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Political Perils of Pending Trade Policy Battles Highlighted:

Record 205 Democratic, GOP Campaigns Nationwide Connected to Bipartisan American Public Anger About Trade Policy Status Quo of Job Offshoring

*Amidst Powerful GOP Wave, Best Defense Was a Fair Trade Offense With House Democrats
Running On Fair Trade Platforms Three Times More Likely to Survive; Record 220-plus Trade
Campaign Ads Nationwide*

Washington, D.C. – House Democrats that ran on fair trade platforms in competitive and open-seat races were three times as likely to survive the GOP tidal wave than Democrats who ran against fair trade, according to a comprehensive 182-race, 70-page report released today by Public Citizen. The GOP tsunami obliterated many candidate-specific features of the midterm contests, but trade, job offshoring and/or government purchases of foreign-made goods were a stunningly persistent national focus of midterm election campaigns, with 205 candidates campaigning on these issues. A record number of 75 Republicans adopted some fair trade messaging as well, 43 of whom won their races. More than sixty races became “fair trade offs,” where both the Democrat and Republican ran on fair trade themes. Only 37 candidates campaigned in favor of more North American Free Trade Agreement (NAFTA)-style trade agreements - about half of these candidates lost.

“That Democrats and GOP alike ran against the trade policy status quo highlights the intensity of public ire about our job exporting trade policy – a phenomenon also seen in national polls. It also reveals the trouble that the White House and GOP leaders will face if they try to pass the leftover Bush trade pacts with Korea, Colombia and Panama, to say nothing of the threat such a move would cause to President Obama’s reelection in 2012,” said Lori Wallach, director of Public Citizen’s Global Trade Watch. “Freshmen GOP congressmen being asked by their leadership to support trade agreements most Americans consider job-killers undoubtedly will have the foreseeable 2012 Democratic attack ads in mind.”

Public Citizen monitored the trade positions of candidates in 182 open-seat and competitive congressional races. At least six of the only eight Democrats to run in favor of status quo trade policies lost their elections, as did at least three of the New Democrat Trade Task Force members with competitive races. Meanwhile, major proponents of this agenda either ran from their record or lost their elections, as described below. While anti-fair trade Democrats will now represent a shrinking number and share of their party’s caucus, the co-sponsors of the TRADE Act will represent a growing share of the party, and many of the leaders from the House Trade Working Group campaigned on trade and won their re-election races. Several fair trade candidates also posted impressively close results in

districts where the partisan leanings went strongly against them, such as the 47-51 percent losses for Virginia's Tom Perriello or Mississippi's Gene Taylor.

The national salience of criticizing the trade status quo was emphasized by the use of this theme in a stunning 220-plus paid fair-trade television ads in this cycle, compared to 25 such ads in 2006 and 138 in 2008. This followed on polling that showed that, on a bipartisan basis, Americans think "free trade agreements" have caused more harm than good and have identified job offshoring as the number one cause of U.S. economic woes.

The analysis also finds that historic numbers of Republicans – including at least 33 of the 63 that successfully claimed Democratic-held House seats – ran against the phenomenon of jobs and tax dollars being offshored through stimulus spending. And a surprising number of incoming freshmen Republicans – including those from Alabama, Georgia, New York and Virginia – committed to do something about these problems through reform of our trade policies.

"In past elections, GOP candidates defended NAFTA-style trade pacts as good for the economy whenever Democrats attacked these deals for killing American jobs," said Todd Tucker, research director of Public Citizen's Global Trade Watch and author of the report. "In 2010, most successful Republicans were either against the trade status quo, and/or attacked Democrats who supported the stimulus package for allegedly sending U.S. tax dollars overseas to buy wind turbines. This is ironic, since GOP leaders have fought strong Buy America provisions in the past and pushed trade pacts that forbid such policies. The fact that the GOP re-took the House by running on these fair trade themes shows how deeply the public opinion has swung on these issues and how difficult it will be for the GOP leadership to push forward with a unified caucus on the three Bush trade pacts that ban Buy America."

Among other findings of Public Citizen's research:

Many incoming freshmen Democrats and Republicans replace supporters of status quo trade policies.

- In Kentucky, Republican Senate candidate Rand Paul (whose campaign website criticized U.S. membership in the World Trade Organization as a subversion of sovereignty) replaces retiring Republican Jim Bunning, a reliable vote for unfair trade on the Senate Finance Committee.
- In Louisiana, Democrat Cedric Richmond criticized unfair trade deals in a paid television ad, and defeated House Republican Anh Cao, who had supported the Bush-initiated Trans-Pacific Partnership.
- In Delaware, Democrat John Carney replaces retiring nine-term unfair trader Rep. Mike Castle (R). Carney pledged to push for trade policies that will reduce offshoring.
- In the House race for Staten Island, Republican Michael Grimm (who pledged to renegotiate existing trade agreements) defeated Democrat Michael McMahan, who had signed onto various unfair trade initiatives before inexplicably signing onto the TRADE Act, a major fair trade initiative, weeks before the election. McMahan's campaign did not highlight fair trade issues.
- Marlin Stutzman, the successful Republican candidate in Indiana's Third District, told *The New York Times* that "the economy, not foreign policy, had dominated the conversations he has had with voters during the campaign. To the extent he has thought about foreign policy, he said, it has largely been about trade. "We are looking out for American jobs first," he said. "We have to be creative in finding ways to make sure that American jobs are here." Stutzman replaces

retired Republican Mark Souder, who had been a reliable vote for Bush administration unfair trade initiatives.

- Finally, Republican Mo Brooks in Alabama defeated Democrat-turned-Republican Rep. Parker Griffith in the Republican primary. Brooks' campaign said the government should "insist on fair trade policies" with China.

Democrats with a record of supporting unfair trade have battlefield conversions. Sen. Patty Murray (Wash.) has voted against the fair trade positions on all 13 trade votes going back to her 1993 support for NAFTA. However, in 2010, Murray won the record for highest number of fair trade television ads of any congressional race (seven). Murray's race has still not been called.

Broad resonance of fair trade themes, including outside the Rust Belt. The Murray race shows that fair trade is playing far outside the Rust Belt, reinforcing the 2008 finding when Sen. Jeff Merkley (D-Ore.) won in a campaign highlighting fair trade. This is also in evidence in places like Hawaii, where Colleen Hanabusa (who ran ads against offshoring) handily defeated House Republican Charles Djou (who ran this year's only paid ad *in favor* of the Korea trade deal). Rep. Martin Heinrich (D-N.M.) also ran three paid ads on unfair trade deals and offshoring.

Thinning ranks and schizophrenia in key Democratic unfair trade group. The New Democrat Trade Task Force is the key group within the House Democratic Caucus pushing status quo trade policies. At least three lost their re-election bids: Reps. Suzanne Kosmas (Fla.), Harry Mitchell (Ariz.) and Bob Etheridge (N.C.); two retired: Artur Davis (Ala.), who lost his primary for the gubernatorial bid, and Vic Snyder (Ark.); and two are down in races that have not yet been called: Melissa Bean (Ill.) and Rick Larsen (Wash.). Ironically, Kosmas, Etheridge and Larsen – along with fellow task member Ron Kind (Wisc.) – ran paid ads attacking job offshoring. Adam Smith (Wash.) also of the task force, did not focus on his advocacy of unfair trade, but instead on his work on trade adjustment assistance. Some voters were not convinced by these battlefield conversions: Etheridge's successful GOP opponent Renee Elmers attacked his vote for permanent normal trade relations with China, while Kosmas' GOP opponent Sandy Adams criticized the flow of stimulus dollars overseas.

Unfair trade a losing campaign theme. Moreover, at least six of the only eight Democratic House candidates that ran on unfair trade lost. This includes incumbents like Walt Minnick (Idaho) and Ike Skelton (Mo.), as well as open-seat candidates like Chad Causey (Ark.) and Joe Garcia (Fla.). Other Democratic supporters of status-quo trade policies will not be returning to the next Congress. Some were fired, including Baron Hill (Ind.) and Bobby Bright (Ala.), who was a key Democratic supporter of Bush's Korea trade deal. Others retired, including Snyder, Dennis Moore (Kan.) and John Tanner (Tenn.), the current chair of the House Ways & Means Trade Subcommittee.

Republicans run from their record: In 2005, Rob Portman was the Bush administration's U.S. Trade Representative who won approval for the controversial CAFTA. And in 2008, Portman served as an advisor to Sen. John McCain's presidential campaign, telling Fox News that support for NAFTA is not something one needs to run away from when campaigning in Ohio. But his successful 2010 Ohio Senate race did not heed his own advice. The Portman campaign's detailed jobs plan had no mention of unfair trade deals or Portman's key role in pushing them. Indeed, the booklet instead emphasized steps that Portman took to crack down on China's unfair trade practices.

In several high-profile races, Democrats' timidity and record kept them from adequately capitalizing on their GOP opponents' unfair trade record. The clearest example of this is the Ohio

Senate race, where Lee Fisher (a Democratic state official with a record of trade promotion activities) was unable to convincingly cast himself as an alternative to the CAFTA-promoting Portman. The Missouri Senate race was another instance of this phenomenon. Roy Blunt (R) ran the House whip operation that helped pass CAFTA. But his successful 2010 Senate race attacked his Democratic opponent, Robin Carnahan, for her history of promoting trade during the Clinton administration in her role as an official at the Export-Import Bank. Finally, Democrat Dan Seals, who had served as a trade official in the Clinton administration Commerce Department, ran his third consecutive attempt to take the Ill.-10 House seat. For the third time, his campaign did not vigorously highlight unfair trade practices or job offshoring, and he lost a third time, in one of the only House races that political pundits thought stood a chance of flipping from GOP to Democratic control.

“Two years ago, President Obama himself campaigned and won attacking unfair trade agreements and their investment and procurement rules that promote the export of U.S. jobs,” said Wallach. “Given that this election has shown that the American public’s anger about our current trade policy has only intensified, President Obama’s own re-election in 2012 will rest on his delivering on his promise to create a new job-creating U.S trade policy and staying well away from the old Clinton-Bush trade policy that Americans loath on a bipartisan basis.”

In contrast, in the week before the election, a White House official reaffirmed the administration’s intentions to make only modest changes to the beef- and auto-market access provisions in Bush’s Korea FTA and push it towards passage in early 2011.

Among many Democrats in Congress, there is disbelief that the Obama administration officials could possibly make the catastrophic political error of pushing Bush’s Korea FTA without real reforms, and dread that they may, with the foreseeable political bloodbath ensuing. They hold out hope that the administration will seize the opportunity offered to them by the opportunity to renegotiate this pact to start implementing Obama’s promised reforms, gain support for a new model of trade expansion from the majority of Americans opposed to the NAFTA model, and re-energize union members, environmentalists and other progressives who are key to the Democrats’ political success.

At the U.S. Chamber of Commerce and other entities seeking more-of-the-same trade pacts, undoubtedly there is glee at the prospect that the administration will indeed do exactly what its fierce political enemies wish: take ownership of another Bush NAFTA-style trade pact that would simultaneously favor their offshoring agenda, while putting Obama’s re-election in peril.

To see the full Public Citizen report, “Election 2010: The Best Defense Was a Fair Trade Offense,” go to: http://www.citizen.org/documents/2010_Election_Trade_Report.pdf. This includes a campaign-by-campaign analysis of major fair trade themes for more than 364 candidates in the 182 open-seat and competitive congressional races. Public Citizen will be updating the report as additional races are called.

To watch the more than 220 fair trade paid television ads, please visit: http://www.citizen.org/trade_in_elections.

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