Contesting Globalization: Organized Labor, NAFTA, and the 1997 and 1998 Fast-Track Fights

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INTRODUCTION

Since the late 1970s or early 1980s and for the third time in the past 100 years, the world has witnessed a major wave of economic "globalization"—of trade, production, and finance.[1] In an ever-widening debate, many scholars have argued that globalization both constrains sovereign states from pursuing autonomous national economic policies and thwarts resistance by domestic actors to the adverse consequences of globalization.[2]

One such allegedly constraining process is the globalization of trade. First, the expansion of world trade is said to undermine popular support for and thus the option of protectionism by raising the aggregate efficiency, price, and employment costs of market closure and retaliatory trade wars, especially for countries with relatively small and relatively open economies.

Second, the globalization of trade is said to have shifted the balance of domestic interest group forces against protectionism and toward support for free trade. On one hand, the growth of trade has structurally strengthened the economic position and therefore also the political influence of trade-dependent, pro-free-trade business interests, including exporters, importers, intermediate goods users, and multinational corporations (MNCs).[3] On the other hand, globalization, especially if accompanied for whatever reasons by initial steps toward trade liberalization, eventually either erodes the position of import-competing sectors of business and

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labor or forces them to abandon protectionism in favor of strategies of industrial restructuring, the outsourcing of supply, and the offshoring of production.[4]

These globalization-induced domestic political changes have in turn facilitated global institutions—the "internationalization" or "hollowing out" of the national state[5]—intended to liberalize, and thus further expand, the growth of world trade. At the regional level, the past fifteen years have seen the initiation of Europe's Single Market program, the negotiation and approval of the North American Free Trade Agreement (NAFTA), and the formation of the Asia-Pacific Economic Cooperation forum (APEC). At the global level, the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) was concluded with an agreement that created the new World Trade Organization (WTO).

Contesting Globalization

While "hyper-globalist" scholars see the logic of globalization and its constraints as inexorable, other "anti-globalist" analysts insist both that the extent of globalization has been exaggerated and that considerable policy autonomy and space for opposition remain available to national governments and domestic political actors, especially in nations such as the United States with relatively large and relatively closed economies.

Analysts of this persuasion believe that the aggregate welfare costs to the United States of a limited dose of protectionism or the opportunity costs of a failure to further liberalize trade are likely to be rather small. Similarly, the structurally conditioned balance of strength between trade-dependent and import-sensitive interests is thought likely to evolve slowly enough such that strategically resourceful economic nationalist forces—perhaps more predisposed toward collective action than globalization's "winners" and especially if aided by sympathetic allies—may be able to win protection or at least block or slow the further progress of trade liberalization.

In fact, there has been substantial resistance in the United States—on the Left from the labor and environmental movements and their Democratic supporters and on the Right from conservative Republican nationalists—to both economic globalization and the formation and strengthening of international institutions intended to manage global economic processes. Such resistance has been most significant in the sphere of trade policy, where the Clinton administration had to overcome stiff congressional opposition to pass the NAFTA agreement and, to a lesser extent, the GATT accord.

The 1997 and 1998 Fast-Track Fights

It is true that as pitched as the NAFTA and GATT battles may have been, the supporters of globalization eventually prevailed. Yet in 1997 and 1998, globalization critics won two major battles on a trade policy issue of high priority for economic and political internationalists that should give pause to those who insist that

the logic of globalization is an inevitable one. In November 1997, opponents defeated Bill Clinton's business-backed attempt to regain "fast-track" trade negotiating authority, which requires that trade liberalization agreements be awarded quick up-or-down votes in Congress without amendments that can unhinge such pacts and which Clinton needed to begin negotiating new free-trade agreements with developing nations in Latin America and Asia. And ten months later, in September 1998, fast-track opponents won a second, albeit less significant, victory when they beat back yet another proposal, this one Republican sponsored. The 1997 outcome was unprecedented; it was the first time that a president had been denied such negotiating authority since the advent of the fast-track procedure in 1974. In fact, this was the first time that a trade liberalization proposal had been rejected in the entire post–World War II era.

How can we explain why globalization skeptics, having failed to defeat NAFTA, were able to win the 1997 and 1998 struggles over fast track, especially at a time when the structurally determined balance of political forces appeared still to be shifting against them? To answer this question, I will first analyze the fight over NAFTA. I will then contrast this with the 1997 fast-track battle. Finally, I will conclude the narrative with a much briefer discussion of the 1998 fast-track fight.

Analytically, I will argue that a number of factors together explain the contrast between NAFTA's approval and the defeat of the 1997 and 1998 fast-track proposals, including a shift in public and to a lesser extent expert opinion, weaker and less effective business and presidential efforts on behalf of fast track, and growing Republican doubts about free trade. Most important, though, was rising Democratic opposition to further trade liberalization, which in turn was due mainly to the improved ability of the leading free-trade opponent and a core Democratic constituency—organized labor—to marshal and mobilize its human and financial resources. Capitalizing on its successes in the 1996 elections, labor effectively used "inside" and "outside" lobbying tactics—that is, Washington lobbying, coalition building, issue advertising, grassroots mobilization, and so on—to pressure reelection-minded congressmembers, especially Democrats, to oppose fast track. Particularly important in the 1997 fight, however, was a shift in the structure of campaign finance following the 1994 congressional elections, which rendered the Democrats relatively more dependent on labor for campaign funds, a dependence that labor was effectively able to exploit during the fast-track battle. In the 1998 fast-track fight, however, labor's grassroots organizing around both the issue itself and the fast-approaching midterm elections appears to have played a more important role than did union money in sending the Republican proposal down to defeat.

In short, I will argue that globalization proponents who were surprised by the defeat of the 1997 and 1998 fast-track proposals underestimated labor's political strength by focusing too heavily on the secular structural changes that have

undoubtedly eroded labor's social weight while neglecting the heightened effectiveness of labor's structurally enabled agency and strategies.

I will end with a brief discussion of the likely contours of future trade conflicts in the wake of the recent "battle in Seattle," and the collapse in that city of the WTO meeting intended to launch a new round of international trade negotiations. Despite the Seattle events, I will suggest that there are reasons to think that labor may well not be able to simply block any and all new trade liberalization proposals and, beyond this, that labor should not try to stop all such proposals. Rather, new "counterhegemonic" strategies of accommodation and compromise with the forces of globalization and liberalization are in order.

THE NAFTA BATTLE[6]

In early 1991, responding to a proposal from Mexican president Carlos Salinas de Gortari and pursuing a number of economic and political goals of his own, President George Bush notified Congress of his intent to negotiate a regional free-trade agreement with Mexico and Canada. To facilitate these negotiations, on March 1, Bush sent a request for a two-year extension of his fast-track authority to Congress.

The battle lines that emerged that spring over Bush's fast-track request had actually been forming for some months.[7] On the pro-NAFTA side first were competitive agricultural exporters and high-technology and other manufacturing exporters seeking to realize economies of scale.[8] The strongest business proponents of fast track and an eventual deal, however, were U.S.-based multinational corporations that, more than trade liberalization, sought the liberalization of Mexico's investment rules. These firms anticipated that NAFTA would enable them to more easily tap Mexico's vast pool of cheap labor to improve their international competitiveness vis-à-vis their European and especially their Japanese rivals.[9] At the same time, corporations could use the increased threat of flight to Mexico to force workers in their American plants to make wage and work rule concessions, still further reducing their costs and boosting their competitiveness and profits.[10]

On the anti-NAFTA side, various labor-intensive, import-competing agricultural and industrial interests strongly opposed an agreement, fearing a wave of cheap imports.

The most concerted opposition to a regional trade pact, however, was mounted by the American labor movement. For labor, as for U.S. multinational business interests, NAFTA was more an investment than a trade issue. Industrial unions were worried that by liberalizing not just trade but also investment rules, such an agreement would intensify both the actual and threatened flight of manufacturing capital to Mexico in search of cheap labor, thus eliminating U.S. jobs and undercutting American workers' bargaining power and wages.[11]

Initially joining labor in its opposition to an agreement were environmentalists who worried that pollution-intensive firms would also relocate manufacturing operations to northern Mexico to take advantage of that country's weakly enforced environmental laws, thus both exacerbating pollution problems along the border and eroding U.S. environmental standards.

To defuse opposition to the proposed pact, on May 1, Bush produced an "action plan" committing himself to an agreement that cushioned workers and upheld environmental standards. While the plan was not sufficient to change labor's position on fast track, it did help him win the support of key environmental groups as well as the endorsement of the congressional Democratic leadership. With this new support in hand, White House and business lobbyists were able to outgun their labor adversaries. In mid-May, both the House and Senate defeated resolutions to disallow fast-track authority.

The Main Event

NAFTA was completed in August 1992, in time for George Bush to try to use the treaty during the general election phase of the presidential campaign to woo Hispanic voters and business interests in Texas and California. His opponent, Bill Clinton, was a free-trading "New Democrat" who sought to reconstitute his party's coalition to include the expanding suburbanized middle class and internationally oriented business interests but who also hoped to avoid alienating organized labor, a core Democratic constituency. Thus, Clinton straddled the NAFTA issue until early October, when in an effort to bridge the divide within his party, he finally endorsed the pact under the condition that side agreements be negotiated to deal with labor standards—including laws on worker health and safety, child labor, the rights of unions to organize, and so on—the environment, and the threat of sudden import surges. While labor was critical of Clinton's NAFTA endorsement, it did have hopes that the side agreements would guarantee the effective enforcement of Mexican labor and environmental laws, thus reducing the incentives for U.S. manufacturers to relocate plants to that country.

At first it appeared that labor's hopes might be realized. After some early waffling that produced an outcry from congressional Democrats, in May 1993, the new Clinton administration presented proposals to Mexican and Canadian negotiators calling for the formation of independent commissions that would have had the power to ensure that the countries enforced their own labor and environmental laws. These proposals, however, met with strong opposition from business, congressional Republicans, and the Mexican and Canadian governments. With labor on the sidelines refusing to involve itself in the negotiating process, the Clinton administration backed away from its proposals and in August agreed instead to a much weaker set of enforcement procedures, especially with respect to labor standards.

Appalled by the labor side agreements, the AFL-CIO formally came out in opposition to the treaty, and labor escalated its battle against the pact at both the grassroots and in Washington. State and local union affiliates mounted a grassroots mobilization against the agreement that was unprecedented in recent memory. At the same time, the AFL-CIO funded a TV, radio, and print media blitz against the pact. Finally, individual unions threatened to withhold campaign contributions from congressmembers who voted for the treaty. Joining labor in what was widely termed an "unholy alliance" of "strange bedfellows" against the pact were some environmentalists, human rights activists, the grassroots Citizens Trade Campaign, Ross Perot, Jerry Brown, Pat Buchanan, Jesse Jackson, and Ralph Nader.

With a big jump on its pro-NAFTA opponents and with public opinion still substantially opposed to the treaty in the fall, this labor-led coalition was able to enlist the support of an impressive number of members of Congress, including key Democratic leaders such as House Majority Leader Richard Gephardt (D-MO) and House Whip David Bonior (D-MI). For a time it appeared that labor might actually win this crucial battle over the U.S. orientation toward the emerging global economy.

This, of course, was before the pro-NAFTA forces had fully swung into action. The moribund USA*NAFTA, a business coalition supporting the agreement, was revived and began to lobby intensively. The elite media regularly editorialized in support of the treaty, often citing the views of leading members of the economics profession. Republican congressional leaders, once assured that Bill Clinton was committed to the fight, worked hard to win GOP support for the pact. The moderates and free traders of the Democratic Leadership Council, convinced that the Democrats' future lay in the growing high-tech, middle-class suburbs rather than in the declining industrial cities, saw NAFTA as a defining issue for their party and threw themselves into the struggle for the treaty's approval.

Most important, after some initial hesitation, Bill Clinton engaged himself fully in the fight. Clinton both attempted to win over public opinion on the issue and furiously lobbied members of Congress, especially Democrats, with promises of trade relief and other favors and with persuasive pleas to resist isolationism and the crippling of his wider efforts on behalf of trade liberalization.

The eleventh-hour efforts of Clinton and other NAFTA supporters paid off, and in mid-November 1993, the treaty was approved by the House and Senate by votes of 234-200 and 61-38, respectively. Three-quarters of House Republicans supported the deal, as did 40 percent of House Democrats. More than three-quarters of Senate Republicans backed the treaty, along with half of Senate Democrats.

Labor's Role

Though defeated, organized labor had a significant influence on the NAFTA vote. In House and Senate voting on the treaty, various studies have shown that the

higher the percentage of blue-collar workers and union members in a representative or senator's district or state, the more likely he or she was to vote against NAFTA. In addition, the bigger was labor's share of a legislator's total campaign contributions, again the more likely he or she was to oppose the treaty.[12]

Unfortunately for organized labor, structural shifts in the economy and other factors had been eroding the movement's social and political strength for years, leaving it with too little influence to defeat NAFTA.[13] First, the decline of the northern, urban industrial workforce, along with other factors, led to a drop in union membership. Combined with the growth of the new high-technology and white-collar workforce in the suburbs and the Sunbelt, this produced a relative decline in labor's electoral influence. Second, as we shall see in more detail below, labor's decline limited the funds it could contribute to congressional campaigns, while the amount donated by corporate political action committees exploded, especially during the 1980s. This benefited the pro-business, pro-free-trade Republicans while forcing Democratic congressmembers to themselves become relatively more reliant on business for campaign funding.

Since the early 1970s, these trends together had limited labor's influence on many issues, including trade policy.[14] With the post–World War II decline of the American economy relative to its reconstructed West European and Japanese rivals and the later onset of the crisis of Fordism, in the late 1960s, organized labor, largely representing unskilled and low-end semiskilled workers in labor-intensive, import-competing industries, began to abandon its earlier support for free trade.[15] Backed by northern industrial state Democrats, much of labor now opposed further trade liberalization initiatives while calling instead for legislation to slow the rising tide of imports.

Labor's efforts in the 1970s went unrewarded. Early in the decade, Congress refused to consider the union-backed Burke-Hartke bill, which would have imposed across-the-board import curbs. Labor also failed to prevent passage of the liberalizing *Trade Reform Act of 1974* (which introduced the fast-track procedure) and the *Trade Agreements Act of 1979*. In all these fights, labor was defeated by the concerted efforts of free-trading Presidents Nixon and Carter, import-export and multinational business interests, and congressional Republicans, often from export-dependent farm and Sunbelt states, which had become ideologically aligned with and politically reliant on these internationally oriented interests.

Labor did not fare much better in the 1980s when the competitive weaknesses of American industry were compounded by the grossly overvalued dollar, leading to new demands for both import curbs and action to pry open closed foreign and especially Japanese markets. In 1982 and 1983, labor could not even get the Republican-controlled Senate to take up the twice House-passed "domestic content" bill intended to help the beleaguered auto industry.[16] Labor suffered another defeat in 1984 when it failed to seize an opportunity to amend or block a provision in the Senate version of what became the *Trade and Tariff Act of 1984* that contin-

ued the Generalized System of Preferences (GSP) for developing countries, an arrangement that labor had long opposed.

Labor was more successful in its efforts to shape the huge *Omnibus Trade and Competitiveness Act of 1988*.[17] The final version of the bill contained a number of provisions supported by labor, including the "Super 301" law, which required the United States Trade Representative (USTR) to identify countries that consistently erected barriers to U.S. exports and to initiate steps to remove those barriers.[18] On balance, however, labor was quite disappointed with the trade bill. Under business, Republican, and presidential pressure, various labor-backed provisions were dropped or watered down. In particular, the provision in early House drafts of the bill most strongly supported by labor—the so-called "Gephardt amendment,"[19] which would have required the use of quotas and tariffs to penalize countries such as Japan that ran large chronic surpluses with the United States—was replaced in the final draft by the Senate's weaker "Super 301" plank.

In 1993, the trends that had limited labor's influence in earlier trade fights again limited the movement's impact during the NAFTA debate, including on the Democrats. Labor's diminished political clout, the business mobilization in support of the pact, and Clinton's success in neutralizing public opinion on the issue and in winning Democratic support for the treaty, particularly from moderate and conservative southerners, with his deals and persuasion,[20] together allowed the pro-NAFTA forces to carry the day.

Four years later, however, the 1997 fast-track battle would break the mold of all previous trade struggles.

THE FAST-TRACK FIGHTS: LABOR WINS TWO BIG ONES[21]

In the fall of 1997, another trade policy battle royal was fought as the Clinton administration sought to revive the process of American trade liberalization, which had ground to a halt since the congressional approval of the Uruguay Round GATT treaty in late 1994.[22] Hoping to strengthen his legacy as a champion of liberal trade during his second term, Clinton requested new fast-track authority with the immediate aim of expanding NAFTA to include Chile. But his broader ambition was to negotiate still other free-trade agreements with developing nations in Latin America and Asia.

In 1994, the Clinton administration, looking toward an agreement with Chile, had actually already sought such new fast-track authority in its draft of the Uruguay Round implementing legislation. But anxious to heal the rift with labor resulting from the NAFTA fight before the 1996 presidential campaign, USTR Mickey Kantor proposed that labor and environmental standards be explicitly included as negotiating goals. Both the business community and its Republican congressional allies were militantly opposed to the inclusion of such standards. Rather than jeopardize the approval of the GATT agreement, the Clinton administration decided to remove the fast-track provision from the implementing legisla-

tion. The introduction of a new fast-track proposal was postponed until after the election.

Clinton Tries Again, but Labor Carries the Day

Having secured his reelection, in early 1997 Clinton set out again to win new fast-track authority.[23] This time, the administration was willing to consider a "clean" bill (i.e., one that ruled out the inclusion of labor and environmental issues in the core of any new trade agreements) to gain business and GOP support.

The new White House strategy was based on the calculation that the labor movement would not make trade a top priority in 1997. New AFL-CIO president John Sweeney, formerly president of the Service Employees International Union (SEIU), and his close advisers all came out of the service and public sectors, and thus they tended to care less about trade than did the industrial unions.

In the end, however, the administration's calculations with respect to labor's intentions proved to be mistaken. Under pressure from the industrial unions, Sweeney eventually overcame his reservations about opposing the renewal of Clinton's fast-track authority, and at its annual February meeting, the AFL-CIO denounced any NAFTA expansion agreement that did not include provisions to raise foreign wages and labor standards.[24]

Presidential election politics now once again intruded into the debate. Aligning himself with labor, potential presidential hopeful and "Old" Democrat Richard Gephardt circulated a twelve-page letter attaching a wide range of labor, environmental, and political conditions to any new free-trade agreements. Vice President and "New" Democrat Al Gore had been a strong supporter of Bill Clinton's trade liberalization program. But hoping to avoid a politically damaging fight with organized labor that might boost Gephardt's candidacy, Gore urged at least a delay in the submission of the fast-track proposal to Congress to allow him more time to strengthen his ties to labor.

White House officials had no wish to jeopardize Gore's presidential chances. Nor did they wish to further offend congressional liberals as they pursued Clinton's top priority—a balanced budget. Thus, in mid-May, the White House decided to postpone delivery of its fast-track proposal until the fall.

Clinton finally unveiled his fast-track plan on September 16. In the proposal, the White House attempted to find a middle ground between Democrats and Republicans. Labor and environmental standards were included among the "negotiating objectives" set out in the bill. But such issues were to be included in trade pacts only if they were "directly related to trade." Also, the enforcement of such standards was assigned to multilateral trade institutions such as the World Trade Organization, which had in the past been hostile to linking labor standards and trade. Commercial issues, however, such as intellectual property, trade in services, and agriculture, were to be addressed in core trade agreements, where sanctions could be used to enforce them.

Clinton's plan initially satisfied no one. Labor and its Democratic allies attacked the proposal for not placing enough emphasis on the inclusion of strong labor and environmental standards in future trade accords, while business and Republican critics were angry that the plan called for any attention at all to labor and environmental issues.

By the time of the October 1 markup of the bill by the pro-free-trade Senate Finance Committee, the White House, convinced that the fate of its fast-track proposal lay in Republican rather than Democratic hands, had agreed to weaken the measure's labor and environmental provisions enough to mollify most GOP concerns. Thus, the bill was passed by the committee with only one opposing vote. A week later, after another round of negotiations with the administration, the House Ways and Means Committee approved a similar version of the bill. But heralding the partisan battle to come, only four of the panel's sixteen Democratic members voted in favor of the measure.

During the next two months, another NAFTA-like battle was waged between the supporters and opponents of further trade liberalization. As in that earlier contest, by the end of the struggle, the pro-fast-track coalition—again including internationally oriented business interests, the elite media, the economics profession, the Republican congressional leadership, the Democratic Leadership Council, and, of course, Bill Clinton—was fighting hard for passage of the bill. On the other side of the trenches, organized labor, environmental and citizens groups, and liberal congressional Democrats were just as strenuously opposing the measure for its neglect of labor and environmental issues. These liberal forces were again joined on the barricades by conservative Republican nationalists concerned about the alleged threat to U.S. "sovereignty."

While the traditionally pro-free-trade Senate would have passed its version of the fast-track bill,[25] this time in the House, labor and its allies emerged victorious. After votes on the fast-track bill were delayed twice, Clinton was forced to withdraw his proposal when it became clear that he lacked the votes in the House to pass it. A number of tallies suggested that the measure would have gotten the support of about 70 to 75 percent of House Republicans but only 21 percent of House Democrats.[26]

Explaining Labor's Victory

Following so soon after NAFTA's approval, how can the defeat of Clinton's fast-track proposal be explained? The secularly deteriorating structural position of organized labor had certainly not improved since 1993. Unions today represent only 14 percent of all U.S. workers, down from 35 percent in the 1950s. And despite the AFL-CIO's heightened commitment to organizing following the election of its new president, John Sweeney, in late 1995, union membership is still down in both relative and absolute terms since early 1996.[27] In addition, in late 1997, economic growth was strong, unemployment was low, Bill Clinton's popu-

larity was high, and the generally pro-free-trade Republican party was in control of both houses of Congress. What other factors had changed to permit labor's fast-track victory?

First, whereas by the end of the NAFTA fight, public opinion on the treaty had been evenly split, by late 1997 the American public was solidly opposed to renewing Clinton's fast-track authority. This was due in large part to the widespread belief, shared by many in Congress, that NAFTA had been a failure. Much of the public believed that (1) with the trade deficit with Mexico rising, NAFTA had cost U.S. jobs; (2) jobs gained from increased exports were no better than those lost to imports or foreign investment; (3) competition from Mexico was undermining American workers' bargaining power and wages; and (4) NAFTA had eroded U.S. environmental quality. Such perceptions fueled a more general concern—or "globalphobia," as it was termed—that globalization and trade liberalization were adversely affecting American jobs, living standards, and quality of life.[28]

Still, the role of public opinion in stopping fast track should not be exaggerated. Government officials have often pursued free-trade policies even when those policies were unpopular.[29] This is especially likely to occur when the public's preferences are not intense, as appears to have been the case on fast track, which voters found less salient than NAFTA. Had public opinion as a whole played a predominant role in the demise of fast track, more than 25 to 30 percent of House Republicans should have opposed it.

Second, expert opinion had also shifted to some degree since the NAFTA fight. A number of studies questioned the degree to which NAFTA had benefited the country or different groups within the population,[30] while still other analyses argued more broadly that globalization had negatively affected the wages of certain sectors of the labor force as well as the distribution of income.[31] Again, though, most trade and other experts strongly supported the fast-track bill.

Third, business support for fast track was both slower in mobilizing and less enthusiastic than had been the case for NAFTA, whose benefits to business were clearer than were those expected to result from the more procedural fast-track bill. In June, Americans Lead on Trade, a coalition of about 550 umbrella business organizations, trade associations, and companies, was formed to build support for the renewal of fast-track authority.[32] But fearing that Clinton's fast-track proposal might include unacceptable labor and environmental provisions, the coalition refused to endorse the measure until it saw the final Senate and House language, and thus it really did not start working the bill until late October. Nonetheless, the business push for fast track during the last weeks of the fight was substantial.

Fourth, conservative economic nationalist influences, both electoral and ideological, contributed to the decision of a substantial bloc of Republicans to oppose fast track. Once the party of protectionism, after World War II the Republicans had gradually entered into a bipartisan consensus on liberal trade. But following

the end of the cold war, working- and lower-middle-class "Reagan Democrats" began to look toward populist and economic nationalist, though not liberal, solutions to the emerging problems of job loss and wage stagnation. Their mounting anger fueled the presidential campaigns of both Pat Buchanan and Ross Perot in 1992 and 1996. They also propelled a wave of radical populist Republicans into the House in the 1994 elections, helping the GOP to capture control of Congress. These firebrands in many cases replaced marginal Democrats, especially in the South, whose support for NAFTA and free trade more generally had alienated blue-collar voters. Thus, more than half of the ninety-one Republicans first elected to the House in 1994 and 1996 opposed the fast-track bill.[33]

In the end, though, the overall impact of conservative economic nationalist influences on the preferences of House Republicans, and thus also the role of these influences in the defeat of fast track, was relatively limited. Fully 70 to 75 percent of the House GOP members supported the fast-track bill, close to the same proportion that had backed NAFTA in 1993. For all their sound and fury, the populist and nationalist bloc of House Republicans did not actively mobilize against the measure, while the House Republican leadership energetically threw itself into the fight for fast track.

Anti-Fast-Track Influences on the Democrats

A number of factors contributed to the defeat of fast track primarily through their influence on the Democrats, whose overwhelming opposition to the measure ultimately doomed it. Whereas 60 percent of House Democrats had voted against NAFTA in 1993, 79 percent of party members opposed fast track in 1997.

To an important extent, the more unified Democratic opposition to fast track in 1997 was an artifact of the more homogeneously liberal composition of the House Democratic caucus.[34] A substantial number of moderate and conservative, mostly southern and suburban pro-NAFTA Democrats retired or were defeated in the Democratic rout of 1994 and in the subsequent 1996 election.[35] Surviving Democratic incumbents, on the other hand, were more likely to come from liberal urban or labor-dominated districts where opposition to free trade was strongest.[36] In addition, in 1996, the Democrats won a number of new seats, mostly in liberal northern districts. Only 23 percent of these new Democratic members planned to vote for fast track. Thus, due to electoral shifts, the House Democratic caucus in 1997 was smaller but more consistently liberal than it had been in 1993.

This explanation of heightened Democratic cohesion on fast track is incomplete, however. It cannot explain why, among the ranks of Democratic fast-track opponents, were both seventeen former NAFTA supporters and some newly elected nonsouthern moderates.[37] Included in these two groups were half of the forty-one members of the moderate New Democratic Caucus who sympathized with the views of the Democratic Leadership Council. What explains the opposi-

tion to fast track among these Democrats who might have been expected to support Clinton's proposal?

First, Clinton's efforts on behalf of fast track were less concerted and effective than they had been during the NAFTA battle, when he had been able to win over a substantial number of undecided and wavering Democratic moderates.[38] Not wanting to call attention to the intra-Democratic split over the issue or to unduly offend labor, whose support Al Gore would need in the 2000 presidential campaign, Clinton never took his case to an anxious public that remained highly skeptical of the value of liberalized trade. Instead, Clinton relied exclusively on an "inside-the-beltway" strategy, promising congressmembers a flurry of last-minute concessions in return for their votes. But his deal making did not work this time since his credibility had been diminished by his failure to deliver on most of the promises he had made during the NAFTA fight.[39]

Clinton had also antagonized House Democrats in other ways, perhaps most importantly with the balanced budget deal that he had struck with the Republicans the previous summer. Many Democrats believed that the concessions on taxes and spending that Clinton had made to reach such an agreement had undermined his ability to create the "social compact" that he had repeatedly promised for those displaced by economic change.[40]

Nonetheless, toward the end of the controversy, Clinton worked hard to win the fast-track battle.

Labor's Decisive Role: Laying the Groundwork in the 1996 Elections

I would argue that the most important factor underlying the Democrats' solid opposition to fast track was the structurally enabled "agency" of organized labor. Reflecting on the political significance of labor's victory, Thomas Edsall went so far as to suggest that the "unions' formidable efforts to block the 'fast track' trade bill shows that organized labor has more influence than at any time since 1968, when it nearly elected a president."[41]

As we shall see in a moment, during the fast-track fight, labor employed a wide range of strategies.[42] But to an important extent, the key to labor's victory was its extensive prior involvement in the 1996 congressional elections. This effort left labor with both an impressive grassroots organizing infrastructure and substantial leverage on congressional Democrats during the fast-track battle the following year.

Shortly after the Republican takeover of Congress in 1994, labor launched a concerted campaign—"Labor '96"—to help the Democrats recapture control of at least the House of Representatives.[43] Individual unions provided tens of thousands of volunteers who educated, registered, and turned out voters to the polls in support of labor-backed candidates. Beyond this, after replacing the quiescent leadership team headed by Lane Kirkland, the AFL-CIO under new president John Sweeney waged an independent, $35 million campaign on behalf of Demo-

cratic candidates that included a grassroots field effort in 120 congressional districts directed by 135 full-time political coordinators and a multimedia issue advocacy campaign. In addition, union political action committees (PACs) increased their campaign spending on behalf of their endorsed candidates to better able those candidates to reach and persuade uninformed or inattentive voters.

Labor's intensified efforts in 1996 were effective. In the 1992 presidential and congressional elections, exit polls showed that 19 percent of the electorate was from union households. Two years later, angered by their loss to Clinton on NAFTA, union activists largely sat out the midterm elections. The result was a decline in the union share of the turnout to only 14 percent. But in 1996, turnout among union households jumped to 23 percent of the electorate. In addition, while 40 percent of union members had voted for Republican congressional candidates in 1994, this figure dropped to 35 percent in 1996.

Labor's campaign contributions also played an important role in the 1996 elections. Business as usual substantially outspent labor in PAC and individual contributions, this time by a margin of 7 to 1.[44] But with business PACs shifting their contributions toward the Republicans following the GOP takeover of Congress in 1994, the Democrats were left more dependent on labor money to finance their 1996 campaigns. In House races, for example, labor PAC contributions, which totaled roughly 36 percent of all PAC donations to Democratic candidates in 1994, rose to about 48 percent in 1996.[45] Thus, union money helped keep Democratic candidates at least competitive with their Republican rivals in 1996.

Labor's education, registration, and turnout efforts, together with its PAC contributions, paid real dividends in the 1996 elections. Democratic House candidates defeated 45 of the 105 Republicans targeted by the AFL-CIO.

The Labor Mobilization against Fast Track and Its Effects

During the fast-track fight a year later, labor sought both to build and capitalize on its efforts in the 1996 elections.[46] First, labor employed a number of "outside" lobbying tactics.[47] Relying on "Labor '96" coordinators who remained in place in many congressional districts, the AFL-CIO mounted an exceptionally effective grassroots and advertising offensive against fast track in targeted districts, while several federation affiliates—especially the Teamsters, the Steelworkers, and the Union of Needle, Industrial, and Textile Employees (UNITE)—undertook their own independent anti-fast-track activities. And it was not just the industrial unions that waged the battle. The previous summer, the industrial unions had backed up their public-sector colleagues in the fight over the balanced budget. Now those same public-sector unions repaid their debt by throwing themselves into the fast-track fight.

Union members opposed to fast track sent hundreds of thousands of letters and postcards to their representatives, placed more than 10,000 phone calls to Congress, made hundreds of visits to congressional district offices, distributed thou-

sands of anti-fast-track videos and booklets, and held dozens of teach-ins and rallies on trade. Meanwhile, the AFL-CIO spent about $2 million on TV and radio ads in twenty key congressional districts.

Labor also actively engaged in "inside" lobbying within the Washington Beltway. Labor lobbyists regularly met with and pressed House members—mostly Democrats, but also some Republicans—to oppose fast track. Labor also enlisted the active support of key House leaders, especially Minority Leader Richard Gephardt and Minority Whip David Bonior, who worked hard to convince undecided Democrats to come out against Clinton's proposal. Finally, union staff members also participated actively in the weekly strategy meetings of the Citizens' Trade Campaign, a broad anti-fast-track coalition of labor, environmental, consumer safety, and civil rights organizations.

In waging its anti-fast-track campaign, labor learned from its unsuccessful fight against NAFTA four years earlier. Attempting to combat the charge that it was acting as a narrow "special interest" in defense only of its own members, labor rejected the protectionist label and instead acknowledged the inevitability and even the desirability of global economic integration. But as AFL-CIO president John Sweeney explained, "The question is not . . . whether we are internationalists, but what values our internationalism serves."[48]

Thus, labor and its liberal Democratic allies framed their opposition to Clinton's "clean" fast-track proposal as part of a wider, more positive argument that globalization had to be managed in the general interest of the country and indeed the world as a whole rather than just the big exporters and multinational corporations. This meant "rules for—not resistance to—globalization," as Richard Gephardt put it.[49] More specifically, labor and its supporters called for labor and environmental standards in developing nations to be raised to simultaneously improve living conditions in those poverty-ridden countries, create an expanding middle class that could buy American products, and prevent a corporate "race to the bottom" that would erode U.S. jobs, wages, and environmental quality.[50]

In pursuit of these goals, during the fast-track fight, labor sought to build what, following Karl Polanyi, might be termed a broad *protective countermovement* to limit globalization's various adverse and disruptive effects.[51] More concretely, to turn public opinion against fast track, labor cooperated more actively and fully with environmental, human rights, consumer safety, and other groups than had been the case during the anti-NAFTA campaign, stressing a wide range of both labor and nonlabor concerns. "We didn't just want to talk to union members," said Steven Trossman, an anti-fast-track strategist with the Teamsters. "We wanted to talk to a broader audience to say this is bad for families, even if your job is not on the line."[52]

Labor's various outside and inside lobbying activities were productive. Labor's grassroots mobilization and issue advocacy advertising efforts contributed to the movement of public opinion against Clinton's proposal and conveyed

information on the public's preferences on the issue to congressmembers. At the same time, labor's inside lobbying efforts reinforced the message from the grassroots, while also perhaps playing some role in altering legislators' personal preferences on the issue.

But labor's campaign did more than convey information on different aspects of the fast-track issue to House members. Labor leaders also exerted more forceful pressure by bluntly warning that lawmakers who supported fast track could not expect either union manpower or money for their 1998 campaigns, even if that meant that some Democrats might lose.[53]

This labor pressure had its desired effect. As noted earlier, informal tallies indicated that 79 percent of House Democrats would have opposed Clinton's fast-track bill had it come to a vote. Many Democrats, including moderate members of the New Democratic Caucus, feared that their support for fast track would lead union activists to sit out the 1998 campaign, as many had done in 1994. Thanks largely to labor's mobilization in 1996, the Democrats had benefited from a significant increase in the union vote that year, and many party members were reluctant to risk another depressed labor turnout in 1998 by backing the fast-track bill.[54]

The Crucial Role of Labor Money

I would argue, however, that even more important in convincing Democrats to oppose fast track than the possible loss of union manpower in the 1998 elections was the threatened loss of union money. While studies of the effects of campaign spending by individual PACs on congressional voting have been inconclusive, it has been demonstrated that broad aggregations of corporate or labor PAC contributions can produce voting effects on issues of general concern to business or labor.[55] In particular, business and labor PAC spending does seem to have significant effects on congressional voting on trade issues.[56] In the specific case of the fast-track fight, the force of labor's threats to reduce or withdraw contributions to Democratic incumbents who voted for Clinton's proposal stemmed from a recent and substantial shift in the sources of Democratic campaign finance.

Beginning in the mid-1970s, business PACs dramatically proliferated, and their total spending on congressional campaigns exploded.[57] At the same time, hoping to scale back the New Deal social welfare and regulatory state, these PACs abandoned their traditional, access-oriented strategy of donating to candidates of both parties and instead shifted the bulk of their contributions to Republican candidates in the 1978, 1980, and 1982 congressional elections.

Since the number of union PACs grew only slowly during this period and because these PACs also regularly ran up against campaign contribution limits, congressional Democrats were left desperately short of funds to conduct their increasingly media and consultant-intensive campaigns. To regain lost corporate support, the Democrats were forced to adopt more business-friendly and less labor-responsive policy positions, including on trade issues such as NAFTA.[58]

This policy shift, along with the Democrats' retention of control of the House of Representatives in the 1982 elections and their recapture of the Senate in 1986, produced a partial shift of business campaign contributions back to the Democrats.[59] Thanks to this new influx of business money, from 1982 to 1992, the business share of House Democrats' total PAC receipts[60] jumped from 41 to 54 percent, while labor's share fell from 43 to 33 percent.

The 1994 elections, however, produced yet another shift in the structure of campaign finance, also with corresponding policy consequences.[61] After the Republican takeover of Congress, business PACs, pressured by the new GOP congressional leadership, again reduced their contributions to the Democrats while substantially increasing their donations to the now majority Republicans. Meanwhile, labor PACs increased their contributions to Democratic candidates.[62] Thus, as noted earlier, union PAC contributions, which totaled roughly 36 percent of all PAC donations to Democratic House candidates in 1994, rose to about 48 percent in 1996. Still more important, Democratic challengers who won Republican-held seats in 1996 received more than 60 percent of their PAC contributions from labor.[63]

This renewed Democratic dependence on organized labor for campaign funds was further compounded by the fundraising scandals stemming from the 1996 election. Abandoned by many of its major donors, the Democratic National Committee was $15 million in debt, leaving it unable to aid party candidates with soft money.[64]

The Democrats' desperate need for union money heightened the credibility of labor's threat to withhold funds from fast-track supporters in the 1998 midterm elections and thus decisively contributed to the defeat of Clinton's proposal.[65] "Labor has obviously increased its influence in the Democratic Party since we've become the minority and the business community is either less engaged or less influential with us than ever before," said one senior House Democrat.[66] A House Democratic leadership aide observed, "Your average House Democrat is thinking, 'The DNC is broke, Clinton is helping Gore, Big Business is with the Republicans, all we've got is labor.'"[67] "This is a $200,000 vote for me," another Democrat reportedly told a Clinton aide, explaining why he might not vote for fast track even though he had voted for NAFTA.[68]

It is important to be clear that during the fast-track fight, labor's financial clout gave the movement influence with Democrats of various ideological stripes, not just pro-union liberals. With business turning away from the Democrats, even the moderates of the New Democratic Caucus were badly in need of money for their 1998 campaigns. Looking to labor for help, half of them opposed the fast-track bill, to the dismay of the leaders of the Democratic Leadership Council.[69] "The business community really has to think very hard about ignoring House Democrats," complained DLC President Al From.[70]

Thus, despite its continued long-term decline, by converting and strategically deploying its structurally generated human and especially its financial resources in a temporarily favorable political conjuncture, organized labor was able to win a major battle against the forces of globalization and free trade. At least in this instance, labor's structurally enabled agency triumphed over the structural constraints that so often limit the movement's advance.

1998: The Lines Are Drawn Again

Chastened by his defeat at labor's hands, Bill Clinton had no plans to introduce another fast-track proposal until after the 1998 and perhaps even the 2000 elections, in both of which Democratic candidates, including likely presidential aspirant Al Gore, would need labor votes, money, and volunteers. In fact, looking ahead to the 2000 campaign in which Clinton hoped to pass his mantle on to his vice president, both Clinton and Gore spent much of 1998 working to repair their ties to the liberal-labor wing of the Democratic Party.[71]

Thus, it was Republican Speaker of the House Newt Gingrich who in late June surprised observers by announcing a late September vote on a new fast-track proposal containing no strong labor and environmental provisions.[72] Gingrich's motives appear to have been partisan. First, the Speaker hoped to exploit differences on trade among labor, House Democrats, and the White House just before the fall midterm congressional elections. Second, Gingrich wanted to show business that the GOP cared as much about the corporate agenda as it did about the concerns of social conservatives whose strength within the party had recently appeared to be growing. Finally, Gingrich hoped to mend political fences with farmers to make up for phasing out the farm subsidies that once cushioned price drops.

Most House Republicans backed their leader's bill, determined to hold Democrats accountable in the upcoming elections for blocking fast track's passage. In particular, the Republicans hoped to spotlight the Democrats' alleged subservience to labor in regions with concentrations of export-dependent agricultural interests.[73]

The great majority of House Democrats opposed the GOP measure, due once again mainly to pressure from organized labor.[74] On one hand, labor vociferously attacked and mobilized against the bill. At the same time, concerned to prevent the election of a filibuster-proof Republican Senate, labor mounted another major effort in support of Democratic candidates in the upcoming congressional races. This time, though, labor found itself massively outspent by business. Labor also faced the threat of a low turnout of its members, who along with other Americans had become increasingly alienated from politics by a succession of scandals. Thus, labor now decided that its route to greater congressional influence lay not primarily in its campaign contributions, which for the most part had already been

collected anyway, or even in a media "air war," but rather in a full-scale, get-out-the-vote "ground war."[75]

Labor's strategy paid off almost immediately on fast track. Desperate to retain the support of grassroots union activists to avoid another depressed turnout of their core labor base in the elections now only six weeks away, both traditional union supporters and other more moderate Democrats opposed Gingrich's fast-track measure.

On September 25, the House decisively defeated the Republican fast-track bill by a vote of 180-243, a substantially greater margin than the one by which Clinton's fast-track proposal had been rejected the year before. Only 29 Democrats, or about 15 percent, voted for the measure this time, while 171 opposed it. On the Republican side, 151 members, or about 70 percent, voted for it, and 71 voted against it. Labor had won yet another major trade policy victory.

LOOKING AHEAD: THE "BATTLE IN SEATTLE" AND BEYOND

In early December 1999, Bill Clinton made one more attempt to further establish his legacy as a champion of free trade when he journeyed to Seattle to try to convince delegates to the WTO meeting to launch a new "Millennium Round" of international trade negotiations. The talks collapsed, however, amidst dramatic, well-organized street protests by anti-WTO activists, who built upon their experiences in the NAFTA and fast-track fights.

In fact, inside the meeting hall, the discussions fell apart in good measure because Clinton was attending to another element of his legacy: the vindication of his presidency through the election of his vice president, Al Gore, as his successor in the 2000 election.

Once again the key to understanding this development was organized labor, whose support Gore would need in both the primaries and the general election. Labor had been angered in mid-November when, shortly after the AFL-CIO had endorsed Gore, the administration, to facilitate China's entry into the WTO, negotiated a trade pact with Beijing that the unions worried would lead to a surge of cheap textile and other imports. Now labor came in force to Seattle, joining environmental, human rights, and other activists, to demand that any new international trade agreements include core labor standards.

Concerned that a negotiating agenda that made no reference to worker rights would outrage labor and damage Gore's prospects (and might also intensify labor opposition to China's entrance into the WTO),[76] Clinton proposed that the WTO establish a working group on international labor standards and even suggested that the organization might need to use sanctions to enforce compliance with such standards. The developing nations took great offense at these ideas, seeing in them a thinly veiled protectionist attempt by the U.S. to exclude their goods from American markets. Thus, the WTO talks collapsed.

What will the post-Seattle future hold? This spring or summer will see a furious congressional battle over Clinton's last free-trade initiative: the permanent normalization of trade relations with China, which is necessary if the U.S. is to receive the market-opening concessions China has made to get into the WTO.[77] The issue is of immense importance to the American business community, which, led by the Business Roundtable and the U.S. Chamber of Commerce, is planning to spend more than $10 million on a massive personal, grassroots, and media lobbying campaign.

On the other side of the trenches, fearing that the entrance of China into the WTO will prevent that body from ever giving serious considerations to worker rights, organized labor, along with its allies, is planning to unleash one of its most intensive lobbying campaigns ever, to pressure lawmakers to reject permanent normal trading relations with Beijing. After again helping congressional Democrats to make important gains in the 1998 elections,[78] labor has been planning a stepped-up grassroots campaign for this year's races.[79] Labor will once again make it clear to its Democratic allies that members who back the unions on China may well lose labor support in November. As of this writing, this fight is too close to call.

The Long Run

What about the longer term? Will trade liberalization remain stalled, or will we eventually see the negotiation and ratification of new regional or multilateral trade agreements? On one hand, it is possible that aggressive organizing efforts will allow labor to offset the structural changes that have eroded the movement's social and political weight in the past several decades. Recent organizing successes among home health care workers in Los Angeles, textile workers in North Carolina, public employees in Puerto Rico, graduate student teaching assistants at the University of California, computer programmers in Washington state, and doctors in Pennsylvania provide some evidence for this scenario.[80] It is also possible that the strong dollar and economic weakness overseas may continue to widen the U.S. trade deficit, raise unemployment in particular industries, generate new demands for protection, and intensify public "globalphobia."[81] In such circumstances, a revitalized labor movement and its allies, with public opinion at their backs and supported by liberal congressional Democrats and some Republican nationalists, might well be able to continue to prevent or block new presidential trade liberalization initiatives that lack strong labor and environmental standard provisions. Alternatively, labor and its allies may even be able to force the inclusion of such provisions in new trade legislation.

On the other hand, developments may transpire that will make it more difficult for labor to continue to win such victories. First, structural economic changes may continue to erode organized labor's numbers and resources. Second, if domestic

economic growth remains steady and unemployment low, and the value of the dollar declines while overseas growth picks up, thus reducing the trade deficit, popular opposition to trade liberalization may recede, further depriving labor of the ally of public opinion. Finally, stunned by its 1997 fast-track defeat, the business community has begun to reorient its trade and wider political strategies in ways that could eventually help revive both Democratic and popular support for free trade. This last point is worth a longer discussion.

Many corporate leaders now believe that business made a mistake in so dramatically shifting its support from Democratic to Republican incumbents after the 1994 midterm elections. These leaders worry that the Republicans have become too strongly influenced by social conservatives, small business populists, and economic nationalists hostile to the interests of big multinational companies, especially with regard to trade policy. They also recognize that business will need at least some Democratic allies if it hopes to win on issues such as fast track in the future, but this requires that labor's current position of strength within the party be weakened or offset. Thus, a range of business interests has urged corporate and PAC officials to resume their support of and contributions to both political parties.[82]

To encourage this business reorientation, the New Democratic Network PAC, philosophically aligned though not formally affiliated with the Democratic Leadership Council, was formed in mid-1996. The PAC's aim is to help push the Democratic Party in a moderate, pro-business, and pro-free-trade direction by raising more corporate money for ideologically sympathetic Democratic candidates, thus weaning the party away from its heavy dependence on labor union contributions.[83]

There is evidence that business has in fact begun to rebalance its financial support for the parties, once again reducing the Democrats' dependence on labor money. In the 1997-1998 election cycle, the share of House Democrats' PAC money that came from labor fell to 43.6 percent, down from 48.4 percent two years earlier.[84]

And in the first half of 1999, with business now also beginning to hedge its bets against a possible Democratic takeover of the House, the National Republican Campaign Committee and the Democratic Congressional Campaign Committee split donations from business 50-50. This is in sharp contrast to the 1998 election, when the NRCC collected 63 percent of the business money.[85]

Second, beginning in early 1998, a number of major business organizations—including the Business Roundtable, Big Business's premiere lobbying organization; the Emergency Committee for American Trade, a lobbying group representing 53 multinational corporations; and the U.S. Chamber of Commerce—have undertaken or are planning to launch grassroots education and lobbying campaigns in targeted congressional districts and elsewhere to persuade American voters and their representatives of the merits of free trade.[86]

It is possible that continuing labor weakness, the shift of some business campaign contributions back to the Democrats, and the success of business's new outside lobbying efforts in strengthening popular support for free trade may together moderate Democratic opposition to further trade liberalization. This, in turn, may allow free traders to win approval of new trade liberalization legislation containing no serious labor and environmental standards provisions.

A Path for Labor

In weighing these two scenarios, I would argue that in the long run, labor is not likely to have sufficient strength to block all future liberalizing trade agreements. Beyond this, I would maintain that labor should not try to block all such agreements. As longtime United Electrical Workers staffmember Lance Campa has explained, while shifting trade flows hurt many workers, many others gain from trade, and many more could benefit from a liberal trading order accompanied by strong labor standards to protect workers' rights. Compa also argues that if trade agreements are simply blocked, economic integration will proceed anyway, leaving no international scrutiny on labor rights. Thus, Compa concludes that rather than oppose such accords outright, labor should instead engage in the fight for worker rights on many fronts[87] while remaining ready to compromise for incremental advances. This could include support for a modified fast-track bill or acceptance of a free-trade agreement containing only modest gains for labor rights.[88]

In its efforts to achieve such compromises, labor would be wise to continue its recent emphasis on the grassroots mobilization of its membership since the redirection of corporate campaign funds back to congressional Democrats is once again likely to dilute the influence of labor's own financial contributions.

To counter business's new offensive on behalf of free trade, the labor movement will also need to strengthen its already substantial commitment to coalition politics. As we have seen, labor has built effective coalitions with a wide range of organizations in the NAFTA and especially the 1997 fast-track fights and will do so again in the upcoming China battle. Since John Sweeney's installation as AFL-CIO president in late 1995, unions have also forged other promising alliances, especially with churches and community organizations in successful "living-wage" campaigns in more than thirty cities and with students on dozens of college campuses in fights against American-owned foreign sweatshops.[89]

Labor's task now, as suggested earlier, is to continue to build a broader and more durable "protective countermovement" against globalization's harmful consequences. This, in turn, will be more easily accomplished if labor is able to oppose capital's accumulation strategies with its own nonprotectionist, counterhegemonic vision for organizing the global economy that incorporates the concerns of environmentalists, human rights advocates, and others. Such a vision would involve a "grand compromise" with capital and at least the more

democratic developing countries in which these nations agree to enforceable labor and environmental standards in exchange for guaranteed commitments of long-term development aid and debt relief.[90] In fact, there are indications that the AFL-CIO is thinking seriously about such a "progressive internationalist" alternative program.[91]

If such a program and movement can be developed, labor and its allies may be able to strike an accommodation with the globalist adversaries at home and with developing countries abroad that is adapted to the new era we have entered. In such circumstances, the 1997 fast-track fight may prove to have been a turning point in the struggle over the shape of the emerging global economy.

NOTES

1. The first wave of globalization took place during the fifty years or so that ended in world war. The second wave occurred in the 1950s and 1960s. Richard Higgott, "Economics, Politics and (International) Political Economy: The Need for a Balanced Diet in an Era of Globalisation," *New Political Economy* 4, no. 1 (1999).

2. At this point in the debate on globalization and its consequences, the literature has simply become too vast to cite in any detail. But for a comprehensive recent discussion, see David Held, Anthony McGrew, David Goldblatt, and Jonathan Perraton, *Global Transformations: Politics, Economics and Culture* (Stanford, CA: Stanford University Press, 1999).

3. Helen Milner, *Resisting Protectionism: Global Industries and the Politics of International Trade* (Princeton, NJ: Princeton University Press, 1988); I. M. Destler and John S. Odell, *Anti-Protection: Changing Forces in United States Trade Politics* (Washington, DC: Institute for International Economics, 1987).

4. See Michael Lusztig, "The Limits of Rent Seeking: Why Protectionists Become Free Traders," *Review of International Political Economy* 5, no. 1 (1998): 38-63; Oona A. Hathaway, "Positive Feedback: The Impact of Trade Liberalization on Industry Demands for Protection," *International Organization* 52, no. 3 (1998): 575-612.

5. Terms suggested by Robert Cox and Bob Jessop, respectively. Robert W. Cox, *Production, Power, and World Order: Social Forces in the Making of History* (New York: Columbia University Press, 1987); Bob Jessop, "Post-Fordism and the State," in Ash Amin, ed., *Post-Fordism: A Reader* (Cambridge, MA: Blackwell, 1994).

6. For two extremely useful overviews and analyses, see Frederick W. Mayer, *Interpreting NAFTA: The Nature of Politics and the Art of Political Analysis* (New York: Columbia University Press, 1998); George W. Grayson, *The North American Free Trade Agreement: Regional Community and the New World Order* (Lanham, MD: University Press of America, 1995).

7. For the next two paragraphs, see Mayer, *Interpreting NAFTA*, 69-77; William P. Avery, "Domestic Interests in NAFTA Bargaining," *Political Science Quarterly* 113, no. 2 (1998): 281-305.

8. On general patterns of business support for NAFTA, see Ronald W. Cox, "Corporate Coalitions and Industrial Restructuring: Explaining Regional Trade Agreements," *Competition & Change* 1 (1995): 13-30.

9. As Sandra Masur, director of Public Policy Analysis for Eastman Kodak and leader of the influential Business Roundtable's efforts on behalf of NAFTA, explained, American business supported NAFTA because "U.S. manufacturing must pursue joint production

[with Mexico] to keep costs down and compete against European and Japanese competitors who pursue similar strategies." Sandra Masur, "The North American Free Trade Agreement: Why It's in the Interest of U.S. Business," *Columbia Journal of World Business* 26, no. 2 (1991): 101. According to a 1992 Roper poll, 40 percent of some 450 U.S. corporate executives said it was "very" or "somewhat" likely that their companies would "shift some production to Mexico to Mexico . . . if NAFTA is ratified." For large companies, the figure was 55 percent. Samuel Bowles and Mehrene Larudee, "Nafta: Friend or Foe?" *New York Times* (15 November 1993).

10. In the same 1992 Roper poll, 24 percent of the executives surveyed admitted that it was either very or somewhat likely that "Nafta will be used by [their] company as a bargaining chip to keep wages down in the U.S." Bowles and Larudee, "Nafta: Friend or Foe?"

On NAFTA as an element of a strategy of industrial restructuring at labor's expense, see Mark E. Rupert, "(Re)Politicizing the Global Economy: Liberal Common Sense and Ideological Struggle in the US NAFTA Debate," *Review of International Political Economy* 2, no. 4 (1995): 658-92; Kim Moody, "NAFTA and the Corporate Redesign of America," *Latin American Perspectives* 22, no. 1 (1995): 95-115.

11. On a theoretical note, in a study of labor's influence on congressional voting on NAFTA in 1993, John Conybeare and Mark Zinkula suggest that large sectors of labor can be expected to support protectionism or to oppose trade liberalization, regardless of whether a "Stolper-Samuelson" or a "specific-factors" model of trade policy preference formation is assumed. According to Stolper-Samuelson theories, which assume that factors of production—broadly defined as capital, labor, and land—are perfectly mobile, owners of abundant factors will support free trade, while owners of scarce factors will back protectionism. Thus, in an advanced country such as the United States, in which labor is the scarce factor of production, labor as a whole should support protectionism. On the other hand, according to specific-factors models, which assume that production factors are immobile or sector specific, thus leading business and labor preferences to be determined at the industry or sector level, most workers should also support protectionism since a disproportionate share of the workforce is employed in labor-intensive, import-competing industries. See John A. C. Conybeare and Mark Zinkula, "Who Voted against NAFTA? Trade Unions versus Free Trade," *World Economy* 19, no. 1 (1996): 2-3.

In fact, labor opposition to NAFTA was stronger than either set of models would predict. Both Stolper-Samuelson and specific-factors models assume that capital is geographically immobile. But even if production factors are immobile across different industrial sectors, as assumed in specific-factors models, capital is often internationally mobile while labor is not. Consequently, labor feared that by increasing both the reality and the threat of a manufacturing capital flight to low-wage Mexico, NAFTA would have negative domestic employment and wage effects well beyond those created by an increase in imports produced by Mexican-owned firms. Robert C. Feenstra, "Integration of Trade and Disintegration of Production in the Global Economy," *Journal of Economic Perspectives* 12, no. 4 (1998): 31-50.

12. Thus, in the House, those members who relied most heavily on campaign contributions from union political action committees—all Democrats—cast lopsided votes against NAFTA. More specifically, in districts where Democratic members got 20 percent of more of their total campaign contributions from labor PACs, 77 percent of those members opposed the treaty. But those Democrats who received more money from business PACs than labor PACs split on the issue, voting against the treaty by a narrow 82-88 margin. Jon Healey and Thomas H. Moore, "Clinton Forms New Coalition to Win NAFTA Approval," *CQ Weekly* (20 November 1997): 3183.

Statistical studies that find significant labor effects on either House or Senate NAFTA voting include Conybeare and Zinkula, "Who Voted against NAFTA?"; Sharyn O'Halloran, "Comment," in Susan Collins, ed., *Imports, Exports, and the American Worker* (Washington, D.C.: Brookings Institution, 1998); Leo H. Kahane, "Congressional Voting Patterns on NAFTA: An Empirical Interpretation," *American Journal of Economics and Sociology* 5, no. 4 (1996): 394-409; Janet M. Box-Steffensmeir, Laura W. Arnold, and Christopher J. S. Zorn, "The Strategic Timing of Position Taking in Congress: A Study of the North American Free Trade Agreement," *American Political Science Review* 91, no. 2 (1997): 324-38; Eric M. Uslaner, "Let the Chips Fall Where They May? Executive and Constituency Influences on Congressional Voting on NAFTA," *Legislative Studies Quarterly* 23, no. 3 (1998): 347-71; Jeffrey W. Steagall and Ken Jennings, "Unions, PAC Contributions, and the NAFTA Vote," *Journal of Labor Research* 17, no. 3 (1996): 515-21; Robert E. Baldwin and Christopher S. Magee, "Is Trade Policy for Sale? Congressional Voting on Recent Trade Bills," NBER Working Papers Series No. 6376 (1998).

13. In his provocative new book, Taylor Dark disputes the widely shared view that labor's political influence declined during the post–World War II era, but I think he overstates his case. See Taylor Dark, *The Unions and the Democrats: An Enduring Alliance* (Ithaca, NY: Cornell University Press, 1999).

14. For the next four paragraphs, see I. M. Destler, "Trade Politics and Labor Issues: 1953-95," in Collins, ed., *Imports, Exports, and the American Worker.*

15. Alan V. Deardorff and Robert M. Stern, "American Labor's Stake in International Trade," in Walter S. Adams, ed., *Tariffs, Quotas, and Trade: The Politics of Protectionism* (San Francisco: Institute for Contemporary Studies, 1979); Paul Midford, "International Trade and Domestic Politics: Improving on Rogowski's Model of Political Alignments," *International Organization* 47, no. 4 (1993): 538-39, 555-57.

16. By curbing the import of cars and car parts and encouraging foreign countries to produce in the United States by limiting the amount of imported parts and labor permitted in cars sold in this country.

17. For a thorough analysis of this bill and the politics surrounding it, see Susan C. Schwab, *Trade-Offs: Negotiating the Omnibus Trade and Competitiveness Act* (Boston: Harvard Business School Press, 1994).

18. The bill also contained a tougher and expedited unfair trade practices procedure, including the designation of violations of workers' rights as unfair trade practices, and an expanded training and adjustment assistance program. A measure requiring that advance notification be given of plant closures involving 100 or more workers, originally included in the bill, was eventually passed as a freestanding piece of legislation.

19. Sponsored by Rep. Richard Gephardt (D-MO).

20. On Clinton's success in both moving public opinion and in winning over Democratic legislators, see Uslaner, "Let the Chips Fall Where They May?"; Eric M. Uslaner, "Trade Winds: NAFTA and the Rational Public," *Political Behavior* 20, no. 4 (1998): 341-60; C. Don Livingston and Kenneth Wink, "The Passage of the North American Free Trade Agreement in the U.S. House of Representatives: Presidential Leadership or Presidential Luck?" *Presidential Studies Quarterly* 27, no. 1 (1997): 52-70.

21. For additional discussion of the events covered in this section through the summer of 1997, see I. M. Destler, *Renewing Fast-Track Legislation* (Washington, D.C.: Institute for International Economics, 1997), 16-27; I. M. Destler, "Congress and Foreign Trade," in Robert A. Pastor and Rafael Fernandez de Castro, eds., *The Controversial Pivot: The U.S. Congress and North America* (Washington, DC: Brookings Institution, 1998), 127-39.

22. Because of the complexity of the GATT agreement and the resulting uncertainty as to its effects, the accord did not evoke the visceral responses that NAFTA had from U.S.

workers, for whom the flight of manufacturing capital to Mexico had constituted a palpable threat. Consequently, labor largely sat out the fight over the approval of the less controversial GATT deal, and the agreement was eventually passed with substantial bipartisan majorities. Thus, I will not discuss it here.

23. For the next five paragraphs, see Aaron Bernstein, "NAFTA: A New Union-Busting Weapon?" *Business Week* (27 January 1997): 4; Paul Blustein, "Fast-Track Trade Plan Pits White House against Top Congressional Democrats," *The Washington Post* (22 March 1997): A11; John Maggs, "Trading Places," *The New Republic* (14 April 1997): 15-16; Robert S. Greenberger, "Clinton to Delay Fast-Track Trade Bill until Fall," *The Wall Street Journal* (23 May 1997): A2; Dan Balz, "The Battle to Seize the Heart and Soul of the Democrats," *The Washington Post National Weekly Edition* (9 June 1997): 11-12; David Corn, "Dick Gephardt: Working-Class Hero, On-the-Make Pol or Both?" *The Nation* (7 July 1997): 11-16; Jonathan Cohn, "Hard Labor," *The New Republic* (6 October 1997): 21-26.

24. The industrial unions' resolve was heightened by the findings of a study conducted for the U.S., Canadian, and Mexican governments by Cornell University labor economist Kate Bronfenbrenner. The three-year survey, which the U.S. Labor Department initially sat on, found that 60 percent of union organizing efforts in manufacturing after NAFTA were met by management threats to close the factories, compared with 29 percent before NAFTA. Kate Bronfenbronner, *Final Report: The Effects of Plant Closings or the Threat of Plant Closings on the Right of Workers to Organize* (Ithaca: New York State School of Industrial and Labor Relations, Cornell University, 1997).

25. In early November, the Senate voted 69-31 in favor of a cloture resolution to defeat an attempted filibuster and allow consideration of the fast-track bill. Given the substantial size of many states, protectionist interests are more easily counterbalanced by pro-free-trade interests than is the case in smaller House districts. In addition, states with low levels of unionization are overrepresented in the Senate, again predisposing the upper chamber toward free trade. On the latter point, see Daniel Wirls, "The Consequences of Equal Representation: The Bicameral Politics of NAFTA in the 103rd Congress," *Congress & the Presidency* 25, no. 2 (1998): 129-45.

26. Forty-three Democrats and 160 to 170 Republicans would have voted for fast track. For these estimates, see Claude E. Barfield, "Politics of Trade and Fast Track in the United States" (paper presented at the First Academic Colloquium of the Americas, University of Costa Rica, March 1998, AEI Speeches [Online]. Available: http:/www.aei.org/sp/spbarfld.htm).

27. Although unions did gain a net 100,000 new members in 1998.

28. A July *Wall Street Journal*/NBC News poll showed that 42 percent of Americans believed that NAFTA had a negative impact on the United States—up from 35 percent in mid-1994—while only 32 percent believed it had had a positive impact. Respondents also opposed granting Clinton new fast-track authority by a 62 to 32 percent margin. Other polls also showed that the public was generally skeptical of free trade and by a wide margin supported the use of trade agreements to protect the environment and raise living standards.

For polling results on NAFTA and fast track, see Julie Kosterlitz, "Muddy Track," *The National Journal* (9 August 1997): 1595; William Schneider, "Democrats Battling Over Their Future," *The National Journal* (13 September 1997): 1810. For more general surveys of public opinion on trade and trade policy, see Alan Tonelson, "Public Opinion Demands Fixes to Trade Policy," *The Seattle Post-Intelligencer* (30 April 1997): A13; *The Public Perspective* (August/September 1997): 36-37.

29. On this point, see Christoph Scherrer, *Free Trade Elites and Fair Trade Masses: Why Has Public Opinion Mattered So Little?* (Berlin: John F. Kennedy-Institut für Nordamerikastudien, 1994), Working Paper No. 65.

30. For discussion of these studies, see Kosterlitz, "Muddy Track"; Diane E. Lewis, "Report Hits NAFTA on Jobs," *Boston Globe* (27 June 1997): D1; "The NAFTA Effect: When Neighbors Embrace," *The Economist* (5 July 1997): 21-23.

31. See especially William Greider, *One World Ready or Not: The Manic Logic of Global Capitalism* (New York: Simon & Schuster, 1997); Dani Rodrik, *Has Globalization Gone Too Far?* (Washington, DC: Institute for International Economics, 1997); George Soros, "The Capitalist Threat," *The Atlantic* (February 1997): 47-58.

32. Amy Borrus, "Business Is in a Hurry for Fast-Track," *Business Week* (15 September 1997): 38-39; Peter H. Stone, "Business Pushes for Fast-Track," *The National Journal* (27 September 1997): 1903-4.

33. On the rise of Republican populism and economic nationalism, see John B. Judis, "The Tariff Party," *The New Republic* (30 March 1992): 23-25; John B. Judis, "White Squall," *The New Republic* (11 March 1996): 26-30; Ben Wildavksy, "Going Nativist?" *The National Journal* (27 May 1995): 1278-81; David Frum, *Dead Right* (New York: Basic Books, 1995), 136-41. On the role of this group in the fast-track fight, see Peter Beinart, "The Nationalist Revolt," *The New Republic* (1 December 1997): 22-26.

34. On these points see Barfield, "Politics of Trade," from which most of the accompanying statistics are taken. See also Beinart, "The Nationalist Revolt"; James A. Barnes and Richard E. Cohen, "Divided Democrats," *The National Journal* (15 November 1997): 2304-7.

35. Southern House Democrats had been much more supportive of NAFTA than were their colleagues in the rest of the country, backing the deal 53-32, while the rest of the caucus opposed it by almost a 3 to 1 margin. Since 1991, however, the number of white Democratic House members from the thirteen southern states had declined from 79 to only 42.

36. Overall, whereas 40 percent of all House Democrats voted for NAFTA, 54 percent of those party members who were in the House in 1993 but not in 1997 voted for the accord, while only 30 percent of those who were House members in both years voted for the deal.

37. Only 20 percent of Democrats who were members of the House in both 1993 and 1997 planned to vote for fast track, a drop of 10 percent compared with the support for NAFTA within this group. Barfield, "Politics of Trade."

38. For the points in this paragraph, see Barnes and Cohen, "Divided Democrats"; Julie Kosterlitz, "The Pinstripers Ignored 'Ordinary Americans,'" *The National Journal* (1 November 1997): 2191-92; Michael Frisby and Bob Davis, "Missing in Action: As Trade Vote Looms, Clinton Is Hurt by Lack of Steady Supporters," *The Wall Street Journal* (6 November 1997): A1.

39. John Maggs, "Before and NAFTA," *The New Republic* (1 September 1997): 11-12; Nancy Dunne, "Clinton Goes to the Wire to Save Fast-Track," *The Financial Times* (7 November 1997): 7.

40. E. J. Dionne, Jr., "Why the Democrats Bolted," *The Washington Post* (14 November 1997): A27.

41. Thomas B. Edsall, "Big Labor Flexes Its Muscle Once Again," *The Washington Post National Weekly Edition* (24 November 1997): 11.

42. For recent overviews of the literature on interest group behavior, see Frank R. Baumgartner and Beth L. Leech, *Basic Interests: The Importance of Groups in Politics and Political Science* (Princeton, NJ: Princeton University Press, 1998); John R. Wright, *Interest Groups and Congress: Lobbying, Contributions, and Influence* (Boston: Allyn & Bacon, 1996); Allan J. Cigler and Burdett A. Loomis, *Interest Group Politics*, 5th ed. (Washington, DC: CQ Press, 1998); Paul S. Herrnson, Ronald G. Shaiko, and Clyde Wilcox, eds., *The Interest Group Connection: Electioneering, Lobbying and Policymaking in Washington* (Chatham, NJ: Chatham House, 1998).

43. On labor's electoral efforts in 1996, see Dark, *Unions and the Democrats*, 184-87; Barnes and Cohen, "Divided Democrats"; Elizabeth Drew, *Whatever It Takes: The Real Struggle for Political Power in America* (New York: Penguin, 1998), 69-77, 246-47; Steve Rosenthal, "Building to Win, Building to Last," in Jo-Ann Mort, ed., *Not Your Father's Union Movement: Inside the AFL-CIO* (New York: Verso, 1998), 99-111; Robin Gerber, "Building to Win, Building to Last: The AFL-CIO COPE Takes on the Republican Congress," in Robert Biersack, Paul S. Herrnson, and Clyde Wilcox, eds., *After the Revolution: PACs and Lobbies in the Republican Congress* (Boston: Allyn & Bacon, 1999).

More generally on interest group involvement electoral campaigns, see Mark J. Rozell and Clyde Wilcox, *Interest Groups in American Campaigns: The New Face of Electioneering* (Washington, DC: CQ Press, 1999); Paul Herrnson, "Interest Groups, PACs, and Campaigns," in Herrnson, Shaiko, and Wilcox, eds., *The Interest Group Connection*.

44. The margin rises to a staggering 23 to 1 if "soft" money contributions to political parties are included.

45. For these and subsequent PAC contribution figures, see Harold W. Stanley and Richard G. Niemi, *Vital Statistics on American Politics 1997-1998* (Washington, DC: CQ Press, 1998), 101-3.

46. For a detailed account of the labor mobilization against fast track, see David Glenn, "Fast Track Derailed," in Mort, ed., *Not Your Father's Union Movement*. See also Dark, *Unions and the Democrats*, 199; Kosterlitz, "Muddy Track"; Darrell West and Burdett A. Loomis, *The Sound of Money* (New York: Norton, 1999), 5-7; Jill Abramson with Steven Greenhouse, "The Trade Bill: Labor," *New York Times* (12 November 1997): A1; Glenn Burkins, "Labor Fights against Fast-Track Measure," *The Wall Street Journal* (16 September 1997): A24; Frank Swoboda, "Labor Plans Ads, Lobbying on Trade Pacts," *The Washington Post* (17 September 1997): A6; Harold Meyerson, "No Brainer, No Votes," *The LA Weekly* (14-20 November 1997): 11.

47. On "outside" lobbying by interest groups, see West and Loomis, *The Sound of Money*; Ken Kollman, *Outside Lobbying: Public Opinion and Interest Group Strategies* (Princeton, NJ: Princeton University Press, 1998).

48. Glenn, "Fast Track Derailed," 199.

49. Corn, "Dick Gephardt: Working-Class Hero."

50. Julie Kosterlitz, "The Wages of Trade," *The National Journal* (18 October 1997): 2076-79.

51. Karl Polanyi, *The Great Transformation* (New York: Rhinehart, 1944).

52. For example, unions held demonstrations with Friends of the Earth and the Sierra club in half a dozen cities to call attention to NAFTA's environmental effects on Mexican border towns. Abramson with Greenhouse, "The Trade Bill." See also Glenn, "Fast Track Derailed"; Beinart, "The Nationalist Revolt."

53. "Labor is practicing the politics of intimidation either with outright threats or implied threats . . . that labor will withdraw any campaign support, either financial or otherwise" to fast-track supporters, said California Rep. Calvin M. Dooley, chairman of the New Democratic Coalition. Ronald Brownstein, "Trade Is Still the Exception to Clinton's Rule," *Los Angeles Times* (7 November 1997): A24. While such labor warnings were mostly targeted at Democrats, union lobbyists also pressured some two dozen northeastern and midwestern Republicans.

54. Many lawmakers who opposed fast track had studied what happened to several dozen Democratic congressmembers who voted for NAFTA in 1993 and then lost to Republicans in 1994, partly because alienated union members stayed away from the polls. Abramson with Greenhouse, "The Trade Bill."

55. For studies that find evidence of labor PAC influence on congressional voting on labor issues, see Gregory M. Saltzman, "Congressional Voting on Labor Issues: The Role of PACs," *Industrial and Labor Relations Review* 40, no. 2 (1987): 163-79; Allen Wilhite and John Theilman, "Labor PAC Contributions and Labor Legislation: A Simultaneous Logit Approach," *Public Choice* 53, no. 3 (1987): 267-76; Woodrow Jones, Jr. and Robert K. Keiser, "Issue Visibility and the Effects of PAC Money," *Social Science Quarterly* 68, no. 1 (1987): 170-76; Alan Neustadtl, "Interest Group PACsmanship: An Analysis of Campaign Contributions, Issue Visibility, and Legislative Impact," *Social Forces* 69, no. 2 (1990): 549-64.

For reviews of the wider literature on the effects of PAC spending on congressional voting behavior, see Baumgartner and Leech, *Basic Instincts*; Wright, *Interest Groups and Congress*; Thomas Gais, *Improper Influence: Campaign Finance Law, Political Interest Groups, and the Problem of Equality* (Ann Arbor: University of Michigan Press, 1996).

56. See the studies of congressional voting on NAFTA cited in note 12 above. For other studies that find PAC effects on congressional trade voting, see Cletus C. Coughlin, "Domestic Content Legislation: House Voting and the Economic Theory of Regulation," *Economic Inquiry* 23, no. 3 (1985): 437-48; Suzanne C. Tosini and Edward Tower, "The Textile Bill of 1985: The Determinants of Congressional Voting Patterns," *Public Choice* 54, no. 1 (1987): 19-25; Stephen V. Marks, "Economic Interests and Voting on the Omnibus Trade Bill of 1987," *Public Choice* 75, no. 1 (1993): 21-42; Stanley D. Nollen and Dennis P. Quinn, "Free Trade, Fair Trade, Strategic Trade, and Protectionism in the U.S. Congress, 1987-88," *International Organization* 48, no. 3 (1994): 491-525.

57. For general discussions of PACs and their strategies, see Gais, *Improper Influence*; Theodore J. Eismeier and Philip H. Pollock III, *Business, Money, and the Rise of Corporate PACs in American Elections* (New York: Quorum, 1988); Frank J. Sorauf, *Inside Campaign Finance: Myths and Realities* (New Haven, CT: Yale University Press, 1992); Dan Clawson, Alan Neustadt, and Mark Weller, *Dollars and Votes: How Business Campaign Contribution Subvert Democracy* (Philadelphia, PA: Temple University Press, 1998).

58. Gais, *Improper Influence*, 167-69; Eismeier and Pollock, *Business, Money, and the Rise of Corporate PACs in American Elections*; Clawson, Neustadtl, and Weller, *Dollars and Votes*, 150-57; Brooks Jackson, *Honest Graft: Big Money and the American Political Process* (New York: Knopf, 1988).

59. In 1982, business PACs gave only about 40 percent of their contributions in House races to Democrats. By 1992, this had jumped to almost 57 percent.

On the advantage in the receipt of corporate PAC contributions enjoyed by members of the House majority party, see Thomas J. Rudolph, "Corporate and Labor PAC Contributions in House Elections: Measuring the Effects of Majority Party Status," *Journal of Politics* 61, no. 1 (1999): 195-206; Gary W. Cox and Eric Magar, "How Much Is Majority Status in the U.S. Congress Worth?" *American Political Science Review* 93, no. 2 (1999): 299-309.

60. Including contributions from both "corporate" and "trade, membership, and health" PACs.

61. See Cohen, "Dems Feel the Squeeze"; Cohen and Barnes, "Divided Democrats"; Beinart, "The Nationalist Revolt"; Abramson with Greenhouse, "The Trade Bill"; Edsall, "Big Labor Flexes Its Muscle Once Again"; Meyerson, "No-Brainer, No Votes."

62. While business PACs gave $47.5 million to House Democrats in 1994, that figure had dropped to $33 million in 1996. Meanwhile, labor PACs increased their contributions to Democrats from $32.5 million in 1994 to $37.3 million in 1996.

63. The figure for all Democratic challengers, including both winners and losers, was 71 percent.

64. As the fast-track vote approached, Democrats took note of a recent special election in Staten Island where a strong Democratic candidate lost because the Republicans were able to spend $800,000 on soft-money-funded ads, while the Democratic Party lacked the funds to reply.

65. Martha Gibson and Stephen Carter demonstrate that as in NAFTA voting, the larger was labor's share of a member's total PAC contributions, the more likely the member was to oppose fast track. This time, though, the Democrats' heightened dependence on labor money spelled defeat for Clinton's proposal. Martha L. Gibson and Stephen Carter, "The Politicization of Fast Track" (paper presented at the meeting of the American Political Science Association, Boston, September 1998).

66. Brownstein, "Trade Is Still the Exception to Clinton's Rule."

67. Barnes and Cohen, "Divided Democrats," 2306.

68. John F. Harris, "Clinton Hits 'Fast-Track' Opponents," *The Washington Post* (28 October 1997): A4.

69. Peter Beinart, "Why the Center Can't Hold," *Time* (24 November 1997): 52.

70. Abramson with Greenhouse, "The Trade Bill."

71. See Steven Greenhouse, "Two Feuding Democratic Voices Call a Truce," *New York Times* (9 August 1998): 20; John Judis, "New Labor, New Democrats—New Alliance?" *The American Prospect* (September-October 1998): 12-14.

72. On the late summer and fall 1998 fast-track fight, see Paul Magnusson, "Newt May Have Put Fast-Track on an Even Slower Boat," *Business Week* (13 July 1998): 49; David Hosansky, "Tenuous Bipartisan Alliance on Trade Succumbs to Election-Year Tensions," *CQ Weekly* (1 August 1998): 2072; Julie Kosterlitz, "A Vote the Dems Would Like to Trade In," *The National Journal* (12 September 1998): 2108; David Hosansky, "House Vote Signals a Key Reversal of U.S. Support for Free Trade," *CQ Weekly* (26 September 1998): 2603-4.

73. Juliet Eilperin, "House Defeats Fast-Track Trade Authority," *The Washington Post* (26 September 1998): A10; Jonathan Peterson, "Democrats Call House Defeat of Fast-Track Trade Bill Bid to Humiliate Them," *Los Angeles Times* (26 September 1998): A18.

74. Bill Clinton also opposed the Republicans' attempt to put Democrats on the spot before the November elections, especially after it became clear that he would need Democratic support to fend off impeachment over the Monica Lewinsky scandal.

75. While spending only about $5 million on TV ads in 1998, labor spent $18 million on a tightly targeted "GOTV" effort coordinated by 400 field activists, up from 135 in 1996, and focused on 8 Senate races and 45 tight House races, down from more than 100 two years earlier. Aaron Bernstein and Richard S. Dunham, "Unions: Laboring Mightily to Avert a Nightmare in November," *Business Week* (19 October 1998): 53; Steven Greenhouse, "Republicans Credit Labor for Success by Democrats," *New York Times* (6 November 1998): A28; Aaron Bernstein, "Labor Helps Turn the Tide—The Old Fashioned Way," *Business Week* (16 November 1998): 45; David Magleby and Marianne Holt, "The Long Shadow of Soft Money and Issue Advocacy Ads," *Campaigns & Elections* (May 1999): 22-27.

76. "The only thing worse than no agreement," one administration official said, "was the agreement it looked like we might get." Joseph Kahn and David E. Sanger, "Impasse on Trade Delivers a Stinging Blow to Clinton," *New York Times* (5 December 1999): A1.

77. Less Dramatic fights will be fought over bills to lower U.S. tariffs and quotas on goods from sub-Saharan Africa, the Caribbean, and Central America, and possibly over continued U.S. participation in the WTO (which the AFL-CIO does not oppose). For much of the information in this paragraph and the next, see "Trade Winds Swirling Over China Vote," *The National Journal* (12 December 1999): 3618-20.

78. Twenty-four percent of those turning out came from union households, and according to an AFL-CIO poll, 71 percent of union members voted Democratic in a year that saw the party pick up five House seats.

79. Kirk Victor and Eliza Newlin Carney, "Labor's Political Muscle," *The National Journal* (4 September 1999): 2478-82.

80. James L. Tyson, "In High-Tech Age, Unions Can Score," *Christian Science Monitor* (20 July 1999): 1; Julie Kosterlitz, "Searching for New Labor," *The National Journal* (4 September 1999): 2470-77; Paul Buhle and Steve Fraser, "A New Day for Labor," *The Nation* (20 September 1999): 7-8. More generally, see Mort, ed., *Not Your Father's Union Movement*.

81. A highly publicized poll released in November 1999 by the Program on International Policy Attitudes at the University of Maryland found that 72 percent of the U.S. public believed that too little attention is paid in trade talks to "working Americans," and 78 percent thought that the WTO should pay more attention to labor and environmental standards. Mark Suzman, "Trade: Clinton Links Environment to Trade Deals," *The Financial Times* (17 November 1999): 6.

82. "Some Republicans aren't going to be there on trade issues," said Dan Schnur, a California GOP consultant. "Ultimately, business is going to form relationships with elements of both parties." Richard S. Dunham and Amy Borrus, "Still the Party of Big Business?" *Business Week* (14 September 1998): 150-60. Business interests calling for renewed support for the Democrats included the Business-Industry Political Action Committee, a corporate lobbying coalition; the U.S. Chamber of Commerce; and the editorialists at *Business Week*. See "There's More Than One Party of Business," *Business Week* (4 May 1988): 182; Richard S. Dunham, "Is the GOP the Only Party of Business?" *Business Week* (4 May 1998): 154; Thomas B. Edsall, "Giving Republicans the Business," *The Washington Post National Weekly Edition* (22 June 1998): 10; "Building the Chamber's Clout," *Business Week* (22 March 1999): 51.

83. Eliza Newlin Carney, "What? A Smiling 'New Democrat?'" *The National Journal* (6 December 1997): 2476-77.

84. Norman J. Ornstein, Thomas E. Mann, and Michael Malbin, *Vital Statistics on Congress, 1999-2000* (Washington, DC: AEI Press, 2000), 106.

85. The figures are taken from a report prepared by the Center for Responsive Politics. Susan B. Glasser and Juliet Eilperin, "GOP Scrambles to Counter Business's Aid to Democrats," *Washington Post* (10 November 1999): A6.

86. See Julie Kosterlitz, "Trade Crusade," *The National Journal* (9 May 1998): 1054-57; Bob Davis, "CEOs, Stymied in Capital on Trade, Lobby Hinterland," *The Wall Street Journal* (15 June 1998): A30; Michael Phillips and Helene Cooper, "Business Launches Free Trade Offensive," *The Wall Street Journal* (29 November 1999): A2.

87. Including filing complaints under U.S. trade laws with labor rights provisions and under the NAFTA side agreements, working with European Union colleagues under the EU Works Council Directive, bringing cases to the International Labor Organization, and pressing for corporate codes of conduct, filing lawsuits, and other mechanisms.

88. Lance Compa, "Free Trade, Fair Trade, and the Battle for Labor Rights" (paper presented at the conference on "The Revival of the Labor Movement?" School of Industrial and Labor Relations, Cornell University, Ithaca, NY, October 1998). See also Lance Compa, "A Fast Track for Labor," *The American Prospect* (September-October 1998): 60-64.

89. Buhle and Fraser, "A New Day for Labor."

90. In an important recent study of 93 nations, Dani Rodrik shows that democracies pay higher wages than autocracies for a given level of manufacturing productivity. This suggests that more democratic developing countries might eventually be persuaded to agree to modest international labor standards, since they are at a competitive disadvantage with respect to more repressive developing countries in which wages are lower. Dani Rodrik, "Democracies Pay Higher Wages," *Quarterly Journal of Economics* 114, no. 3 (1999): 707-38. For a useful discussion of Rodrik's findings, see Aaron Bernstein, "Labor Standards: Try a Little Democracy," *Business Week* (13 December 1999): 42-43.

91. See the sketch of elements of such a program by Thomas I. Palley, assistant director of public policy for the AFL-CIO, in "How to Say No to the IMF," *The Nation* (21 June 1999): 21-22. For a fuller argument, see Thomas I. Palley, *Plenty of Nothing: The Downsizing of the American Dream and the Case for Structural Keynesianism* (Princeton, NJ: Princeton University Press, 1998). See also Jeff Faux, "A New Grand Bargain," *The American Prospect* (17 January 2000): 20.