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For Immediate Release:
Nov. 5, 2008 (figures updated Jan. 5, 2009)

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Trade Issues Played Unprecedented Nationwide Role in Congressional, Presidential Races, Reinforcing Public Demand for New Globalization Rules

Congress' Views Move Closer to Public's as 43 Vocal Fair-Traders Take Seats Now Held by Supporters of NAFTA-WTO Status Quo in Races Using 130+ Trade TV Ads

WASHINGTON, D.C. – From the presidency to both chambers of Congress and from traditionally “free trade” Florida to Colorado and New York to New Mexico, successful candidates in 2008 election races ran on a platform of fundamental overhaul of U.S. trade and globalization policies including a growing number of Republicans, with a net increase in Congress of 35 fair trade supporters, according to the new report “Fair Trade Gets an Upgrade” by Public Citizen’s Global Trade Watch division. The number of fair-trade pick-ups in Congress may increase depending on the results of several races not yet called.

To read the full report discussed in this press release, *Election 2008: Fair Trade Gets an Upgrade*, see www.citizen.org/documents/ElectionReportFINAL.pdf.

“The 2008 election was a veritable tipping point for fair-trade issues, which just reinforces what polls have increasingly shown: The public has had it with the current race-to-the-bottom trade and globalization model, and they voted against those who support it and for those who say they will replace it,” said Lori Wallach, director of Public Citizen’s Global Trade Watch division. “Public expectations after this trade-focused election create pressure to fix the existing trade agreements and policies while further marginalizing various Bush hangover proposals, such as an expansion of the North American Free Trade Agreement (NAFTA) to Colombia, a bilateral investment treaty with China, and more financial service liberalization through the Korea Free Trade Agreement and the World Trade Organization (WTO) Doha Round.”

A total of 36 new fair-traders won seats in the House of Representatives, which represents a net change of 28. Seven new fair-trade supporters won Senate seats, a net change of seven. The report includes trade positions for candidates in over 130 competitive or open seat races. Public Citizen found that in 2008, campaigning on fair trade was not solely a Democratic tactic. More than a dozen incumbent and open-seat fair-trade Republicans beat back tough primary and general election challenges by campaigning on a fair-trade platform, including with paid ads. In a dozen competitive and open seat races, both the Republican and the Democrat competed in an “anti-NAFTA off,” battling to be the most critical of the status-quo trade model.

In addition to the seats won by first-time candidates running on fair-trade platforms, 15 of the most consistently fair-trade incumbents facing tough re-election battles prevailed. The 15 incumbents with tough races voted the fair-trade position 100 percent of the time, cosponsored the Trade Reform, Accountability, Development, and Employment (TRADE) Act, or did both. They come from the Republican and Democratic Parties, from the New Democrat and Blue Dog Coalitions, from the Hispanic and Progressive Caucuses and from California to Connecticut, from Mississippi to Minnesota. The TRADE Act lays out a process to review existing pacts,

renegotiate them to meet basic criteria and reform negotiating processes and substantive policies to ensure a new model of globalization and trade that can benefit more people.

“Tuesday’s electoral gains for fair-traders mark the second phase (following a 37-seat net gain by fair-traders in 2006) of an unprecedented shift in the U.S. political landscape away from the disastrous trade and globalization policies of the past,” said Todd Tucker, research director of Public Citizen’s Global Trade Watch division. “The American public expects a serious debate around replacing the current model.”

More than 130 paid television ads calling for new trade policies and attacking supporters of trade pacts such as NAFTA and the Central America Free Trade Agreement (CAFTA) were used by House and Senate candidates in 2008. This compares to roughly 25 ads in congressional races in 2006, when criticism of status-quo globalization and trade policy showed an exponential jump from all past election cycles. President-elect Barack Obama ran a dozen trade ads, nearly all during the general election.

The trade issue proved to be so powerful that the Democratic Congressional Campaign Committee (DCCC) and the Democratic Senate Campaign Committee (DSCC) ran 29 ads on the issue in support of candidates in 17 states. Indeed, the DCCC ran trade ads in races featuring Democrats who themselves did not focus on the issue using trade attack ads against Republicans in races where the Democrat had an anti-fair trade voting record.

The report also reviews the extended national “anti-NAFTA-off” that consumed the Democratic presidential primaries, with Obama and Sen. Hilary Clinton (D-N.Y.) competing over who was most critical of the pact pushed by Democrat Bill Clinton. Primary candidates provided written commitments on an array of trade and globalization reform issues that have never been part of past presidential race. Obama’s primary campaign trade-reform commitments became part of the Democratic platform, which also presented a trade-reform agenda not seen in the past. For example, the platform states that no future bilateral trade pacts “will stop the government from protecting the environment, food safety, or the health of its citizens; give greater rights to foreign investors than to U.S. investors; require the privatization of our vital public services; or prevent developing country governments from adopting humanitarian licensing policies to improve access to life-saving medications.”

The report also summarizes public polling that documented a growing – and bipartisan – demand for changing the current trade model. Nearly three-quarters of Americans believe that a “free trade agreement” has had a negative effect on their families. Forty-two percent of Republicans and 52 percent of Independents consider “free trade agreements like NAFTA, and the policies of the World Trade Organization,” to be “a bad thing” for the U.S. Majorities oppose NAFTA across every demographic with Catholic, swing, independent and Hispanics voters among the most anti-NAFTA blocs. GOP voters, by a two-to-one majority, agree that “[f]oreign trade has been bad for the U.S. economy, because imports from abroad have reduced demand for American-made goods, cost jobs here at home, and produced potentially unsafe products.”

“The salience of trade reform in the U.S. election parallels growing demand worldwide for reform of the current international economic architecture comprised by institutions such as the WTO,” Tucker said. “With global financial, food-price and climate crises dominating the news and bringing the downsides of this globalization model into everyone’s homes, U.S. candidates calling for new approaches found a ready audience.”

Races won on fair-trade platforms spanned coast to coast – and far beyond the traditional manufacturing states:

- In the **North Carolina** Senate race, Democrat **Kay Hagan** beat Republican incumbent Sen. **Elizabeth Dole**, after running seven paid trade-focused ads.
- The two representatives – Reps. **Phil English** (R-Pa.) and **Robin Hayes** (R-NC) – who provided the two final votes passing the controversial Central America Free Trade Agreement (CAFTA) – were defeated in campaigns that focused on their trade betrayals. Democrat **Kathy Dahlkemper** beat English, a senior House Ways and Means Committee member and frequent practitioner of “bait-and-switch” tactics on trade who voted against CAFTA twice in committee, but supported it on the floor. Former textile worker **Larry Kissell**, a Democrat, defeated incumbent Hayes, who had committed to oppose both CAFTA and Fast Track in 2001 but

instead became the passing vote in favor of each. Kissell declared his candidacy saying: “My opponent was the deciding vote on both Fast Track and CAFTA. As someone that worked in textiles for 27 years, nobody knows better than I do the difference that one vote makes.”

- One hundred percent anti-fair trader Rep. **Ric Keller** (R-Fla.) was beaten by fair-trade Democrat **Alan Grayson**. Grayson wrote: “...NAFTA and the World Trade Organization (WTO) have been used to weaken environmental protection in the United States and abroad. The downward pressure on environmental, health and safety standards could increase with completion of bilateral and regional Free Trade Agreements (FTAs), as well as through the Doha Round of WTO talks. ... Regrettably, Congress cannot exercise its normal constitutional powers as a check and balance on the executive with respect to trade agreements because fast-track procedures deny Congress its normal power to make amendments or to conduct a thorough debate.”

“The challenge facing the newly elected and the re-elected is to translate electoral messaging into policy change,” Wallach said. “To succeed on the middle-class economic-security, health care, energy and climate-reform agenda that gained American voters’ support requires significant changes to the status-quo model of globalization and the ‘trade’ agreements now implementing it – if only to retake the non-trade policy space that is currently invaded by these instruments.”

Even before the powerful indictment of the current globalization system landed by the economic crisis, U.S. public support for the NAFTA-WTO model had waned as U.S. real wages flattened, millions of manufacturing jobs and increasingly professional and high-end service sector jobs were offshored, and unsafe imported food and consumer products flooded into the United States since the controversial pacts were implemented.

Final Findings (*Final Update as of 1-5-09*)

New Fair-Trade Congresspeople: 43, a net gain of 35

New Senate Fair Traders: 7, a net gain of 7

Senate races where fair traders beat anti-fair trader incumbents: 5

Senate races where fair traders took open seats vacated by retiring anti-fair traders: 2

New House Fair Traders: 36, a net gain of 28

House races where fair traders beat anti-fair trader incumbents: 13, net gain of 12

House races where fair traders took open seats: 20, net gain of 14

House special-election and other races where fair trader replaced anti-fair trader: 3, net gain of 2

Races we monitored: 131+

Races where GOP ran on fair trade: 18+

Races where both GOP and Dem ran on fair trade: 14+

Paid ads on trade: 133+

House anti-fair traders that won higher office: 0

House fair traders that won higher office: 2

To read highlights of fair-trade wins and anti-fair-trade losses, and an appendix of detailed candidate positions on trade in all tracked races, go to <http://www.citizen.org/trade/politics/2008>. To read Public Citizen’s full election report, which includes analysis of 130 races, and to see the 130-plus 2008 campaign TV ads on trade, go to <http://www.citizen.org/documents/ElectionReportFINAL.pdf>.

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