

**Bipartisan Order and Partisan Disorder in Postwar Trade Policy**

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“Other issues come and go,” a journalist wrote at the end of the nineteenth century, “but the tariff issue goes on forever.”<sup>1</sup> Trade policy content at that time depended on parties, and the parties depended on trade policy for organizational sustenance.<sup>2</sup> One hundred years later, debates provoked by the North American Free Trade Agreement, the General Agreement on Tariffs and Trade, and the presidential aspirations of Richard Gephardt, Ross Perot, and Patrick Buchanan suggest the journalist may have been correct. But if trade policy was again controversial, it was only after decades of a postwar bipartisan political settlement that defused partisan conflict on trade.

Scholars generally agree that trade politics changed markedly in the decades after World War II. Trade policy differed in its initiation, content, and implementation across the two periods, and party conflict significantly diminished as a new political settlement revised the rules for making trade policy. This broad consensus on the bipartisan trade arrangements raises significant theoretical questions for students of parties and political development. Can a political arrangement designed to decrease party conflict allow conflict without breaking the accord? Does a political settlement imply a stable level of party conflict? What kind of party conflict falls within accepted boundaries and does not challenge the settlement?

These questions tap directly into conceptions of “order” in the American political development literature. In a much-discussed article, Karen Orton and Stephen Skowronek have

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<sup>1</sup> Cited in Terrill 1973, 36.

<sup>2</sup> See Ferguson 1995; Bensel 1984, 1990; McCormick 1986; O’Halloran 1994; Verdier 1994; Ratner 1972; Terrill 1973; Shefter 1994; Bridges 1986.

argued that notions of order have led to depictions of political eras that are too tidy,<sup>3</sup> instead, they suggest, disorder within order is the prevailing pattern. As one peels away the “layers” of a political era or a policy area, one finds that notions of a sharp break from the past can easily be overstated. Instead, one finds institutions with ~~crossing~~ overlapping purposes and constituencies, institutions with origins in different eras, and analytical causal arrows pointing in ~~in~~ <sup>in</sup> several directions. To Orren and Skowronek, this layering ~~does~~ mean that periodization is impossible or that one cannot sensibly analyze orders or regimes in American politics. Their point is that analysts should not ignore the disorder that resides ~~within~~ <sup>within</sup> and that disorder is at least as analytically interesting and substantively important as order. Skowronek’s work on the presidency emphasizes both the orders and regimes created by the opportunity cycles of “political time” and the disorderly “historical time” that reflects and reproduces the accumulated institutional, policy, and interest legacies of the past.<sup>4</sup> Together, the disorder of historical time makes it increasingly difficult for presidents to leverage the leadership opportunities presented by regime cycles of political time. Disorder so trumps order in this scenario that Skowronek concludes his book with a contemplation of the demise of political time.

I provide an empirical assessment of these theoretical questions about bipartisanship and partisan disorder by examining partisan conflict over postwar U.S. trade policy. I argue that that the ebbs and flows of partisan conflict on trade can be derived from key features of the political settlement of the 1930s and 1940s. Disorder, ~~in words~~, is explicable from the same features

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<sup>3</sup> Orren and Skowronek 1994.

<sup>4</sup> Skowronek 1993.

that lead us to identify the order existing in this policy area. Even seemingly high levels of conflict need not undermine the postwar arrangement. Despite occasional and significant partisan outbursts, there is in the contemporary period no clear sign of a sustained increase of party polarization or a rejection of the postwar settlement on trade. In trade policy, one can speak meaningfully of a postwar bipartisan order that significantly changed policy making; within this order, disorder arose from preexisting institutional legacies and from changes in policy preferences.<sup>5</sup>

### **Building a Bipartisan Trade Policy Settlement**

Between Reconstruction and the Great Depression, trade policy was the most important issue consistently dividing the parties and defining their coalitions. A national issue, trade produced cohesion in an era in which parties were subject to significant ~~local~~ centrifugal forces. It pervaded arenas beyond foreign competition, entering ~~the~~ ~~tariff~~ policy because of its huge impact on revenues and shaping cultural politics because of the impact of restricting the importation of certain kinds of goods.<sup>6</sup> Trade policy was the preeminent macroeconomic tool employed frequently by government.<sup>7</sup> Not every trade vote was partisan, but the sharp

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<sup>5</sup> A note on terminology: in this article, a “settlement” is the bargain or compromise that creates a political “order.” Thus, the two terms are closely related but distinct. The “era of the political settlement” would be another way to refer to an order.

<sup>6</sup> See Stewart 1989 and J. Hansen 1990 on revenue, Shefter 1994 on culture.

<sup>7</sup> McKeown 1984.

polarization on trade was enduring.<sup>8</sup> Trade not only provided meaningful issues for voters and economic elites, but it provided the basis for party building. For these reasons, party conflict over trade matters was high in this period.

A range of studies holds that after World War II partisan conflict on trade issues declined markedly. Michael Bailey, Judith Goldstein, and Barry Weingast indicate that the mean gap between the percentage of House Democrats and Republicans supporting liberalization on key trade votes declined from 90 percentage points (from 1913 to 1940) to 31 points (from 1943 to 1962).<sup>9</sup> In the Senate the mean percentage point gap between the parties' support for liberalization declined from 78 to 6. I. M. Destler and Stephan Haggard suggest that reduced partisanship in trade policy was a core component of an institutional bargain that led to the Reciprocal Trade Agreements Act (RTAA) in 1934. Delegating tariff-setting authority to the president, Congress sought to avoid a replication of the intense partisan politics of the Smoot-Hawley tariffs. Both the volume and the increased unpredictability of sectoral demands were concerns.<sup>11</sup> Through allowing more executive autonomy in trade policy, building an administrative route through which aggrieved interests could seek protection, Congress insulated

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<sup>8</sup> In addition to the references in footnote 2, see Terrill 1973; McCormick 1986, 57, 210; Coleman 1996.

<sup>9</sup> Bailey, Goldstein, and Weingast 1997.

<sup>10</sup> Destler 1995; Haggard 1988. See also Yoffie 1989; Coleman and Yoffie 1990; Nivola 1993.

<sup>11</sup> Verdier 1994; Coleman 1996.

itself from daily demands for sectoral assistance.<sup>12</sup> To William Keech and Kyoungsan Pak, the result of this institutional shift was that the ~~presid~~ <sup>presid</sup> of both parties became very similar in their trade preferences, while some level of party difference remained in Congress.<sup>13</sup> A corollary to these propositions is that economic and technological forces pushing toward greater trade liberalization were, because of the institutional changes, decreasingly subject to the mediating effects of political parties. With the new arrangement, trade politics were no longer centered in Congress and no longer driven by partisan deals for individual sectors. By ~~de~~ <sup>de</sup> ~~linkin~~ <sup>linkin</sup> themselves from support for the trade agendas of specific industries, the parties were less likely to divide over trade issues consistently, at least partly because those agendas were deflected away from the floor of Congress. With the ascendancy of ~~Kesin~~ <sup>Kesin</sup> fiscal policy, the rise of alternative revenue sources in expanded income taxes and new payroll taxes, and new regulatory benefits to offer constituencies, trade's centrality to the parties declined.

Bailey, Goldstein, and Weingast revise this ~~insti~~ <sup>insti</sup> ~~on~~ <sup>on</sup> interpretation by suggesting that Congress was neither interested in delegation for its own sake nor seeking to avoid special interest politics.<sup>14</sup> Instead, the RTAA represented the efforts of Democratic party leaders to build a permanent foothold of liberal trade policy by requiring trade agreements to be bilateral or multilateral rather than unilateral, and by allowing congressional majorities rather than supermajorities to approve trade treaties. Leaders added the provision for bilateral ~~and mult~~

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<sup>12</sup> See Goldstein 1986; W. Hansen 1990; Unah, Johnson, and Hansen n.d.

<sup>13</sup> Keech and Pak 1995.

<sup>14</sup> Bailey, Goldstein, and Weingast 1997.

action to shift Republican preferences toward freer trade, for even Republican industrial constituencies might benefit from freer exports. The provision for simple majorities was designed to protect liberal trade policy by making passage of new acts easier when Republicans ruled Congress. Even during Republican control of Congress, then, a bipartisan coalition of Democrats and increasingly free-trade-supporting Republicans would ensure further liberalization. Finally, Bailey, Goldstein, and Weingast suggest that economic and technological forces are endogenous to the trade policy process: the success of the RTAA in expanding global trade creates these forces, and this very success builds broader bipartisan support for open trade over time. The RTAA became self-supporting, party became less significant to trade policy making, and party differences diminished.

In their depiction of declining partisanship, these domestic institutional accounts are consistent with major strands in international political economy scholarship. Statist accounts typically attribute a country's protectionist or liberal impulses to state officials reacting to economic or security developments, implying or assuming a widely shared vision of the national interest that transcends partisan boundaries.<sup>15</sup> State officials appear free from party ties and party influence, and party conflict is not critical to understanding policy development.<sup>16</sup> Ironically, rival societal-based trade policy explanations also do not see party conflict as substantial. As Robert Baldwin notes, these interest-based accounts are common in political science and clearly dominant

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<sup>15</sup> Goldstein 1986, 1988; Cerny 1995; Mansfield and Busch 1995.

<sup>16</sup> Noland 1997.

in economics.<sup>17</sup> Typically these accounts emphasize the susceptibility of state actors to pressure by societal, especially producer, interests.<sup>18</sup> To understand the volume and type of protection one needs to understand institutional features that make public officials less likely to resist social pressures; the party of these officials is less (or not at all) important.<sup>19</sup> Box-Steffensmeier, Laura Arnold, and Christopher Zorn find that party was not a significant influence in voting on NAFTA, arguably the most politically prominent trade issue since the early 1970s, but that societal-based pressures were significant.<sup>20</sup> Important studies of the sectoral pattern of U.S. trade protection either omit party as an important influence or find only sketchy evidence that party conflict produces different trade policy mixes.<sup>21</sup> Fiona McGillivray's data suggest that the degree

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<sup>17</sup> Baldwin 1996. See Pincus 1977; Brock and Magee 1978; Esty and Caves 1983; Grossman and Helpman 1994; Krueger 1995.

<sup>18</sup> Cf. Verdier 1994.

<sup>19</sup> From a different angle, Bauer, Pool, and Dexter's classic 1963 study of trade politics concluded that members of Congress were more independent of both interests and parties than most observers assumed and more able to vote their beliefs.

<sup>20</sup> Box-Steffensmeier, Arnold, and Zorn 1994. Conversely, Winkler, Kingston, and Garand 1996 conclude that party was significant in the NAFTA vote. Their dummy variable construction includes controls for Republicans and southern Democrats, making the default comparison group northern Democrats. They also include a control for western region. Thus, the estimation is not comparing Democrats and Republicans but Democratic and Republican subsets.

<sup>21</sup> See, for example, Ray 1981. O'Halloran 1994 provides the strongest evidence to link party to



of intraparty discipline in different party systems shapes tariffing politics, but within the low discipline U.S. system it is the protection of incumbents and safe seats rather than fellow partisans that drives trade policy making.<sup>22</sup> One telling sign of how statist and social accounts intersect regarding contemporary parties is that Edward Mansfield and Marc Busch's extensive effort to integrate these accounts of trade policy does not include the party composition of government as an independent variable.<sup>23</sup>

A recent group of studies maintains that postwar trade policy has been more driven by partisanship than accounts of new institutional arrangements suggest. To Thomas Ferguson and Peter Gourevitch, through 1980 the Democrats remained the party supported by *international* firms (and an accommodating organized labor leadership), while the Republicans housed a more protectionist coalition favoring *labor* firms, *national* firms.<sup>24</sup> Contrasting coalitions need not produce consistently high conflict on trade, but underlying differences bring trade to the center of party politics when trade pressures severely pinch coalition members. Also arguing an essentially coalitional approach, one multivariate analysis reports that partisanship was strongest influence in voting on trade legislation in

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the tariff rate structure, but *labor* analysis focuses on the period before 1934.

<sup>22</sup> McGillivray 1997.

<sup>23</sup> Mansfield and Busch 1995.

<sup>24</sup> Ferguson 1995; Gourevitch 1986. For a historically sweeping view of the importance of trade to political coalitions, see Rogowski 1989.

1987-1988, while another finds important party effects on several key votes.<sup>25</sup> Finally, Susanne Lohmann and Sharyn O'Halloran argue that party splits on trade are most often expressed as institutional conflicts between presidents and Congresses of different parties.<sup>26</sup> In their view, support for protectionism increases during divided party control of government because the congressional majority (of either party) does not trust the president to the interests of its constituents. Under unified government, however, liberalization is more likely because of the greater compatibility of the president and Congress.<sup>27</sup> One key aspect of this study consistent with the notion of a bipartisan consensus on trade liberalization is the suggestion that unified government produces liberalization no matter which party is in power. Less clear is whether the tilt toward protectionism in divided government also produces greater levels of party conflict in those periods.

Despite these arguments for party's centrality to trade, the dominant interpretation of postwar trade politics has been of a new order that produced consensual policy making and defused partisanship. In this view, the newly dominant Democrats transformed the making of trade policy in the 1930s and 1940s. First, the Democrats created a new system that awarded the

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<sup>25</sup> Nollen and Quinn 1994 in the cited multivariate study; see Hansen and Powers 1994 and Quinn and Inman 1997 for related findings. Keech and Pak 1995 is the "key votes" study.

<sup>26</sup> Lohmann and O'Halloran 1994.

<sup>27</sup> With frequent divided government suggesting an increased incompatibility of coalitions electing presidents and members of the president's party in Congress, one might expect this sense of common mission to diminish over time.

president substantial autonomy to negotiate tariff reductions and that established a bureaucratic route through which individual industries and companies could make a case for protection rather than bringing their cases to the floor of Congress as in the past. Second, with the General Agreement on Tariffs and Trade, the United States accepted an international system of trade dispute resolution. Each of these measures removed portions of trade policy from the partisan arena. The ability to separate the parties' preferences on trade would grow less frequent as the two parts of the Democratic strategy took root and as economic changes shifted the preferences of each party's constituency.<sup>28</sup> Although Congress would often revise the rules of access to trade relief after World War II, it avoided reentering the tariff and quota setting game on a large scale.<sup>29</sup> Supporters believed this arrangement would insulate Congress from particularistic demands; achieve economic growth through trade while accepting new macroeconomic tools of fiscal and monetary policy; and allow for presidential leadership in trade negotiations. They intended the settlement of the 1930s and 1940s to endure and to be, in practice if not in initiation, bipartisan.

The new order did not, however, cleanly break with past arrangements. New arrangements were layered upon existing coalitions and institutions. As the coalition studies suggest, the parties still differed in their trade preferences in this early period. Democrats touted the relief in free trade while Republicans advocated industrial protection, and coalitional pressures could lead the parties to shift their preferences in a manner that accelerated rather than decelerated conflict. And although the congressional parties were not involved in trade policy creation in the

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<sup>28</sup> Ferguson 1995; Bailey, Goldstein, and Weingast 1997.

<sup>29</sup> Yoffie 1989.

same manner as before the 1930s, they were still involved in trade policy. Delegation to the president did not mean abdication of a role in trade policy. Trade laws would be periodically revised to alter the bureaucratic route through which firms and industries would make appeals for government assistance. Treaties, especially those requiring ~~changes~~ ~~in~~ ~~the~~ ~~law~~, required congressional approval. Despite the new institutional arrangements that were intended to shape their behavior, industries and firms could confound these expectations and choose to bypass the administrative route by seeking political ~~address~~ ~~of~~ ~~their~~ ~~grievances~~ through the congressional parties.<sup>30</sup> The new regime, in short, would combine bipartisan order with partisan disorder.

### **Data and Methods**

To address propositions about party conflict during the era of the trade settlement, I have collected information on all 462 trade-related rollcall votes in the House from 1947 to 1994, including the partisan breakdown of the vote, the policy areas involved, trade tools invoked, industries involved, presidential position on the vote, and whether the vote is liberalizing, punishing, or protectionist in intent. I employ dummy variables for policy areas, trade tools, industries, presidential position, and policy direction. Thus, a vote including both quotas and tariffs would be coded a "1" for both ~~the~~ ~~dummy~~ ~~variables~~. For each vote, I also supply contextual data, including economic and trade conditions, whether one party controls both the presidency and the Congress, and the regional split in the Democratic party.

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<sup>30</sup> Indeed, large industries could overwhelm the administrative route to protection. In the 1980s, the steel industry filed hundreds of cases in a short time period in an attempt to force their concerns onto the floor of Congress.

This data collection provides an extensive database from which to analyze the prevalence of party conflict in trade politics. Roll votes are not perfect measures of partisan conflict, but they provide a reasonable macro view of differences between the parties. In general, roll votes may understate party conflict because proposals rejected by the majority party at the committee level will not make it to the floor. Bills reaching the floor have cleared the first hurdle of partisan objections and are, on average, likely to have broader support than those bills killed in committee or those never receiving a hearing. With these roll votes I attempt to be comprehensive rather than selective.<sup>31</sup> Many studies select “key votes” for analysis, but I have opted for including the broad range of votes on trade. Including a variety of trade-related votes is beneficial for determining just how narrow or broad is the party conflict on trade. A comprehensive data set emphasizes the normal, routine politics of trade rather than the grand policy votes.

Two commonly used measures of interparty conflict, the index of party dissimilarity and party votes, are the chief dependent variables. For this study, I define “conflict” by roll voting patterns. References to party “disagreement” or “differences” refer to disagreement or differences as expressed in roll voting. For an individual vote, the index of party dissimilarity ranges from 0 to 100; the party vote is either absent or present, which for computational purposes equates to values of 0 and 1, respectively. The index of party dissimilarity (IPD) is computed by subtracting the proportion of Republicans voting yes on a vote from the percentage of Democrats voting yes and taking the absolute value. If 65 percent of each party votes, for example, party dissimilarity is 0. If 100 percent of one party votes yes while no one in the other party votes yes,

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<sup>31</sup> I say “attempt” because the classification of some votes is arguable.

the maximum score of 100 is achieved, indicating the highest possible voting conflict. When the parties take opposing sides (for example, a majority of Republicans votes yes while a majority of Democrats votes no), a party vote is present. Party votes tell us when parties are on opposing sides, but not necessarily whether the voting gap between the parties is large or small. A vote in which 53 percent of Democrats vote yes while 45 percent of Republicans vote yes is a party vote, but so is a vote in which 90 percent of Democrats vote yes and 15 percent of Republicans vote yes. Party dissimilarity tells us whether the voting gap is large or small, not whether the parties are on opposite sides or not. A vote in which 90 percent of Democrats vote yes and 65 percent of Republicans vote yes produces a dissimilarity score of 35, as does a vote in which 60 percent of Democrats vote yes while 25 percent of Republicans vote yes; whether the parties are or are not on opposite sides does not affect the calculation. To cover both aspects of party conflict, we employ both measures.

For each individual vote, I calculated the value of each of these measures. I then aggregated these values across time periods to calculate mean scores of party conflict for that period. The analysis below relies primarily on aggregating votes by periods, rather than focusing on individual votes.

### **Partisan Disorder Within a Bipartisan Order**

One implication of the scholarly depiction of the postwar trade order is that the level of party conflict should diminish in the postwar period and be stable at the macro level, the overall level of conflict should not fluctuate greatly. But what about changes below this macro level; i.e., micro level changes of party preferences? Coalitional studies often suggest a switch in party trade preferences in the early 1970s because of shifting interests in

global economy increasingly pinched labor and as more industries turned to global markets, the Democrats moved toward protection while Republicans became solid free traders.<sup>32</sup> Therefore, some change in party preferences would negate the bipartisan settlement. Even with some shifts in preference, the median position in the House would still endorse the ongoing order.

If the order can accommodate changes in individual party preferences, would fluctuations in the overall level of party conflict necessarily imperil any notion of a bipartisan trade order? Although a general decline in conflict is probably a necessary part of any notion of order, the expectation that the level of conflict be stable is more an assumption of the conception of “order” than a necessary condition for the durability of an order. Stable conflict suggests a “settlement” that is more “settled,” an “order” that is more “ordered.” Orren and Skowronek’s conception of an order as consisting of “layers,” however, suggests that if policy makers forge a settlement on certain institutional, policy, and economic premises that over existing arrangements, one should expect some fluctuation in party conflict as these premises are temporarily tested. Indeed, the occasional tests might even be healthy for the policy order in the long run as they allow for revisions without discarding the basic understandings forged by the settlement. It is not fluctuations or deviations but durable shifts and realignments in the conflict that would be problematic for the longevity of this (or any) bipartisan arrangement. Finding that certain key votes split the parties or that voting in particular sessions of Congress appears partisan does not negate the notion of a consensual trade order.<sup>33</sup> From the vantage point

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<sup>32</sup> See, for example, Gourevitch 1986, 485, 209-10; Keech and Pak 1995.

<sup>33</sup> See Keech and Pak 1995 as an example of the former type, Nollen and Quinn 1994 as an

of a layered conception of political order, neither substantial nor stable party conflict should be expected. Instead, *trade conflict should be generally decreasing for most of the postwar period but with occasional bursts in conflict when premises of the postwar order are being redefined or threatened.* For instance, under the triple blows of a deteriorating economy, huge trade deficits, and major redefinition of trade law in 1984 and 1988, each of which could suggest that the original settlement is not working as intended and that the order needs revision, party conflict in the 1980s should accelerate.<sup>34</sup> From 1985 to 1988, “the years of trade” according to I. M. Destler, it appeared possible to many observers ~~that~~ might again become a central area of partisan competition.<sup>35</sup> With the macroeconomic utility of Keynesian and supply side fiscal policy in dispute, trade policy had the space to reemerge as an issue of contention between the parties. This threat passed with minimal damage to the postwar order.

Might fluctuations in party conflict levels be related to the form of party control of government? Scholars have become increasingly interested in the efficiency and effectiveness differences, if any, between ~~unif~~ and divided government. Lohmann and O’Halloran argue that distrust between parties controlling different institutions reduces presidential autonomy and

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example of the latter.

<sup>34</sup> Not all theoretical perspectives would reach ~~the~~ conclusion. From the perspective of spatial analysis, for instance, one might argue that the parties would converge, not diverge, under conditions of widespread economic stress.

<sup>35</sup> Destler 1995, 17-99.



escalates protection levels under divided government.<sup>36</sup> Although not clear on this matter, their analysis implies that divided government features higher levels of party conflict. In the generic literature on party roll call conflict, conversely, unified government is expected to lead to greater party conflict as the majority party's incentive to pass programs collides with the minority's incentive to develop a clear identity in opposition. Under divided government, the parties realize they must cooperate to pass legislation, despite their public posture.<sup>37</sup> The institutional argument of Bailey, Goldstein, and Weingast also implies that party conflict should not necessarily be more severe during divided government.<sup>38</sup> With the trade policy system endogenously diminishing the differences between the parties, unified or divided control of government should not matter. But this again may assume too much stability and too much erosion of party differences in the postwar order. A mixed position, as suggested by William Keech and Kyoungsan Pak, offers another alternative.<sup>39</sup> They argue that Lohmann and O'Halloran's conclusions are correct but timebound. Applying this insight to the postwar order implies that *divided government should not necessarily increase party conflict*. But if environmental conditions—for instance, large trade imbalances or severe economic difficulties—suggest a weakening or possible redefinition of the bipartisan settlement, then each party in divided

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<sup>36</sup> Lohmann and O'Halloran 1994; see also O'Halloran 1994.

<sup>37</sup> See Clubb and Traugott 1977; Brady, Cooper, and Hurley 1979; Brady 1988; Patterson and Caldeira 1988.

<sup>38</sup> Bailey, Goldstein, and Weingast 1997.

<sup>39</sup> Keech and Pak 1995.

government could realistically expect to shape the general contours of trade policy for the short to middle term. Under such conditions, divided government might lead to higher levels of party conflict.<sup>40</sup>

If the notion of a bipartisan political order that defuses but does not eliminate party conflict provides a valid guide to postwar trade politics, then variables derived from the premises of the arrangement should help account for fluctuations in the level of party conflict. The settlement of the 1930s and 1940s suggests three categories of variables for explaining the level of party conflict on trade votes: institutional effects, policy type ~~tools~~, and economic conditions. I also include the lagged dependent measure of party conflict to allow for a dynamic specification that acknowledges the continuity of issues, positions, and personnel in the House.

**Institutional effects:** These variables ~~define~~ central institutional relationships of the postwar trade order. *President supports* and *president opposes* indicate the percentage of votes on which the president indicated a stance for or against the proposal, ~~respectively~~. Seemingly, party ~~conflict~~ should accelerate as the president takes a stance, but the logic of the postwar settlement suggests that the president's ~~positioning~~ will *reduce* party conflict because of Congress's delegation (not abdication) of trade authority to the president ~~and its~~ willingness to allow the president latitude in defining the trade agenda. *Narrowness of issue* indicates the percentage of votes that concern the interests of a single industry, precisely the kind of narrow interest appeal that might threaten to ~~eliminate~~ the postwar agreement. If the postwar order

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<sup>40</sup> For the purpose of this article, "divided government" exists when the House ~~and~~ *residence* are controlled by different parties.

defines the conduct of the parties, party conflict should decrease in response to agreement threatening narrow appeal. *Divided government* indicates that one party holds the presidency while the other party holds the House. As indicated above, from a layered order perspective one would not expect any consistent relationship here. Finally, *Democratic dominant faction* measures the size of the larger Democratic regional faction (south or South) as a percentage of all Democrats. The notion here, common in many coalition studies of aggregate party conflict, is that as the majority faction grows and gains control of the intraparty agenda, interparty conflict rises.<sup>41</sup> Because trade was not traditionally a key issue separating northern and southern Democrats, however, I do not expect regional splits to affect the level of interparty conflict significantly.<sup>42</sup>

**Policy type and tools:** Three of the variables in this group concern the policy direction indicated by a particular vote. *Punishment* indicates the percentage of votes that would institute trade-related punishment of a foreign country; *protection* indicates the percentage of votes that would initiate new protection; and *free trade* denotes the percentage of votes that would introduce newly liberalized trade provisions. The postwar order did not eradicate all party

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<sup>41</sup> See, for example, Sinclair 1978; Brady, Cooper, and Hurley 1979; Patterson and Caldeira 1988.

<sup>42</sup> Another plausible institutional factor is change in congressional structure. Destler 1995 suggests that the Ways and Means Committee lost control over the trade agenda after congressional reform in the mid-1970s, allowing more controversial measures to reach the floor in the 1980s. In the regression analyses below, I did test two versions of a dummy variable for the reform period (coded "1" for 1977-1994 in one version, 1981-1994 in the other). The reform period did not have a significant effect.

differences on trade, nor was that its purpose. Instead, the order diverted a particular class of contentious issues into other arenas, both domestic and international. When policy direction issues reach Congress, they should increase conflict. Punishment, for example, is usually an attempt to change policy direction by superceding trade policy for trade foreign policy or humanitarian purposes. Attempts to expand the parameters of the original trade settlement should increase party conflict. Regarding free trade and protection, I noted above that in the postwar period both parties sought to support trade strategies that did not greatly disadvantage those directly covered by the strategy. (Not only does this approach make sense in the short term, it is a reasonable strategy if industry economics are changing sectoral trade preferences across time.) Both parties, then, may attempt to accommodate protectionist and free trade requests that manage to reach the floor, but the level of support will likely differ between the parties. If this supposition is correct, these variables will more likely increase party dissimilarity (the voting gap between the parties) than the percentage of party votes (parties on opposite sides of the vote). Finally, an increasing percentage of *final passage* votes should decrease the level of party conflict. Ball studies emphasize that final passage votes are usually less essential than the amendment votes that precede them; members of Congress can try to change legislation via amendments but still sign on to popular measures on the final passage<sup>43</sup> vote.

The tools for implementing policy also matter. *Quotas* indicates the percentage of votes involving quotas; *tariffs* denotes the percentage of votes involving tariffs. Economists and

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<sup>43</sup> See Rohde 1991. Final passage is not a “policy type” but rather a “vote type.” For economy of space, I include it in this group of variables.

opponents of protection reject quotas because they operate distinctly outside the market structure. Tariffs, although tampering with the market, do the market principle that suppliers should be allowed to sell as much of a product at a given price as buyers are willing to purchase. Suppliers benefit from both tools, but potential purchasers would appear less disadvantaged by tariffs. As the postwar order was superimposed on a preexisting order of stark partisanship, agreeing on tariffs, the “softer” trade tool, should be easier for the parties than agreeing on quotas. A larger percentage of votes on tariffs should decrease conflict; a larger percentage on quotas should spur conflict.

**Economic conditions:** Reelection-minded members of Congress must be sensitive to their constituents’ distress over poor economic conditions. Congressional voting on trade, in turn, should respond to general economic conditions and to specific signs of trade stress, because each of these problems may suggest that members may need to modify the trade order to produce positive economic returns. Accordingly, I include two measures of general economic conditions and two of trade conditions. *Unemployment* measures the unemployment rate for the six months preceding a House roll vote. (The mean of these individual unemployment figures produces a weighted annual unemployment rate for tracked votes.) *Inflation* indicates the change in consumer prices over the six months prior to congressional voting. (Again, the annual, weighted value for inflation is the mean of these individual inflation values.) To measure trade distress, I include the absolute value of *trade imbalance* (either surplus or deficit) as a percentage of all exports and imports for the six months preceding the congressional vote. Popular and scholarly discussions emphasize deficits, but surpluses can also create economic stress. Trade was highly contentious during the latter part of the nineteenth century, a period notable for its trade

surpluses. Aside from possible international effects on currency values, many domestic industries are dependent on imports. Therefore, this variable measures a trade imbalance in either direction.

I also include *deficit interaction* between the trade balance and a dummy variable that is “on” if the trade balance is in deficit. This interaction allows testing for any additional impact that deficits might have on the level of party conflict.

Simple rational actor analysis suggests a bipartisan move toward the center of public preferences on contentious economic policy issues when these issues are prominent and, presumably, electorally salient. Party conflict thus decreases as economic conditions worsen. Rationality from the vantage point of the postwar order, which is constituted by “congealed preferences” and thus an institution of sorts, on the other hand indicates that party conflict over trade policy may vary in response to different economic stresses. Inflation, for example, points to one trade strategy primarily by increasing imports to increase the supply available to meet domestic demand for goods. (A chief argument against import protection is that it encourages domestic producers to raise prices.) Because inflation encourages a specific trade policy response, higher levels of inflation should depress party conflict. Unemployment, on the other hand, offers two primary trade strategies: increase exports or decrease imports. Expansion of exports is more consistent with the principles of the settlement, but because parties can choose from these two strategies and have different coalitional needs, higher levels of unemployment should disrupt political order and increase party conflict. On trade deficits and surpluses, public officials generally see a balance as the best way to maintain international order, state objectives, and domestic prosperity. But there is room for argument about how to manipulate imports and exports to achieve these balances and whether trade imbalances suggest the need for fundamental

revision of the existing trade regime. Therefore, higher trade imbalance, either deficit or surplus, should produce heightened levels of party conflict. In sum, both general and specific trade conditions matter: unemployment and inflation should affect the level of party conflict even in the absence of trade imbalances, and trade imbalances should affect conflict no matter what the unemployment and inflation rates.

If the level of party conflict on trade exhibits the pattern described above, and the variables presented here largely account for that level, then a bipartisan order can tolerate occasional bursts of partisan disorder without rendering the arrangement invalid.

### **Postwar Stability in Party Conflict Levels**

Was party conflict stable at a low level over the era of the postwar settlement? I consider this question first in the micro terms of party preferences and next in the macro terms of the overall level of conflict. Party coalition accounts posit that before the early 1970s Democrats primarily pushed a free trade line while Republicans leaned more toward trade restrictions. As these positions began to hurt their constituencies, the parties' preferences changed. Democrats increasingly accommodated protection while Republicans endorsed free trade.

Table 1 presents the mean percentage of each party supporting provisions that would further liberalize trade, add new or increased protections, or punish and sanction partners. Thus, I record a "yes" vote on increasing tariffs as supporting new protection. Opposition to this provision—i.e., supporting the status quo—is not counted as liberalization of trade because the focus is on support for *additional* provisions of liberalization, protection, or punishment. Not all votes from 1947-1994 are included in the table because not all trade votes specifically add

liberalization, protection, or punishment.<sup>44</sup> For example, agency and program authorizations and appropriations, nominations, and extensions of existing arrangements and policies are examples of vote types that typically fall outside these categories.

===== TABLE 1 ABOUT HERE =====

Both parties support the pattern envisioned in the ~~total~~ accounts: across time, Republicans became more supportive of trade liberalization and less supportive of additional protection and punishment, while Democrats displayed opposite tendencies. By ~~the~~ 1979 period, greater percentages of Republicans ~~has~~ Democrats support additional liberalization, and greater percentages of Democrats than Republicans support more protection. On punishment, the parties have had similar levels of support for new sanctions, except in the ~~1963~~ 1970 period. It is striking that the parties, on average, ended up on ~~the~~ *the side* of these policy directions,

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<sup>44</sup> The table divides the postwar period into ~~eight~~ eight segments, combining the first two due to low numbers of votes (this does not affect the table interpretation). Other periodization schemes, such as dividing the postwar era into segments marked by the passage of major trade bills in 1962, 1974, 1979, 1984, and 1988, might also be plausible. Examination of these alternatives shows no significant departures from the results presented in Table 1. The increase in the number of roll votes over time is consistent with the overall rise in ~~roll~~ roll voting that occurred in the House beginning in the early 1970s. Nollen and Quinn 1994 present a ~~more~~ *more* refined analysis for 1987-1988, categorizing votes as favoring protection, ~~free~~ *free* trade, fair trade, and strategic trade. More detailed analysis of the specific issues that split the parties during the settlement is an area for future examination.



reiterating the bipartisan premises of postwar trade policy. In this political order, the parties find much on which to agree. Except for the Republicans on protection ~~1987 to~~ 1994 and the Democrats on liberalization from 1979 to 1986, both Democrats and Republicans have been on average more likely than not to support those trade liberalization, protection, and punishment provisions that reach the House floor.

Examining those votes coded only as liberalizing, adding protection, or imposing punishment, and not as some combination of these categories, reveals greater party contrast. The votes analyzed in the bottom half of Table 1 exclude multicategory votes in which, ~~in fact,~~ Congress teamed a protectionist provision with a liberalizing or punishing provision. Now we see five areas in which the parties end up on opposite sides: trade liberalization ~~in 1968~~ 1979-86, more protection in 1963 and 1987-94, and imposing punishment in 1977-8. The more narrowly drawn the policy direction objectives in the bill, then, the greater likelihood for party conflict to emerge. Overall, the patterns from the top half of the table hold, especially the diverging trends in the parties' voting behavior on additional protection. If trade is to be a central new axis of party division, it would appear that new provisions for protection will provide the locus of conflict, because that is the one area in which the gap between ~~the parties~~ consistently widening and the parties are on opposite sides of the issue. It is here that the layers of the trade order are most clearly separating.

The macro portion of the stability argument ~~the~~ overall level of party conflict does not fare as well as the micro (individual party preferences) portion. As anticipated in a layered approach, the party conflict level has not been stable across the postwar period. Figure 1 shows fluctuations in conflict after 1947. As expected, initially high level of conflict early in the postwar

period are followed by a diminished level of conflict. In the early 1960s and 1980s, bursts of conflict are especially visible in the dissimilarity data. Party votes provide a more mixed pattern with more fluctuation. Despite an arguably downward trend in party votes from 1947 to 1980 (particularly if one omits the outlying session of 1958), spikes of conflict mark the postwar period. In the 1980s, party votes increase and stay high for four congressional sessions.<sup>45</sup> Stanley Nollen and Dennis Quinn's finding that party was the most important determinant of roll voting on trade and "unambiguously central to U.S. trade politics" must be interpreted within the context of a congressional term (1987-88) featuring typically high partisan conflict.<sup>46</sup> In the early 1990s, partisan trade conflict began to diminish. Dissimilarity and party votes decreased after the second Reagan term. Conflict in Bill Clinton's first two years nearly matched the other low points of the postwar era. Such a low level of conflict in trade—less than 30 percent of votes qualify as party votes—contrasts markedly with the nearly 65 percent of all trade votes that were party votes in the 1994 House session.<sup>47</sup>

===== FIGURE 1 ABOUT HERE =====

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<sup>45</sup> Party votes, coded as a dummy variable, tends to be a bit more volatile than party dissimilarity, which falls along a continuum from 0 to 100. Small changes in dissimilarity can change a vote from not being a party vote to being a party vote, or vice versa. In practice, this greater volatility of the party votes measure does not greatly hamper analysis.

<sup>46</sup> Nollen and Quinn 1994, 492.

<sup>47</sup> The correlation between the percentage of party votes for all House roll votes and the percentage for trade-related roll votes is .02.

Random drift in time series data is not uncommon, however, so it is possible that, appearances in Figure 1 notwithstanding, that there has been no statistically significant change in the level of party conflict. Statistically comparing sequential subperiods from 1947 to 1994 provides a more precise examination of changing conflict levels. To compare subperiods, I computed the mean party conflict for eight year periods (four congresses) and compared it to the mean for the subsequent eight year period. For example, I compared the mean for 1947 through 1954 to the mean for 1955 through 1962. Shifting the cutpoint over by one Congress compares 1949-56 to 1957-64. I use a *t*-test to determine whether the subperiod means are significantly different.<sup>48</sup> A sequence of significant *t*-values suggests a shift in trade politics that endures over several congressional sessions, while the value of the *F*-coefficient provides a useful shorthand in which the greater the (absolute) value, the greater the difference in the conflict levels of the two subperiods being compared. A spike in the value series indicates a change in trade conflict that elevated conflict for a short period. Stability is evident when values hover between 1.8 and 8.

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<sup>48</sup> Eight years accommodate a full term presidency. Ideally, one wants as long a time span as possible without unduly limiting the number of subperiod comparisons. Burnham 1970 uses ten year subperiods in his study of party realignment across the nineteenth and twentieth centuries. Employing ten year spans did not significantly change the results here, but does reduce the number of subperiod comparisons that can be performed. Using very short subperiods is generally not advisable because such a comparison will be heavily influenced by brief, atypical changes in party conflict.

Figure 2 shows that conflict on trade issues has changed significantly during the postwar period. All data points above the 0 on the axis (represented by a solid horizontal line) indicate that the latter subperiod in a comparison had higher conflict than the earlier subperiod. Referring to the dotted lines indicates whether these subperiod means are significantly different. The dotted lines indicate the  $t$ -values at which the probability level is .10 (about  $\pm 1.8$ ), .05 (about  $\pm 2.0$ ), and .01 (about  $\pm 2.7$ ); at these values the null hypothesis of no significant difference in subperiod means can be rejected. "Split year" 54 indicates the  $t$ -value for the comparison of 1947-54 with 1955-62. The figure suggests significant changes in the level of conflict.  $T$ -values record a period of statistically significant dissimilarity decline after World War II followed by a significant boost in conflict in the early 1960s. It was in this period that President Kennedy proposed the deepest tariff reductions since World War II and asked for significant new presidential autonomy in negotiating these tariff cuts. Party votes do not show significant change until the late 1960s, a reflection of the more volatile nature of this measure. Most of the late 1960s into the late 1970s displays a significant deceleration of party conflict. Finally, conflict escalates in the late 1970s and particularly the 1980s. Not until the split year 77-78 do party dissimilarity show a significant increase. That is, conflict from 1971 to 1984—a period spanning major redefinitions of trade law in 1979 and 1984—was significantly higher at about the .10 confidence level than conflict from 1969 to 1976, although barely so. The split year 79-80 shows a clearer increase in dissimilarity. Party votes show significant improvement at .10 in the split year of 78-79; in 80-81 the increase is more dramatic. The latter period (1980-81) spans severe economic distortions, growing trade imbalances, and significant trade law revisions in 1984 and 1988. Overall, the evidence suggests neither an uneventful trade order during which party conflict

was irrelevant, nor a systematic and clear rebuke of the politics of the postwar order. Instead, the pattern is one of occasionally significant increases and decreases in conflict within a broader pattern of diminished conflict over trade policy.

===== FIGURE 2 ABOUT HERE =====

Divided government is not coincident with these periodic surges in conflict, at least not consistently across the postwar period. The first two columns in Table 2 indicate that the Lohmann-O'Halloran expectations of greater conflict during divided government describes the overall postwar period well. For each measure of party conflict, conflict was modestly higher under divided government. Even when using a higher threshold to measure party votes, in which 75 percent of one party votes for a measure while 75 percent of the other party opposes the measure, divided government periods remain more prone to conflict. Nonetheless, the notion that divided government produces more party conflict is less persuasive when examining subperiods during the postwar trade order. The remaining five columns in Table 2 examine the gap between the levels of conflict produced during unified and divided government for each of five postwar subperiods. Positive values indicate that conflict, as measured by party votes and party dissimilarity, was higher during divided than during unified government in that particular period; negative values indicate that conflict was higher during unified government than during divided government. Through 1970, periods of divided government generally had more party conflict than periods of unified government. The 1970s stand as a transition period in which divided and unified government produced equivalent levels of conflict. Starting in the late 1970s the pattern shifts and divided government becomes more conflictual (i.e., positive values in the 1979 and 1987-94 columns).

===== TABLE 2 ABOUT HERE =====

The early postwar pattern is consistent with the standard expectations about unified and divided government in congressional party voting studies. During periods of “stable” politics in which party differences on trade were generally declining, the congressional parties behaved as the standard models expect: unified government promoted more conflict. But with the onset of political instability in the late 1970s because of macroeconomic and other difficulties, each party had an institutional platform under divided government from which to press its claims about any reshaping of macroeconomic policy in general and trade policy making in particular. When politicians are grappling to define what may become a new political arrangement, opportunities for what Charles Jones has termed “partisanship”—co-equal partisan leadership of government from different branches of government are bound in divided government.<sup>49</sup>

An examination of specific policy areas related to trade reinforces this interpretation. Table 3 contrasts the period building up to the intense macroeconomic difficulties of the late 1970s and early 1980s (1967-1978) to the period that includes and follows those difficulties (1979-1994). The pattern is clear. For most policy areas in the former period, unified government produces more party conflict than does divided government or produces a nearly equivalent level. With the redefinition of macroeconomic policy possibly up for grabs, however, divided government is much more conflictual than unified government in the latter period. As expected, no single relationship connects the form of party control of government and the depth of party conflict over trade.

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<sup>49</sup> Jones 1994.

===== TABLE 3 ABOUT HERE =====

### **Determinants of Party Conflict in Trade**

The settlement reached in the 1930s and 1940s established the institutional, policy, and economic premises for how parties would react to trade issues over the postwar period. These premises suggest a set of variables that should affect the annual level of party conflict as measured by party dissimilarity and party votes. Table 4 shows that these variables perform largely as expected. For party dissimilarity, “president opposes” is the only incorrectly signed coefficient and the lone coefficient to be unexpectedly insignificant. For party votes, the results are similar but not quite as robust: one statistically insignificant coefficient is incorrectly signed and four unexpectedly do not reach significance. For both dependent measures, the model’s overall explanation of variance is high ( $R^2$ ) and the variables as a group are statistically significant (F values). Residuals (not shown) are distributed randomly around zero throughout the time series for both estimations. Factors related to the political order drive party conflict premises of order contain the foundations of disorder.

===== TABLE 4 ABOUT HERE =====

Turning first to the institutional premises of the trade order, the president’s leadership in trade is reflected in the reaction to the president’s positioning. The more often the president supports trade measures, the more party conflict is reduced, significantly in dissimilarity. There is no impact on dissimilarity as the percentage of votes with expressed presidential opposition increases, but party votes, as expected, significantly decrease. The parties also work to preserve the tenets of the postwar settlement in trade by joining ranks when industry appeals reach the floor. Party dissimilarity and party votes drop by about one quarter of a point with every

additional percentage point of votes that affect single industries. Divided government and the size of regional factions in the Democratic party do not have significant impacts on dissimilarity or party votes.

Policy premises also meet expectations. In Table 4, I present this group in two clusters. Policy type, the first cluster, performs as expected. More votes on punishment, protection, or free trade increase dissimilarity while more final passage votes defuse the level of party conflict. Looking at party votes shows that these policy directions push the parties further apart but do not necessarily push the parties to opposite sides of the issue. Other than votes on punishment—the area that attempts to expand the parameters of what should fall under the rubric of trade policy—the policy direction categories do not increase party votes. These results are consistent with the argument made above: the parties have an incentive to devise trade remedies that do not unduly injure groups beyond the immediate beneficiaries, then party positions may diverge, but not enough to push the parties onto opposite sides of the issue. Finally, final passage votes diminish party dissimilarity and party votes, as expected. The presence of final passage votes in the estimation controls for congressional sessions in which members brought fewer amendments to a roll vote.

Policy tools, the second cluster of policy variables, significantly increase party conflict. Quotas provide a significant boost to party dissimilarity and party votes: every additional percentage point of votes related to quotas leads to about a half point in additional dissimilarity and one additional percentage point of party votes. Tariffs, the easier, less-market distorting tool, dampen party conflict, with every additional four percent of tariffed votes leading to one point less dissimilarity and about two percentage points fewer votes. Joined



with the policy type variables, these findings suggest that the parties will split less on whether to move in a liberalizing or protectionist direction and more on the specific tools to implement this direction.

Supporters intended the postwar policy and institutional arrangement to produce balanced and profitable trade and economic growth. Severe trade imbalances violate those assumptions and should affect party conflict. Broader economic conditions such as unemployment and inflation, though not solely or even heavily affected by trade economics, also strain the assumptions underlying the postwar order. Table 4 supports the proposition that economic and trade conditions have highly significant effects on postwar trade conflict. Inflation is the expected effect of reducing party conflict because inflation points to one central trade policy response but this relationship is significant only for dissimilarity. Unemployment, on the other hand, offers at least two primary and quite different trade policy directions. Consequently, a one percentage point increase in the unemployment rate produces a party vote increase of nearly 7.4 percentage points and a dissimilarity increase of about 3.6 points. For trade, unemployment would appear to be a more substantial force than inflation. In recent debates over NAFTA and GATT, media attention focused more on unemployment than inflation.<sup>50</sup>

Trade imbalances also significantly produce party conflict. Interestingly, however, trade

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<sup>50</sup> A Lexis-Nexis search of the *New York Times* and *Los Angeles Times* shows the following:

Trade bill =====	Number of articles referring to:	
	Unemployment or jobs =====	Inflation or prices =====
North American Free Trade Agreement (NAFTA), 1993	976	498
General Agreement on Tariffs and Trade (GATT), 1994	218	165

surpluses rather than ~~def~~icits have the stronger independent effect on the conflict level.

Considering the trade imbalance coefficient together with the interactive variable shows that surpluses have nearly a full percentage point larger impact on party votes than do deficits and nearly two points larger impact on dissimilarity. Unemployment may absorb much of the effect of trade deficits on party conflict.

The lagged dependent variable is significant for both measures of party conflict, reflecting some continuity of party trade ~~conf~~lict based on durable personnel, policy agendas, and preferences in the House. If the bipartisan settlement inaugurated an ordered approach to trade policy making, one would expect such continuity. These lagged variables also allow for significant influences such as unemployment to have an immediate and ~~long~~ impact on the level of conflict.<sup>51</sup>

### Conclusion

The centrality of the trade order in accounts of postwar trade politics raises key theoretical questions. Does a political order imply a stable ~~low~~ party conflict? Can an order designed to decrease party conflict allow conflict without breaking the accord? Can bipartisanship tolerate partisanship? In what ways might a political order contain and constrain disorder? The analysis above provides ~~initial~~ empirical leverage to address these concerns and the larger question of a layered perspective to political order.

At the center of trade policy making before the 1930s, political parties' centrality to trade policy making declined in the postwar era ~~and~~ displacement of the role of the legislative parties

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<sup>51</sup> Ostrom 1990.

was one component of a political settlement that, if not bipartisan in origin, soon became bipartisan in practice. Scholars offer varied explanations of the settlement's initiation, but they broadly hold that trade policy making was substantially different before and after the 1930s and 1940s—a new order had taken hold. Partisanship was defused, but not eliminated. Focusing on the key premises underpinning the trade policy order provides an explanation of the acceleration and deceleration of party conflict. Understanding the parameters of the order makes some kinds of change more likely than others. Bipartisan order itself points to conditions in which partisan disorder is tolerated. In short, the very premises of the political order leads to expectations about where and when disorder will erupt. This perspective leads to some obvious expectations. For instance, as noted above, a simple rational choice account might expect that inflation and unemployment would cause the parties to converge on trade policy. An emphasis on party coalitions might lead one to expect party divergence because inflation would be of special concern to Republican constituencies while unemployment would be critical for Democrats. That postwar order on trade, on the other hand, suggests that inflation should defuse party conflict and unemployment spur it, because unemployment provides diverse related options to the parties where inflation does not. The broader range of viable policy options introduces disorder into the policy order. The president's relationship to party conflict also differs from what a simple party competition perspective might forecast. Within the postwar order, presidential position taking reduces rather than increases party discord.

Party trade conflict was generally declining over the postwar period, a pattern consistent with the institutions and ideas of the 1930-40s settlement. But trade conflict also saw some significant surges and declines over the years, with surges particularly in the early 1960s and the

1980s. The more recent of these surges coincides with major trade law revisions, escalating employment problems, trade imbalances, more discussion of trade as punishment, and renewed references to quota plans. The data also indicates shifts in the two parties' support for various directions in trade policy, with the Republicans becoming more supportive of free trade and the Democrats more accommodating toward protection beginning in the 1970s. Still, the two parties usually found themselves supporting the same trade policy direction. Divided government is not a consistent force behind trade conflict, but it does have a conditional relationship, generating high levels of conflict when the broader macroeconomic order was in disarray after the late 1970s "nested games" scenario in the game theory approach. In other periods, unified government shows higher or equal levels of conflict. Institutional effects, policy type and tools, and economic conditions—all key premises of the order created by the trade settlement—are crucial determinants of the level of party conflict and disorder. One need not look beyond the premises of the order itself to understand when party conflict is likely to rise or fall. Order moderates disorder or, as Orren and Skowronek might suggest, disorder is built into the foundations of political order because institutions constituting the order overlap existing institutions, may have crosscutting purposes or interests, and can always control or predict the behavior of other institutions. Partisanship within bipartisanship is not an oxymoron.

Accepting that order is plagued by disorder does not mean the parties are poised to divide bitterly over trade and scuttle the postwar settlement. The burst of party conflict from 1983 to 1988 ebbed quickly, and by the first two years of the Clinton administration, with major issues like NAFTA and GATT on the table, party conflict on trade was only marginally higher than it had been in earlier decades. Some signs, however, point to further disorder. National sovereignty and

human rights concerns in the cases of the World Trade Organization and China's most favored nation status, respectively, could open new ground for debate on trade with the Republican party.<sup>52</sup> Democrats and Republicans were far apart in their willingness to support new protection in the Bush and Clinton presidencies through 1994. But this conflict was isolated to protection: each party was willing to support new liberalization and new punishment measures. And with changes in the world economy leading many if not most American firms and industries to view open trading as a strategic necessity, the incentives luring the parties to straddle trade issues may be receiving a contemporary facelift. Debates over a new convergence of economies and harmonization in trade go far beyond the confines of this article, but those debates also have implications for the amount of party difference over trade.<sup>53</sup>

Debates over extension of "fast track" authority for the president in 1997 also appear just as likely to split the parties internally as along party lines. The interesting story in the fast track debate is less about any long-term disruption to the postwar order than it is to suggest how sensitive orders are to temporary crosscutting politics that create disorder. Many Democratic moderates who normally model themselves as free traders apparently felt by 1997 that they had helped President Clinton often enough on trade, and with their strong and major trade deals already enacted, these Democrats could give trade unions a relatively low victory. It is certainly possible that enough of these moderates would be peeled away to the opponents

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<sup>52</sup> Although many observers anticipated a partisan rhubarb over China's MFN status in 1997, that debate came and went relatively quietly.

<sup>53</sup> Berger and Dore 1996.

to defeat fast-track extension. Republicans were similarly split between those who rebelled at the notion of aiding President Clinton yet again and those reluctant to risk defeat of future trade bills. Probably the greatest potential for fast-track to create lasting party differences is if Democrats, in the wake of a failure of fast-track renewal, organize a highly cohesive push around the notion of including firm labor and environmental standards in trade agreements. "Firm" is a relative term, however, that will likely allow for the kind of political finessing common to trade politics.<sup>54</sup>

The parties' postwar trade order lingers in the 1990s, but it has not been an order devoid of conflict and disorder. Political orders survive if participants believe that the institutional arrangements continue to create good policy and political safety, that the issue agenda has not shifted radically (whether due to endogenous or exogenous shocks), and that the order is producing good economic and trade results. When one or more of these beliefs change exists the possibility for greater party conflict and disorder. Were all to change, the order itself would be threatened. Democrats and Republicans in the 1990s have engaged in a broader war to revise the macroeconomic order, but the battle so far has been largely a cease-fire.

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<sup>54</sup> Coleman and Yoffie 1990.

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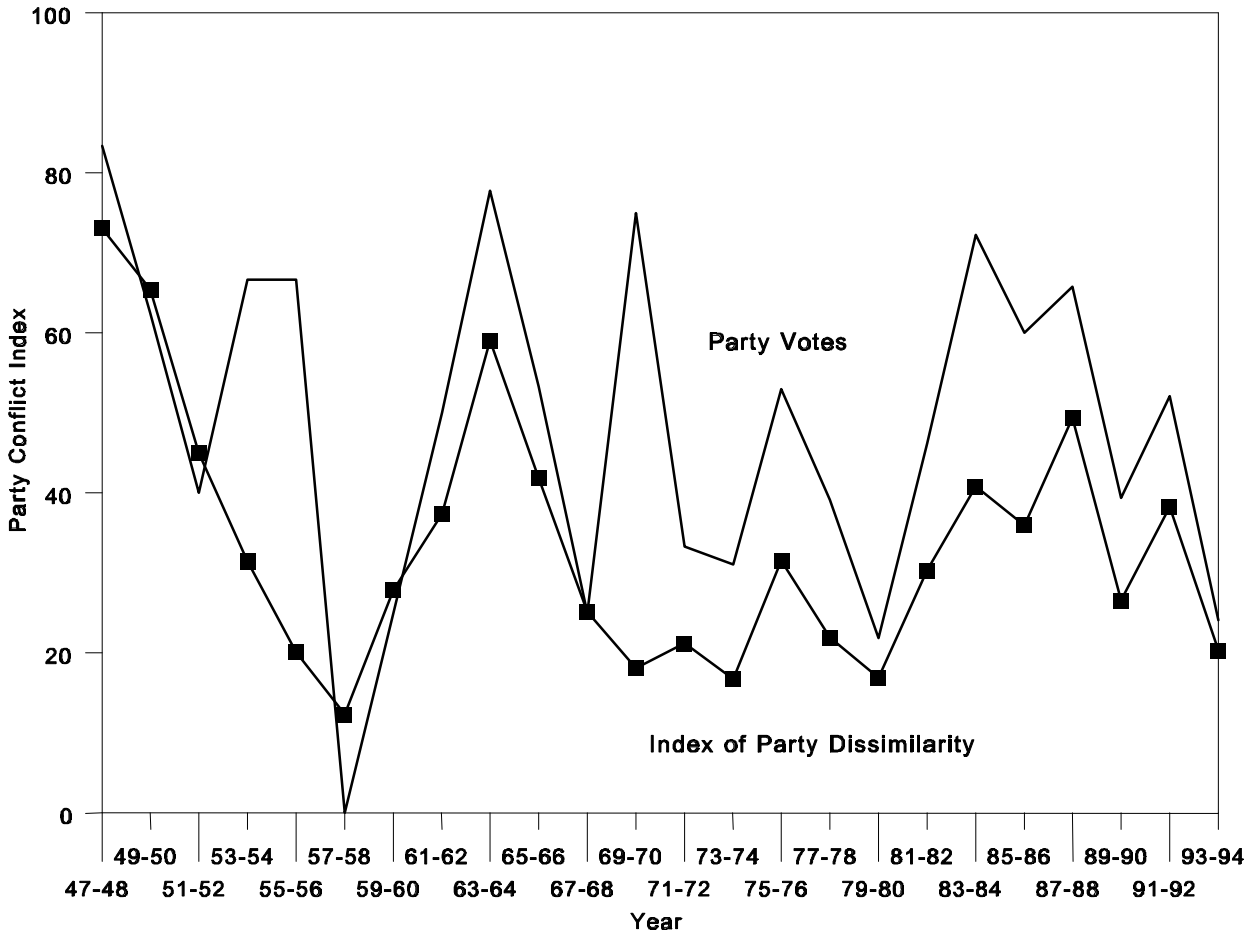


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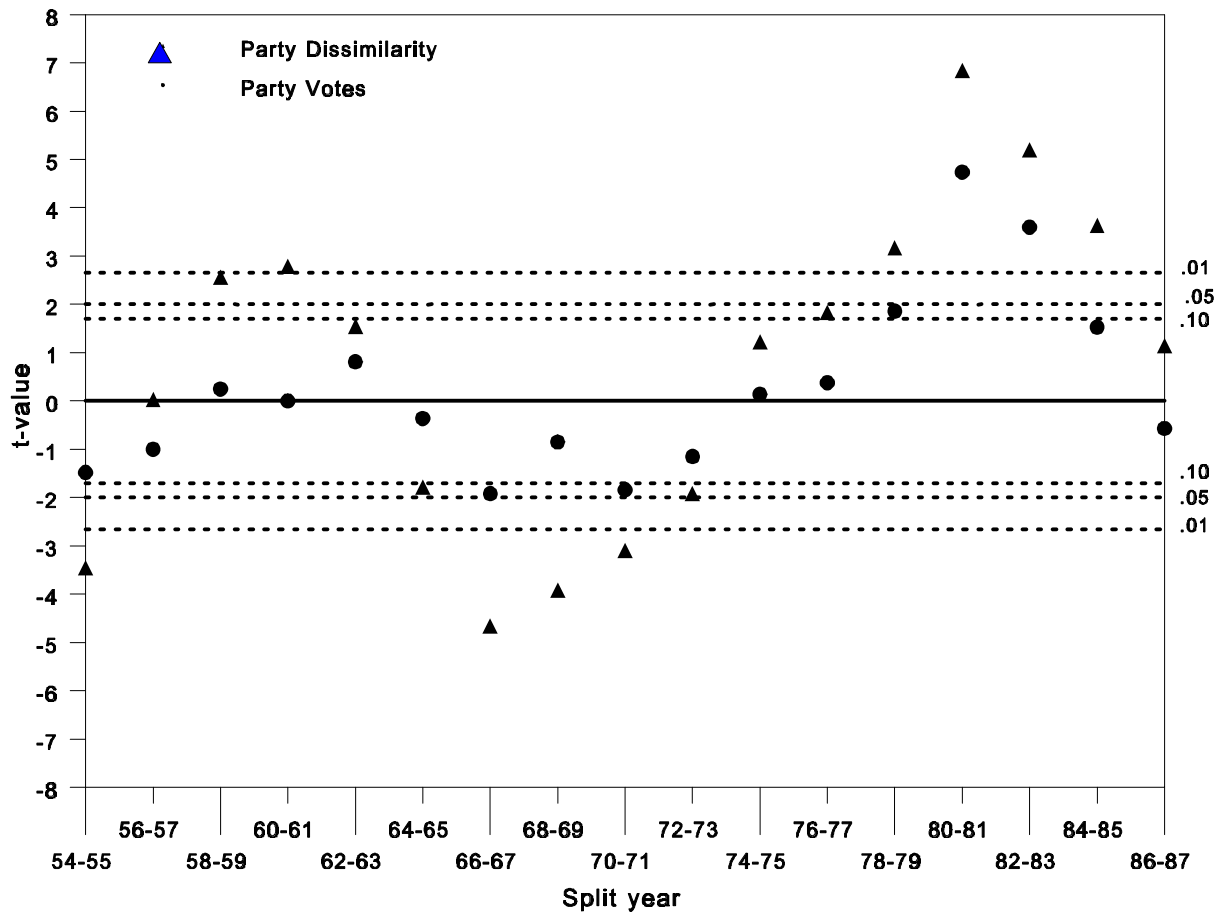
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**Figure 1. Party Conflict on Trade Issues, House of Representatives, 1947-1994**

Note: Party Votes line indicates the percentage of party votes (votes with opposing party majorities) on trade-related roll-call votes in each congressional session. Index of Party Dissimilarity line indicates the mean gap between the percentage of Republican voting 'yes' and percentage of Democrats voting 'yes' on trade roll-call votes in each congressional session.



Confidence level

**Figure 2. Subperiod Comparisons of House Party Conflict Levels**

Note: Split year indicates the subperiods compared. A split year of 70-71, for example, presents the t-value for a comparison of mean party conflict for the subperiods 1963-70 and 1971-78.

**Table 2. Divided Government, Unified Government, and Party Conflict over Trade, 1947-1994**

Measure of Party Conflict	Government Control		Gap Between Divided and Unified Control				
	1947-1994		1947-62	1963-70	1971-78	1979-86	1987-94
	Divided	Unified					
Dissimilarity	33.7	28.7	-9.6	-22.5	0.1	20.5	18.2
Party votes	53.0	39.0	-3.7	25.0	-1.4	41.6	28.8
Party votes-75% vs. 75% 16.8	10.7	-1.8	-25.0	1.1	16.2	20.9	

*Notes:* Dissimilarity is the mean dissimilarity score on all votes under divided and unified government, respectively. Party votes indicate the percentage of all votes that are party votes during divided and unified government, respectively. Entries in the gap columns subtract the party conflict measure (e.g., party votes) under unified government from the party conflict measure under divided government. Gap entries take a positive value if party conflict as measured by party votes and dissimilarity is higher during divided government than during unified government; negative values indicate higher conflict under unified government.

**Table 3. Party Conflict in Selected Trade Policy Tools and Trade Policy Directions**

Measure of Party Conflict	1963-1978		1979-1994	
	Unified	Divided	Unified	Divided
Percentage Party Votes on				
Tariff-related vote	37.5*	33.3	20.0	65.9*
Quota-related vote	62.5	71.4*	42.9	80.0*
Vote to impose protection	44.4	44.4	21.4	76.0*
Vote to punish using trade	54.2*	30.0	14.3	45.5*
Vote to liberalize trade	41.2	46.2*	26.3	56.3*
Mean Party Dissimilarity on				
Tariff-related vote	26.6*	14.7	17.5	40.6*
Quota-related vote	25.5	29.9*	27.9	43.3*
Vote to impose protection	19.8*	18.6	17.4	41.0*
Vote to punish using trade	38.0*	22.4	25.8	33.9*
Vote to liberalize trade	27.8*	21.5	19.6	41.0*

\* indicates whether conflict was higher during unified or divided government.



**Table 1. Democratic and Republican Support for Alternative Trade Policy Directions**

	Mean Percentage Supporting:														
	Trade Liberalization				More Protection				Imposing Punishment						
<u>Votes coded in one or more policy categories</u>	1947-1962	1963-1970	1971-1978	1979-1986	1987-1994	1947-1962	1963-1970	1971-1978	1979-1986	1987-1994	1947-1962	1963-1970	1971-1978	1979-1986	1987-1994
	55	55	77	68	62	72	68	60	58	44	82	87	63	64	69
Republicans	85	68	68	44	68	57	57	63	75	77	75	56	59	68	71
Democrats	13	5	25	33	34	12	5	22	33	31	6	17	27	15	47
N of votes															
<u>Notes</u>	11	3	19	26	24	9	2	15	24	21	1	14	16	4	35

Note: Entries indicate the mean percentage of party members supporting trade liberalization, increased protection, or punishment of a trading partner, respectively, on those roll-call votes coded in these categories. Votes supporting the status quo are not treated in this table as support for additional liberalization, protection, or punishment (for example, voting no on a measure that would increase tariffs is not treated as a trade liberalization vote). N of votes indicates the number of roll-call votes in a given period that are coded as relating to trade liberalization, new protection, or imposing trade-related punishment.

**Table 4. Annual Levels of Party Trade Conflict, House of Representatives, 1947-1994**

Independent Variables	Party Dissimilarity	(SE)	Party Votes	(SE)	Expected sign
<i>Institutional effects:</i>					
Divided government	-.08	(2.81)	.05	(.05)	0
President supports	-.21**	(.12)	-.24	(.23)	-
President opposes	.06	(.10)	-.21*	(.16)	-
Narrowness of issue	-.26***	(.07)	-.26**	(.13)	-
Democratic dominant faction	.47	(.38)	-1.14	(1.76)	0
<i>Policy type:</i>					
Punishment	.34***	(.08)	.49***	(.14)	+
Protection	.29***	(.12)	.14	(.23)	+
Free trade	.23**	(.10)	-.14	(.18)	+
Final passage	-.16**	(.07)	-.27**	(.14)	-
<i>Policy tools:</i>					
Quotas	.17**	(.10)	.92***	(.19)	+
Tariffs	-.25**	(.11)	-.59***	(.21)	-
<i>Economic conditions:</i>					
Inflation	-.59*	(.43)	-.75	(.78)	-
Unemployment	3.55***	(1.03)	7.35**	(1.92)	+
Trade imbalance	1.82***	(.25)	1.25**	(.47)	+
Trade imbalance X deficit	-1.82***	(.31)	-.82*	(.59)	-
Lagged party conflict, 1 year	.27***	(.10)	.30***	(.11)	+
Constant	-8.16	(8.51)	14.13	(17.64)	
Adjusted R-square	.88		.78		
Std error of the regression	8.43		15.95		
F	6.74***		3.58***		
Durbin h	4.17		4.84		

\*  $p \leq .10$ ; \*\*  $p \leq .05$ ; \*\*\*  $p \leq .01$ ; one-tailed.

Notes: Entries are unstandardized GLS regression coefficients. Coefficient standard errors omitted for clarity. Durbin h and F values are from the original OLS estimations. Because of high values of Durbin h, models were reestimated with correction for serial correlation, Prais-Winsten method. R-square and standard error of the regression values are from the Prais-Winsten GLS estimations. All percentage variables were multiplied by 100. Dependent variables are the percentage of party votes and the index of party dissimilarity, respectively.