization efforts, however.

Keywords: trade, congress, imports, exports

JEL classifications: D780, F130

If we believe what we read in the papers, trade is a subject of constant conflict between Congress and the executive branch. Presidents and their agents struggle to maintain and enhance the openness of the system; Congress, driven by constituent pressures, strives to put up roadblocks.

Events regularly lend credibility to this view of events. Congress passes textile quota bills three times in 6 years, and Presidents Ronald W. Reagan and George H.W. Bush respond with three vetoes. Over executive branch objections, the House votes quotas for steel in 1999 or domestic content for autos in 1982 and 1983 or impediments to Mexican trucks on US highways in 2001. Congress refuses President Bill Clinton's request for fast-track

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trade negotiating authority – at the committee level in 1994, on the House floor in 1997. President George W. Bush's proposal for the same (now relabeled Trade Promotion Authority (TPA)) ekes out a 215–214 victory in the House, with the winning vote(s) bought by a new restriction on textile trade.

Like most myths, therefore, the notion of a liberal Presidency and a restrictionist Congress is not without real world substantiation. Yet it obscures a larger truth – that Congress has been, to employ a label the author has used elsewhere (Destler, 1998, p. 94), a 'liberalization co-conspirator', an indispensable partner with the executive in the opening of American markets for the past 70 years.

It began with the Reciprocal Trade Agreements Act of 1934 and its extensions, granting the President authority to reduce US tariffs by proclamation in exchange for barrier-reducing concessions by other nations. This was followed by the Trade Expansion Act of 1962, authorizing broader barrier-reducing trade negotiations, and the grant of 'fast-track' authority (promising expeditious Congressional action on non-tariff-barrier (NTB) agreements) on no less than six occasions beginning in 1974. Congress also approved two major global market-opening agreements in 1979 and 1994 and two major regional free-trade agreements in 1988 and 1993. In all but the case of the North American Free Trade Agreement (NAFTA), the vote was not close.

Last but not least, Congress has generally resisted enactment of binding, product-specific trade legislation, the above examples notwithstanding. Some bills (autos, steel) passed the House but not the Senate. Some (textile quotas) were enacted in the assurance that the President would veto them. A few do make it into law, a recent example being a provision in the 2002 farm bill, pressed by Louisiana and Mississippi legislators, that "prohibits pangasius bocourti fish imported from Vietnam from being labeled as catfish" (Congressional Quarterly, 2002) But with the exception of a few farm products, statutory protection has proved hard for producers to acquire.

In the micropolitics of trade, to be sure, lawmakers have often championed restrictions on import of goods produced in their constituencies (though usually by executive or administrative rather than legislative action). But they have regularly and effectively buttressed the major Presidential initiatives to open up the global – and the American – economy. Even in periods (1995ff) when legislators have been reluctant to back new liberalization, they have done little to reverse existing commitments to liberal trade.

One reason why the Congressional contribution to trade openness is underestimated is that members typically employ rhetoric that obscures it.

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85 They intone how they will soon be forced to block Japanese autos unless
86 Tokyo ends its restrictive practices. They declare their fealty to trade that is
87 'free but *fair*', with emphasis on the latter. They assert that previous US
88 trade negotiators have been taken to the cleaners, that Uncle Sam has been
89 played for 'Uncle Sucker', and that the pending legislation authorizing new
90 trade negotiations offers a last chance for the President's people to do
91 better. At best, advocates have sought to advance the cause by indirection
92 or by highlighting parts of the free-trade agenda rather than the whole. On
93 balance, this approach has been politically successful, bringing tariffs on
94 dutiable imports down around 90% from the levels of the Smoot–Hawley
95 Act of 1930 and steadily rising trade/GDP ratios. But it has not been
96 cost-free.
97
98
7.1. Games legislators play
99
100 In an ideal world of Adamsmithonians, advocacy of trade would be open
101 and unconditional. With due recognition to the need to address adjustment
102 costs in some pareto-near-optimal fashion, free traders would champion
103 imports as well as exports, of low-priced as well as high-priced goods,
104 from low-wage as well as high-wage sources. We would like them to make
105 the pure case, for old-fashioned reasons of civic virtue, and because of the
106 public-educational value.
107 Why do members of Congress so seldom do so? Why do they not back
108 trade liberalization openly and purely? The core reason, presumably, is that
109 politics dictates otherwise. As former Deputy STR William R. Pearce
110 (1974) said three decades ago, a free-trade vote is an 'unnatural act'
111 because it flies in the face of intense pressure from market-threatened
112 domestic industry. In the US, leaders of successful competitive enterprises
113 tend to stick to business – when they focus on government it is mainly to
114 keep it off their backs. It is those who are losing the competitive battle that
115 go into politics. This tilts the pressure against trade liberalization. Hence,
116 lawmakers who are for it are prone to cast a fog over their actions by saying
117 they are doing something else.
118
119
7.1.1. It's exports, stupid!
120
121 One of the most venerable and historically effective arguments is that we
122 need to be flexible (open to reduction) on our import barriers in order to
123 negotiate market access for our exports. Cordell Hull (actually one of the
124 purest of Capitol Hill free traders) sold this approach in 1934, providing for
125 what Jones (1934, p. 303) dubbed the 'bargaining tariff'. After a decade or
126 so of bilateral barrier-reducing deals, this approach went multilateral under

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the new GATT. The operating ethos of GATT negotiations was a benign sort of mercantilism – nations grudgingly make 'concessions', reductions in their barriers, in return for what they really are supposed to want, reductions in barriers to foreign markets. And this basic approach applies to NTB negotiations under the WTO.

By standard economic logic, this does not make much sense. Reductions of all trade barriers – ours, as well as theirs – increase welfare. In a two-country world, with bargaining skill equal on both sides, we would gain roughly as much from our trading partner's liberalization as from our own. But in a many-country world under the MFN principle, our concession has far more impact on our economy than any foreign country's ever will. No wonder econometric studies of gains from multilateral trade rounds find that the biggest winners are countries that reduce their own barriers the most.

But pursuing this logic to its conclusion requires saying that it is *good* for Americans to lose their jobs to foreign competition, because they – and the factors associated with them – can now move to activities with greater comparative advantage, and others will have access to goods and services on more favorable terms. This requires not just confronting the import-impacted firms and workers politically, but morally as well, in a situation where those who are suffering tend to have the normative advantage (PIPA, 2004).[1] It is much better to find a trade goal, without direct costs to US citizens, that seems good for everybody. Selling more US goods overseas meets that need admirably. Besides, once we stress bargaining down others' trade barriers, reducing our own without 'getting something in return' seems like 'unilateral disarmament'.

Of course, focusing on exports has another political advantage: it brings in another set of US producers (exporting farmers and manufacturers) to counterbalance those hurt by imports. It can also be a means of demonstrating activism and toughness on trade issues without being protectionist. Senator John Danforth (R-Mo), chairman of the Trade Subcommittee of the Committee on Finance, was a prominent practitioner of 'export politics' in the 1980s, when record trade imbalances brought liberal policies under unprecedented pressure. He refused to back statutory protection (even when Reagan denied his favored shoe-producers the escape-clause relief he thought they deserved) but was vocal in support of making retaliation a credible threat under Section 301 and Super-301,

[1] When poll questions ask respondents to choose between the benefits of lower prices and job stability, the concern for lost jobs tends to have a higher priority. However, there is 'overwhelming support for trade when workers are helped' with adjustment programs.

statutory provisions through which US authorities can demand access to foreign markets. Meanwhile, Danforth's executive branch counterparts took the minimum necessary defensive action on those Japanese imports that were generating enormous political heat in Washington – textiles, steel, TV sets, autos, and semiconductors, in rough chronological order. They saved their main energy to press the Japanese to open *their* markets for beef, citrus, telecommunications equipment, tobacco, supercomputers, and forest products (and also US-made semiconductors and auto parts).

Emphasis on exports is particularly appealing when there is an imbalance in openness, suggesting that we may not need to 'give' much on the import side at all. One reason to pursue a new trade round in 1973, suggested Nixon's aide Peter Flanigan, was that the United States was "more sinned against than sinning" (Frank, 1973, p. 45). Senators Danforth and Heinz enshrined this principle in proposed 'specific reciprocity' legislation, hijacking a noun Hull and GATTologists had used for the balance of concessions in a negotiation, and making it refer instead to balancing the *level* of openness among negotiating countries in particular product markets. The aim was to 'level the playing field', alleged to be tilted against the United States. Arguments stressing imbalance in concessions were particularly prevalent in the NAFTA debate (we had lower tariffs than the Mexicans, so going to zero would cost us less) and the granting of Permanent Normal Trading Relations (PNTR) to China (where we did not have to lower our barriers at all!).

Shifting the emphasis to tackling *foreign* trade barriers has one more important benefit. This is not something that members of Congress can do themselves, of course, so it also shifts the venue for action, for initiative, to another part of the government. And this brings us to another category of indirect or incomplete arguments for trade liberalization.

7.1.2. It's not my department!

As Schneitz (2000) has noted, a key "structural feature contributing to the durability of trade liberalization under the RTAA was the Congressional delegation of trade policymaking authority to the President," who was empowered to reduce and proclaim US tariff rates as necessary to secure reductions in barriers imposed overseas. This put the initiative in the hands of an official – and a branch – that was somewhat less exposed to protectionist pressures and inclined to define policy success as the consummation of international negotiations, which in this case meant the *reduction* of trade barriers. It moves barrier-setting out of an arena where the import-impacted interests have an advantage, and into one with an operational bias in the other direction. There is also the advantage that

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the President's constituency is national and his responsibilities are, in part, international, making him more sensitive than the typical Congressman to the national welfare and international relations benefits of liberalization.

Why did members of Congress yield up this power? In the short run, it was Democrats seeking a way to protect lower tariffs from reversal by the next Republican Congress. By the 1950s, however, a classic study of US trade politics found that protectionists "shared in the consensus that somebody outside Congress should set tariff rates or impose and remove quotas" (Bauer *et al.*, 1972, p. 39). One key reason, this author has argued elsewhere, is that it provided 'protection for Congress': it shielded lawmakers from the need to *act* in response to protectionist pressure, while retaining their freedom to make sympathetic noises in that direction (Destler, 1995, Chapter 2). And it was combined with other delegations:

- to the US International Trade Commission (USITC) and the President for decisions on 'escape clause' relief, for industries and workers hurt by imports;
- to the USITC and the Commerce Department for decisions on whether imports were subsidized or dumped, which entitled domestic competitors to compensatory trade relief.

And from negotiated Japanese textile export restraints in the 1950s until the Uruguay Round agreements of 1994, there was available one other important form of 'delegation'. Legislators could demand that the President or USTR negotiate so-called 'voluntary' export restraints (VERs) to be imposed by the foreign supplier, lest Congress be forced to act.[2] Wilbur Mills played this game with Japanese textiles in 1969; John Danforth did likewise on autos in 1981.

In combination, these measures made it easy for members of Congress to refer most trade issues elsewhere. They could say "It is not our department." They could express sympathy for the plight of import-impacted petitioners but refer them elsewhere for any hope of action. Thus they could cope with a recurrent bind. Legislators inclined toward free trade faced a conflict between constituency and conviction. Delegation allowed them to avoid having to choose between them by deflecting pressures and responsibility elsewhere. They did not have to give overt expression to their convictions. But neither would they be undercutting these convictions in practice.

[2] The Uruguay Round/WTO agreements 'outlawed' this practice in 1994.

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The inclusion of countervailing duties (CVDs) and antidumping duties on the list of delegated authorities brings us to a third widespread game, this one less clearly to liberal trade's advantage.

7.1.3. Free trade, as long as it's fair

One of the major ways that Congress has promoted free trade has been through laws that make increases in protection the exception, rather than the rule. Before 1934, it was the universal expectation, as Schattschneider (1935) documented. Since then, liberalization has been the norm, and industry requests for protection have been channeled, for the most part, into 'trade remedy' procedures that sometimes grant limited import relief and sometimes do not.

Since 1980, the most popular among these has been the so-called 'unfair trade' statutes. Since 1985, the main action has been antidumping cases, made infamous by the man honored in this volume, J. Michael Finger.[3] They have become, in the words of anti-antidumping trade lawyer Gary Horlick, "the usual first choice for industries seeking protection from imports into the US" (Horlick and Oliver, 1989). AD is also increasingly popular on Capitol Hill, for reasons not entirely clear. Finance Committee Chair Max Baucus (D-MN) and colleague Jay Rockefeller (D-WV) led the charge in the Senate in 2001, getting 63 members of the upper chamber to sign a letter demanding that US negotiators reject any weakening of trade remedy legislation in upcoming global trade talks. In May 2002, in its version of the TPA law, the Senate enacted the Dayton–Craig amendment requiring a separate Congressional vote on implementing any changes negotiated in US unfair trade laws. (This measure was softened in conference.)

The formal House action was milder, a 410–4 vote in favor of H.Con.Res. 262, "Expressing the sense of Congress that the President, at the WTO round of negotiations to be held at Doha, Qatar, from November 9–11, 2001, should preserve the ability of the US to enforce its trade laws and should ensure that US exports are not subject to the abusive use of trade laws by other countries." This gave USTR Robert Zoellick sufficient wiggle room to allow these laws to be placed on the Doha Round agenda – a necessity for the developing countries to agree to its launch. And by making this concession early, Zoellick diverted the eleventh-hour LDC pressure away from the US and onto the Europeans,

[3] See, above all, Finger (1993).

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no small feat. But he paid a serious price with members of the Senate, who saw him as going against their clearly stated message.

Use of the AD law rose sharply beginning in 1980, after the trade committees – with technical assistance from the steel industry – rewrote the law to make it more user-friendly (as part of the fast-track 'non-markup' process to implement the Tokyo Round). Over the 1980–2002 period, there have been 1021 AD cases filed in the United States. Of those carried to completion, 53% brought trade relief (Table 7.1). Almost half the cases, 493, have involved steel products. The success rate for steel cases carried to completion is slightly lower, 49% (Table 7.2).

Standard statistical techniques reveal no significant trend in either the number or the success rate of AD cases over this period. In particular, the abortive reform of these laws in the Uruguay Round Agreements of 1994 had no discernible impact in either direction. The total number of AD orders in effect, however, rose steadily until 1993 and remained steady from then through 1998, after which the sunset reviews mandated by the Uruguay Round led to a temporary drop (Figure 7.1).

The 'free but fair trade' argument has therefore led to procedures that serve as an escape valve for protectionist pressures, but also to non-trivial protection in certain product areas, notably steel. Moreover, the costs of the unfair trade laws have arguably risen, as other nations emulate us (there is a clear upward trend in cases filed *against* the US) and US negotiators must struggle to maintain minimum negotiating leeway in this sphere, which is of increasing interest to US trade partners, in order to bargain for trade concessions from these partners.

Devotion to the 'unfair trade' laws has been an important means by which lawmakers have covered or balanced support for mainstream trade liberalization policies. Nor has the pressure of steel and other users of these laws been effectively countered by import using industries hurt when AD duties drive input prices up, or by export industries hit with the application of mirror-image legislation overseas.[4] But it may become increasingly difficult for the United States to hold these laws constant *and* win major trade concessions from foreign partners in other areas of interest to the United States. Congress could ultimately be forced to choose.

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[4] The US construction industry has waged, since 2001, a vocal public campaign against the imposition of substantial countervailing duties on imports of softwood lumber from Canada, claiming that, by raising the cost of homebuilding, they will make the 'American dream' of home ownership beyond reach for thousands of US citizens.

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Table 7.1. Antidumping cases and results, 1980–2002

Year	Total	Cases Withdrawn	Cases in Progress	Cases Completed	Cases Affirmed		No Dumping		No Injury	
					Number	Percentage	Number	Percentage	Number	Percentage
1980	21	9	0	12	4	33.3	1	8.3	7	58.3
1981	15	4	0	11	7	63.6	1	9.1	3	27.3
1982	65	24	0	41	14	34.1	3	7.3	24	58.5
1983	46	5	0	41	19	46.3	5	12.2	17	41.5
1984	74	41	0	33	9	27.3	6	18.2	18	54.5
1985	66	16	0	50	29	58.0	2	4.0	19	38.0
1986	71	7	0	64	44	68.8	3	4.7	17	26.6
1987	15	1	0	14	9	64.3	0	0.0	5	35.7
1988	42	0	0	42	22	52.4	3	7.1	17	40.5
1989	23	3	0	20	14	70.0	0	0.0	6	30.0
1990	43	2	0	41	19	46.3	5	12.2	17	41.5
1991	53	4	0	49	24	49.0	2	4.1	23	46.9
1992	99	11	0	88	45	51.1	1	1.1	42	47.7
1993	42	6	0	36	19	52.8	2	5.6	15	41.7
1994	43	3	0	40	21	52.5	1	2.5	18	45.0
1995	14	1	0	13	8	61.5	0	0.0	5	38.5
1996	20	0	0	20	17	85.0	1	5.0	2	10.0
1997	16	1	0	15	8	53.3	0	0.0	7	46.7
1998	36	0	0	36	22	61.1	0	0.0	14	38.9
1999	61	4	0	57	24	42.1	1	1.8	32	56.1
2000	51	0	0	51	34	66.7	5	9.8	12	23.5
2001	69	6	0	63	23	36.5	1	1.6	39	61.9
2002	36	4	1	31	9	29.0	0	0.0	22	71.0
Total	1021	152	0	837	444	53.0	43	5.1	381	45.5

Sources: USITC, annual *The Year in Trade* reports; Bruce Blonigen, US antidumping case-specific data, 1980–1995; and the *Federal Register*.

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Table 7.2. Steel antidumping cases and results, 1980–2002

Year	Total	Cases Withdrawn	Cases in Progress	Cases Completed	Cases Affirmed		No Dumping		No Injury	
					Number	Percentage	Number	Percentage	Number	Percentage
1980	9	8	0	1	0	0.0	1	100.0	0	0.0
1981	6	2	0	4	3	75.0	0	0.0	1	25.0
1982	49	24	0	25	7	28.0	1	4.0	17	68.0
1983	15	3	0	12	8	66.7	1	8.3	3	25.0
1984	52	38	0	14	2	14.3	2	14.3	10	71.4
1985	40	14	0	26	16	61.5	1	3.8	9	34.6
1986	12	3	0	9	8	88.9	0	0.0	1	11.1
1987	2	0	0	2	1	50.0	0	0.0	1	50.0
1988	5	0	0	5	3	60.0	1	20.0	1	20.0
1989	1	0	0	1	0	0.0	0	0.0	1	100.0
1990	7	0	0	7	0	0.0	3	42.9	4	57.1
1991	11	0	0	11	9	81.8	0	0.0	2	18.2
1992	66	0	0	66	34	51.5	0	0.0	32	48.5
1993	13	2	0	11	6	54.5	1	9.1	4	36.4
1994	24	1	0	23	10	43.5	1	4.3	12	52.2
1995	4	0	0	4	1	25.0	0	0.0	3	75.0
1996	6	0	0	6	5	83.3	0	0.0	1	16.7
1997	11	0	0	11	6	54.5	0	0.0	5	45.5
1998	24	0	0	24	17	70.8	0	0.0	7	29.2
1999	35	0	0	35	17	48.6	0	0.0	18	51.4
2000	36	0	0	36	28	73.3	1	3.3	7	23.3
2001	46	3	0	43	9	20.0	1	0.0	33	80.0
2002	19	1	0	18	3	16.7	0	0.0	15	83.3
Total	493	99	0	394	193	49.0	14	3.6	187	47.5

Sources: USITC, annual *The Year in Trade* reports; Bruce Blonigen, US antidumping case-specific data, 1980–1995; and the *Federal Register*.

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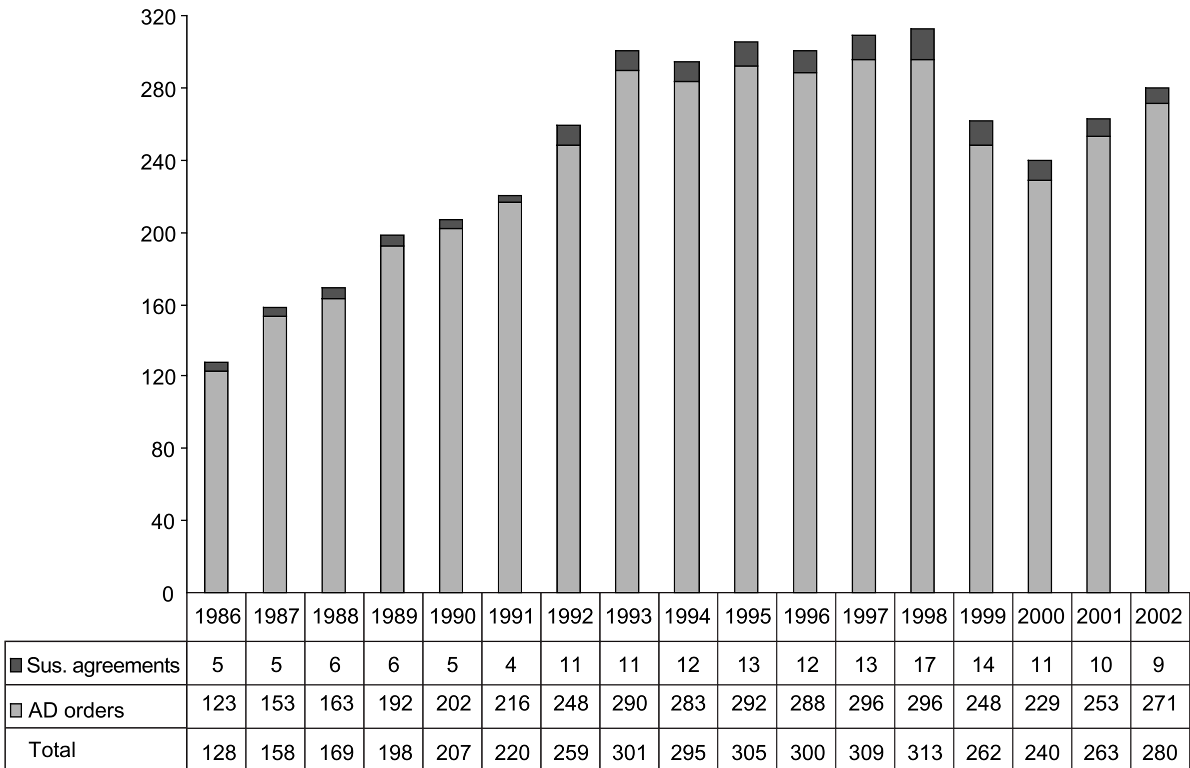
Figure 7.1. ***Number of US antidumping orders (and suspension agreements) in effect as of December 31, 1986–2002***



	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Sus. agreements	5	5	6	6	5	4	11	11	12	13	12	13	17	14	11	10	9
AD orders	123	153	163	192	202	216	248	290	283	292	288	296	296	248	229	253	271
Total	128	158	169	198	207	220	259	301	295	305	300	309	313	262	240	263	280

7.2. Are the costs of the games growing?

As the United States seeks to negotiate further reductions in foreign barriers and win the public argument for trade against the anti-globalization coalition, the games legislators play present growing problems.

7.2.1. Taking chips off the table

With the US market largely open to imports in most product areas, trading partners naturally focus on the impediments to their exports that remain. Brazil has delayed progress on the Free Trade Area of the Americas (FTAA), in part because of US resistance to lowering barriers to products like citrus and sugar. The end of the Multi-Fiber Agreement (MFA) at the close of 2004 is focusing renewed foreign attention to the peak tariffs still imposed on many textile products. And there is a continuing international attack on US 'unfair trade' laws, both in the Doha Round and in the WTO dispute settlement process.

From a broad national interest point of view, there is every reason for the United States to engage on these issues. Sugar quotas and peak tariffs benefit a small and diminishing set of producers. The AD laws have always been a highly inefficient (and economically illogical) form of trade protection, and the relative balance in their use has been moving steadily against the United States. And USTR is losing case after case on AD and safeguards issues in the WTO. There is every reason to negotiate modification of these laws now, while they can be used to extract foreign concessions, rather that to wait and be required to change them unilaterally.

To do so, however, would weaken their utility for Congress as a buffer against full-blown commitment to free trade. Moreover, commitment to these laws has been part of a larger trade-political game – the regular assertion that foreign products impose net costs on the US economy, rather than bring net benefits.

7.2.2. Imports as a dirty word

Central to avoidance of straightforward advocacy of open trade has been silence on the benefits of imports. The fact that America *gains* from buying products abroad has been treated as a 'dirty little secret' in the politics of trade policy. Rarely do legislators make the argument that imports are the means through which we recoup the benefits of comparative advantage. Even more rarely is the connection made between the price pressure generated by imports and the remarkable performance of the American

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505 economy in the late 1990s: rapid productivity grown combined with low
506 unemployment and low inflation.
507 In the larger debate about the benefits and costs of globalization,
508 eschewing these arguments represents a form of unilateral disarmament.
509 It makes it harder to maintain the political advantage not only when the
510 challenge comes from protectionist producers, but also when trade faces
511 broader critiques. In recent years, the view has grown on the left that
512 open trade is a means employed by international business to enrich itself
513 at the expense of workers, poor nations, the environment, and global
514 welfare as a whole. This view has been nurtured in the anti-globalization
515 movement that helped block fast-track legislation in 1997 and disrupted
516 the WTO Ministerial talks at Seattle 2 years later.
517 The natural intellectual counter to this argument is to highlight the
518 general, economy-wide, welfare-enhancing benefits of trade and trade
519 liberalization, and the fact that poor consumers suffer the most from quotas
520 and high tariffs on products like apparel and sugar (Gresser, 2002). But this
521 requires imports a central role in the story – for their role in reducing costs
522 to producers and prices to consumers! The failure to wage this intellectual
523 battle weakens the liberal trade community. This suggests, paraphrasing
524 Barry Goldwater, that perhaps free traders should join Brink Lindsay
525 (1998) of the Cato Institute in concluding that moderation in the cause of
526 free trade is no longer a virtue.
527
528 ### *7.3. A concluding concern*
529
530 The games depicted herein became entrenched during decades of
531 bipartisan Congressional cooperation on trade liberalization. Such
532 bipartisanship remains the rule in the Senate, as reflected in its 66–30
533 vote in favor of granting TPA to the Bush Administration, and in the
534 key roles of Democratic leader Tom Daschle (D-SD) and Finance Chair
535 Max Baucus (D-MT) in brokering this outcome. But for some years,
536 bipartisanship has been eroding in the chamber most important to trade
537 policy, the House of Representatives. Trade specialists correctly point to
538 labor's influence over Democrats, as well as the rise of what I call the
539 "trade and…" issues, especially labor and environmental standards. Both
540 tend to divide members along party lines. But until recent years, House
541 Democratic chamber and committee leaders remained largely on the free-
542 trade side of the issue and worked harmoniously across the aisle to build
543 coalitions for trade liberalization. Dan Rostenkowski collaborated with
544 the Reagan and Bush administrations. And in the other direction, Newt
545 Gingrich was an important figure in giving Bill Clinton his dramatic
546 NAFTA victory of 1993.

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Now, however, trade policy has become infected with the broader trend toward polarization and partisanship in the House as a whole. In particular, there is non-communication and bad blood among the senior members of the House Ways and Means Committee, exacerbated by Chairman Bill Thomas's determination in 2001 to exclude his Democratic counterparts from serious participation in drafting TPA legislation. The resulting alienation of many Democrats has forced House Republican leaders to navigate with very narrow margins, built overwhelmingly with Republicans. TPA passed the House by 215–214 with Republicans 189–23 in favor. The conference report was enacted by 215–212, with Republicans (190–27) again supplying the bulk of the 'ayes'. At least a score of them would normally have been on the other side of the issue.

Republican Whip Tom ('the hammer') DeLay reportedly likes it this way, because he can go to organized pro-trade business and demand appropriate campaign contributions to the party that has delivered for them. But the price of the decisive votes has been concessions on textile trade and incapacity to face down remaining protected industries (Australia got *no* sugar concessions in the FTA it concluded with the US in early 2004).

The games imposed a manageable cost on overall US trade policy when there were reasonably comfortable Congressional margins for trade liberalization. But with party conflict making these margins narrow indeed, the price of the games may rise further. Stay tuned.[5]

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[5] Partisan polarization receives major emphasis in chapter 11 of Destler (forthcoming).

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