

## The Myth of the *Free Trade* President

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*In the United States, there is a long standing hope that both our constitutional structure of government and international legal institutions can be reformed to promote the general welfare, at the expense of faction. Supposedly, one such innovation—touted widely in the literature—was the decision of Congress under the RTAA in 1934 to delegate significant international trade authority to the President. Here is an account that is rooted in institutional beneficence, where members of Congress acting altruistically sacrifice some portion of their institutional power for the greater good.<sup>1</sup> There is one problem with this account. It is a fable. It never occurred, at least not in the way the conventional narrative portrays it. The delegation of trade authority to the President in the 1930s was not an effort to transcend interest groups politics; on the contrary, it was very much a product of interest group politics. Moreover, it was not particularly novel. Delegation had been deployed to secure protectionist policy goals since the end of the nineteenth century. Indeed, the anti-tariff coalitions in the Democratic Party in the 1930s were simply copying an institutional tactic perfected by their protectionist opponents. In the end, the notion that the President is institutionally disposed to favor free trade is a myth; on the contrary, presidential preferences on trade policy are shaped by conflict between partisan coalitions. Sometimes those coalitions have sought to delegate authority because they favor lower tariffs, sometimes they have sought to delegate because they do not. In the meantime, the myth continues to bestow on interest groups who profit from the modern regime of delegation an air of public spiritedness which they do not deserve.*

In the history of American trade policy, no single event has been more important than Congress's decision to adopt a range of legislative changes that began with the Reciprocal Trade Act of 1934 (RTAA). Prior to that legislation, American trade policy was purportedly plagued by protectionist forces, which led to a rash of tariff increases in the early twentieth century that culminated in the infamous Smooth Hawley tariffs of 1930. Reversing this spiral of ever increasing tariffs at the time seemed daunting because it was thought that Congress was perennially susceptible to capture by protectionist groups.

In the tale that is now conventional wisdom, certain reform-minded members of Congress led by Cordell Hull managed to persuade their reluctant colleagues to take a series of drastic legislative measures to curtail interest group influence in international trade policy. Some of these

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<sup>1</sup> In this case, legislators gave up power to an institutional player whose preferences were purportedly in favor of free trade and thus more aligned with the general welfare.

reforms, such as the use of congressional-executive agreements in lieu of treaties for ratifying international agreements, have even been compared favorably to constitutional amendments.<sup>2</sup> Others, which were apparently no less radical from a constitutional perspective, involved wholesale devolution of Congress's foreign commerce powers to the President. Collectively, these acts of legislative altruism, which ostensibly shifted the balance of international trade authority from a protectionist Congress to a free trade president, have been credited with ushering in an era of liberalization the like of which has not been known in American commercial history.<sup>3</sup>

There are two problems with this narrative. First, it is largely inconsistent with post-RTAA United States trade policy, in which Congress continues to play an active role. Second, and more importantly, it is also based on a misleading historical picture of pre-RTAA trade policy.

Scholars assume that congressional delegation of trade policy to the President prior to 1934 was anomalous or non-existent. It was not. On the contrary, delegation was largely a Republican protectionist innovation from the 1890s. The Republicans sought to delegate to the President in order to raise tariffs and keep imports out, while congressional Democrats tried to delegate in the 1930s in order to lower tariffs and ensure access to foreign markets. In sum, delegation to the executive branch was simply exploited to push trade policies favored by conflicting business coalitions. There is very little or no evidence to suggest that any of the coalitions had any reason to believe that presidents would be institutionally predisposed to favor free trade policies. Republican presidents proved to be largely and stridently protectionist (like their congressional counterparts), while Democratic presidents and members of Congress favored free trade.

Furthermore, most accounts assume that prior to the 1930s, both free trade and export oriented groups suffered from significant collective action problems, which made them relatively weak in comparison to protectionist interest groups. That is also not true. The National Reciprocity Movement (NRM), which lobbied hard for the reciprocal trade and greater trade liberalization, was a well-financed interest group founded and supported by well-heeled businesses. Moreover, at the turn of the twentieth century, the anti-tariff coalition was a sufficiently advanced political machine whose influence was not merely reflected in its ability to organize successfully for tariff reform and free trade policies before Congress. It was also largely credited with providing crucial political support for the passage of the 16<sup>th</sup> Amendment, which established the modern income tax. Many anti-tariff interest groups, including southern farmers, threw their weight behind the income tax because they hoped it would be a substitute for protective tariffs. Thus, the notion that Congress was perennially subject to one-sided pressures from protectionist groups prior to the 1930s was simply incorrect.

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<sup>2</sup> See generally Bruce Ackerman & David Golove, *Is NAFTA Constitutional*, 108 HARV. L. REV. 799 (1995).

<sup>3</sup> KENNETH DAM, *THE RULES OF THE GLOBAL GAME: A NEW LOOK AT U.S. INTERNATIONAL POLICYMAKING* (2001); DOUGLAS A. IRWIN, *FREE TRADE UNDER FIRE* 155-57 (2002); I.M. DESTLER, *AMERICAN TRADE POLITICS* 32, 205-06 (1995).

Ironically, the most conspicuous innovation of the 1934 act is that while it enhanced (or retained) presidential flexibility to pursue policies favored by free trade Democrats, *it actually constrained the policy flexibility of future Republican presidents*. It did so by conditioning presidential trade policy on a series of reciprocal trade agreements with other nations that made it much more costly for the United States to raise tariffs unilaterally. In other words, the Congressional Democrats of the 1930s sought to entrench their preferences by locking in tariff reductions through reciprocal trade agreements, *and thus ended up weakening presidential authority in international trade*. Thus, before the 1934 Act, presidents previously had significant latitude over both raising and reducing tariffs, but after the Act they had latitude mostly to reduce tariffs.

In the next couple of sections, I will describe how the practice of delegation, which would presumably produce efficient trade policies, was often marred by distributive politics. To be sure, the RTAA was negotiated in an atmosphere of international economic crisis so one might conjecture that the rules of normal politics ought not to apply. The analysis here suggests the opposite—the environment surrounding the adoption of the RTAA was characterized by self-interested and strategic behavior by partisan officials.

Throughout, I will closely examine the various plausible efficiency based explanations for the RTAA reforms—the delegation to overcome faction and the marketplace of ideas. And I will argue that there are strong empirical grounds to view either explanation with skepticism. Delegation did not overcome faction; indeed, it was itself a product of factional conflict. Also, the idea that the American people turned their back on protectionism in the 1930s is not quite true; on the contrary, trade politics was and largely continues to be dominated by narrow interest group politics.

In the end, the real lesson of the RTAA is that it illustrates the pitfalls behind the presumption that one can hardwire specific policy outcomes through constitutional innovation. The history of American trade policy suggests that the preferences of both institutional actors and interest groups are fickle. Industries that champion free trade and market access in one period can become vehement protectionists in another. Realignment between the parties' most powerful constituents can occur and completely overturn longstanding notions about partisan preferences for free trade. For instance, Democrats who championed trade reform and delegation in the 1930s have since switched spots with Republicans as the party of free trade. And presidents, ever mindful of the needs of their core coalitions, will often pursue policies that make such coalitions happy regardless of whether it maps neatly unto prevailing theories of economic welfare.

### 1. Delegation as an Institutional Innovation to Overcome Faction

Often, social scientists concede that politicians may tend to act as self-interested actors who discount the social welfare, but that well-designed institutions can often act to constrain such politicians to supply the electorate with the policies they desire.

For many scholars, the crucial institutional innovation that ultimately overcame interest group capture in international trade was delegation. For instance, the sentiments expressed by prominent international trade scholar, I.M. Destler, are typical:

The Constitution grants the President no trade-specific authority whatsoever. Thus, in no sphere of government policy can the primacy of the legislative branch be clearer: Congress reigns supreme in trade, unless and until it decides otherwise. Beginning in the 1930s, Congress did decide otherwise, changing the way it handles trade issues. No longer did it give priority to protecting American industry. Instead, its members would give priority to protecting themselves from the direct, one-sided pressures from producer interests to make bad trade law. They would channel that pressure elsewhere, pushing product-specific trade decisions out of the committees of Congress and off the House and Senate floors to other governmental institutions.<sup>4</sup>

Comparable stories are told elsewhere.<sup>5</sup>

A straightforward examination of the history pre-RTAA trade policy alerts us to some problems with the conventional narrative. Of course, since tastes for the general welfare are inherently non-observable, it will be hard to prove (or disprove) definitely whether members of Congress in the 1930s were motivated largely by noble ideals. But there are nonetheless reasons to be skeptical of such public-minded explanations.

First, since the provision of free trade is a public good, one needs a plausible account of how political groups pressuring Congress for reform would overcome free riding problems, especially when the costs of organizing are presumably high and the benefits of free trade diffuse. Ultimately, without any such account, this explanation remains unconvincing. On the other hand, there were some politically connected groups that stood to benefit materially from tariff reform. At the heart of this coalition were Southern cotton farmers, who derived a significant portion of their revenues from exports. The membership of this group was wide and varied; indeed, the Southern National Farmers Alliance was considered “the largest citizen organization of nineteenth century America.”<sup>6</sup> While this sector was not necessarily small in number, its geographical concentration was high, and there is evidence that the costs of organizing were low. Indeed, the political prowess of this group and its offshoots were legendary, and it was credited for partially spearheading the campaign to passing the 16<sup>th</sup> Amendment—a measure with largely anti-

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<sup>4</sup> I.M. DESTLER, AMERICAN TRADE POLICY 14(2005).

<sup>5</sup> Indeed, the notion that the President is institutionally predisposed to free trade has even been embraced by scholars who are skeptical of the altruistic account of congressional delegation. See Karen E. Schnietz, *The Institutional Foundation of U.S. Trade Policy: Revisiting Explanations for the 1934 Trade Agreements Act*, 12 J. POL. HIST. 417, 429-30 (2000) (observing that presidents favored low tariffs because the President’s constituency is national while that of a member of Congress is local); Michael Bailey, Judith Goldstein & Barry R. Weingast, *The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade*, 49 WORLD POL. 309, 327 (1997) (same).

<sup>6</sup> Encyclopedia of the Great Plains 710( Ed. by David J. Wishart).

tariff implications.<sup>7</sup> But what was this anti-tariff coalition seeking? To argue that they were simply evangelizers of free trade seems highly unlikely. Indeed, their campaign seemed targeted against Northeast industries whose preferences for tariffs lead to the kinds of trade wars that obstructed the cotton coalition's access to foreign markets.

Second, contrary to the conventional wisdom, delegation of trade authority was not novel at the time of the passage of the RTAA. Indeed, anti-tariff supporters were simply borrowing a page from their Republican opponents who had previously perfected delegation as an instrument for pushing protectionist goals. Take, for instance, the delegation that was the subject of controversy in the famous case of *Field v Clark*.<sup>8</sup> There the Court upheld a statute—Section 3 of the McKinley Tariff—which gave the President the power to levy predetermined duties or taxes based on his own determinations of whether trade policies between the United States and its trade partners were “reciprocally unequal and unreasonable.”<sup>9</sup> McKinley, known as the “Napoleon of Protection,” was then a formidable Chair of the House Ways and Means Committee, who spearheaded the campaign under the eponymous statute to raise average tariffs across all imports close to 50%. While the delegation implicated in *Field* is widely justified as a necessary legislative measure giving the President a freer hand to negotiate trade agreements, it did not seem that way to free trade Democrats in Congress or to the US's key foreign trade partners. For such groups, delegation was recognized as a transparently protectionist device that gave the President wide latitude in imposing harsh tariffs on any country that he concluded had unreasonable trade policies. In any event, free trade Democrats in Congress condemned Section 3 of the 1890 Tariff as unconstitutional.

Belying claims that protectionism exerts one-sided pressure on members of Congress, McKinley and his fellow protectionist Republicans were soundly defeated in the elections later that year. The tariffs had become widely unpopular. Free trade Democrats promptly removed the offensive Section 3 in the Tariff Act of 1894. But Republicans reinstated it once they took the House in 1897. For good measure, the 1897 Act also included a Section 4, which allowed the President to negotiate five-year treaties provided the goods exported by the other country were not produced in the United States.

But what was so novel about Section 3 of the 1890 Act? It was not really the act of delegating trade policy authority to the President. Indeed, some variation of congressional delegation to negotiate had been in place since the early days of the Republic. Similar provisions were also in place that gave the President the power to restore trade relationships with countries once they met certain conditions. What was remarkably about Section 3 is that it gave the

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<sup>7</sup> Monica Prasad, *The Origins of Tax Systems: A French–American Comparison*, 114 *Amer J Soc.* 1350 (2009).

<sup>8</sup> 143 U.S. 649, 680 (1892).

<sup>9</sup> *Field*, 143 at 680 (quoting McKinley Tariff Act, 26 Stat. 567, 612 (1890)).

President the unilateral power to retaliate by raising tariffs against the US's trading partners once he determined they were engaging in unfair trade practices. This provision left many of the US's major trading partners and free trade Democrats apoplectic.

To make matters worse, Republicans pushed for more delegation in the Act of 1922, which not only gave the President the power to alter tariff rates by as much as 50 percent, it also gave him the unprecedented power to engage in tariff reclassifications. The Act also created the so called scientific tariff, which sought to equalize the costs of production among countries so that no country could undercut the prices charged by American companies. Notably, one of the greatest critics of the constitutionality of presidential delegation in the 1922 Act was a certain Cordell Hull, a Southern Democrat, who was on his way to becoming one of the most vocal anti-tariff voices on Capitol Hill.

Against this background, the delegation accorded the President in the 1934 Act was not particularly original, nor was it necessarily flexibility enhancing. Indeed, it is better understood in part as a ploy by anti-tariff Democrats to undo the damage inflicted by previous Republican innovations in delegating tariff raising authority to the President. But Democrats had by then given up on piecemeal efforts of just repealing protectionist legislation. They sought to entrench a legislative scheme that would make it more difficult for future Republican presidents to ever have the power of unilaterally raising tariffs or making other adjustments for import-competing industries. They were also miffed at how prior Republican presidents had converted the Tariff Commission set up by Wilson into a protectionist scheme. The 1932 Democratic Party Platform announced that it would embrace “a fact-finding commission free from executive interference.”<sup>10</sup> The 1928 Platform cowed to end “the Executive dominion which has destroyed the usefulness of the Present Commission.”<sup>11</sup>

Having shed his prior qualms about unconstitutional delegation when he was a Congressman, Cordell Hull, Roosevelt's Secretary of State, now helped set in motion his own scheme of delegation. That scheme involved the combination of an unconditional Most Favored Nations (MFN) clause in trade agreements as well as presidential flexibility to reduce tariffs unilaterally in negotiations with foreign countries. And more importantly, reductions in tariffs would no longer be made through omnibus legislation through Congress, but through bilateral agreements with other countries. Congress would simply vote on a bicameral basis whether to approve trade negotiation authority, rather than approve specific trade agreements with other countries that would be subject to ratification under the Treaty clause. Subsequently, the GATT multilateral framework of 1947 also had the added dimension of ensconcing trade reduction

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<sup>10</sup> *Democratic Party Platform of 1932*, THE AMERICAN PRESIDENCY PROJECT, <http://www.presidency.ucsb.edu/ws/index.php?pid=29594>

<sup>11</sup> *Democratic Party Platform of 1928*, THE AMERICAN PRESIDENCY PROJECT <http://www.presidency.ucsb.edu/ws/index.php?pid=29595>

authority into a broader institutional framework, where efforts to raise tariff would no longer be simple matter of dispute between two states, but a violation of a rule governing a broader range of states.

Once the shoe was under the foot, it was the turn of Republicans to denounce delegation of trade authority as unconstitutional.<sup>12</sup> The Republican Party platform of 1936 not only vowed to repeal the RTAA,<sup>13</sup> it also “condemn[ed] the secret negotiations of reciprocal trade treaties without public hearing or legislative approval.”<sup>14</sup> For decades prior to the 1940 election, the Republican leaders in the Congress and Senate overwhelmingly voted for repeal of the RTAA every time it came up for renewal.<sup>15</sup> By the late 1940s, however, when some of the Republican business constituencies that initially supported repeal eventually became net exporters, a split emerged within Republican legislators and many decamped from their long-held protectionist positions to embrace free trade.<sup>16</sup> But this intra-coalitional split within the Republican Party made it more likely that the constitutional innovations that made the RTAA possible would remain durable.

In the post-RTAA era, delegation of free trade authority to the President has more or less followed a predictable pattern. The free trade party—the Republicans in the modern era—has generally preferred to delegate to the executive branch regardless of which party occupies the White House. By contrast, Democrats have been usually reluctant to delegate even during periods of united government. But given the pre-RTAA history, it is unlikely that this pattern has much to do with the trade preferences of the President, and more to do with the fact that modern multilateral trade negotiations constrain the ability of presidents to negotiate for protectionist provisions. The trade constituencies in both political parties understand well the constraints of these multilateral regimes, and their preferences on delegation reflect that understanding. There is a slight wrinkle to this story, however. With the proliferation of bilateral and regional trade agreements, presidents now have more flexibility to insert protectionist commitments into international trade agreements, and this has frequently triggered consternation by the free trade party in Congress.

## 2. The Marketplace of Ideas as a Spur to Constitutional Innovation

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12. *Id.* at 650.

13. See *Republican Party Platform of 1936*, THE AMERICAN PRESIDENCY PROJECT (June 9, 1936), <http://www.presidency.ucsb.edu/ws/index.php?pid=29639#ixzz1RR7G6ga4> (“We will repeal the present Reciprocal Trade Agreement Law. It is futile and dangerous. Its effect on agriculture and industry has been destructive. Its continuation would work to the detriment of the wage earner and the farmer.”).

14. See *id.*

15. See Irwin & Kroszner, *supra* note **Error! Bookmark not defined.**, at 644–45.

16. See *id.* at 647 (“Senate Republicans voting in 1934 were responsive only to import-competing interests, whereas those voting in 1945 were responsive to both import-competing and export-oriented interests.”).

In democracies, the assumption is often that the marketplace of ideas will serve to screen out institutions and policies that are unfounded, dubious, or that cater to the needs of narrow interest groups because such policies will likely be discredited when they are exposed to the light of public debate. In this picture, one common argument made for the RTAA is that the Depression helped clarify the horrors of legislative supremacy in international trade.

There is one significant problem with this marketplace of ideas narrative: it does not quite match up with post-RTAA trade policy. First, and most importantly, the lessons learned thesis is exaggerated and does not reflect the intense partisan conflict that surrounded both the enactment and subsequent history of the RTAA. Far from learning that the Smoot Hawley tariffs were a likely source of the global economic crisis, and that the RTAA was a solution, Republican legislators in both houses condemned the RTAA as a blatant partisan measure on behalf of interest groups associated with the Democratic Party. The Republican Party Platform of 1936 not only vowed to repeal the RTAA,<sup>17</sup> it also “condemn[ed] the secret negotiations of reciprocal trade treaties without public hearing or legislative approval.”<sup>18</sup> Up until the 1940 election, the Republican leaders in the Congress and Senate overwhelmingly voted for repeal of the RTAA every time it came up for renewal.<sup>19</sup> But by the late 1940s, however, when some of the Republican business constituencies that initially supported repeal eventually became net exporters, a split emerged within Republican legislators and some decamped from their long-held protectionist positions to embrace free trade. Ironically, the economic opportunities provided by the war helped transform some of the northern industries that supported Republicans from import-competing groups to net exporters. But this intra-coalitional split within the Republican Party made it more likely that the constitutional innovations that made the 1934 act possible would remain durable. Had the northern business interests from which the Republicans drew their support in the 1932 persisted in their import-competing preferences through the 1950s, it is very likely that the constitutional regime underpinning the RTAA would have collapsed.<sup>20</sup>

Second, the marketplace of ideas thesis does not adequately capture the ideational landscape of American trade policy prior to the 1930s, nor does it pay sufficient attention to the political economy factors that shaped trade policy at the time. As Goldstein points in her in depth analysis of US trade policy, by the advent of WWI the dominant academic discourse in the American academy was already in favor of free trade.<sup>21</sup> Although there was a protectionist element that was visible in some American economics departments by the latter part of the nineteenth century, it had all but vanished by the end of the century. But despite the almost universal one-sidedness of

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<sup>17</sup> See Republican Party Platform of 1936, available at <http://www.presidency.ucsb.edu/ws/index.php?pid=29639#ixzz1RR7G6ga4> (“We will repeal the present Reciprocal Trade Agreement Law. It is futile and dangerous. Its effect on agriculture and industry has been destructive. Its continuation would work to the detriment of the wage earner and the farmer.”)

<sup>18</sup> See *id.*

<sup>19</sup> See Irwin & Kroszner, *supra* note \_\_\_ at 644-45.

<sup>20</sup> As Irwin and Kroszner observe:

Senate Republicans voting in 1934 were responsive only to import-competing interests, whereas those voting in 1945 were responsive to both import-competing and export-oriented interests.

See *id.* at 647.

<sup>21</sup> See Judith Goldstein, *Ideas, Interests, and American Trade Policy* 87-91.



the ideational discourse in favor of trade liberalization, academics and policy experts had almost no discernible effect on the trajectory of American trade policy by the early twentieth century. Up until the 1940s, tariff policy had an almost predictable pattern, when Republicans were in power, they championed high tariffs (backed by their manufacturing base). When Democrats were in power, they (and their constituents) pushed for tariff reform. If and when policy wonks and academics testified about the effects of high tariffs before Congress, they were quietly ignored by those opposed to tariff reform, and bandied around opportunistically by those groups who stood to benefit materially from such reforms. There does not seem to be much evidence that the policy discourse influenced any politician who was otherwise responding to constituent pressure to take a different stance on the merits of tariff policy.

By the time Smoot Hawley tariff was passed in 1930 (raising average ad-valorem rates to 52.8 percent), it was uniformly condemned by academic economists as an imprudent economic measure, but these academic voices seemed to have no effect on either the subsequent legislative debates or the eventual political outcome. Moreover, even after Smoot Hawley seemed to instigate a tariff war that led 26 major trading partners to implement quantitative restrictions and economic controls, and provoked the United Kingdom to abandon whatever remained of its free trade regime by 1932, there is little evidence that major Republican politicians were led to a change of heart or mind. Even when the Great Depression set in between 1929 and 1933 and the American economy had collapsed, Republican legislators persisted in their view that Smoot Hawley had very little to do with the ensuing economic crisis, and that the RTAA was a constitutional and political travesty that threatened the American constitutional and economic order.

But why was political discourse on tariff policy in the early twentieth century so far removed from the conventional academic wisdom? Some commentators have blamed the ineffectual and socially disengaged norms of professional economists who often presented their findings in a manner that was hard to understand by politicians or the public.<sup>22</sup> But beyond the esoteric academic behavior of professional economists, a more likely reason might be that these academic ideas did not resonate with the material interests of key interest groups that were aligned with the Republican Party. The disjuncture between ideas and material interests meant that the conventional academic wisdom about free trade would be welfare enhancing could not blossom as much in political circles.

Finally, the flipside of the marketplace of ideas explanation is that it overlooks how much of the political will in favor of free trade during the early twentieth century might have been the result of vested interest, rather than ideas. While Cordell Hull (as both legislator and Secretary of State) undeniably had an evangelical bend to his crusade for trade liberalization, it is somewhat a reach to extrapolate that the RTAA and the post-war international order were born of moral conviction, rather than more mundane commercial considerations. There are many reasons to view any ideational explanation with some suspicion. First, the National Reciprocity Movement (NRM), which initially lobbied hard for the reciprocal trade and greater trade liberalization, was a well-financed interest group founded and led by important manufacturing and business interests. Although the NRM was initially skeptical of the merits of the 1934 RTAA because it did not

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<sup>22</sup> See *id.* at 132.

provide a role for the President to consult with business before changing tariffs, it later provided significant support for the RTAA after its passage.

Second, there were also regional differences for the preference for free trade and international institutions that belie ideational accounts. Conventional accounts of the controversies underlying the ratification of the postwar UN institutions and the prewar trade regime sometimes explain it as pitting internationalists who supported the United Nations and the prewar trade regime against conservative isolationists. But as some commentators have observed, it was Southern politicians in the early part of the twentieth century who were most supportive of international law and the use of multilateral institutions to resolve economic policy issues, and the South was then (as now) hardly considered a bastion of progressive idealism or particularly susceptible to norms of global cosmopolitanism.<sup>23</sup> For Southern politicians (a group to which Cordell Hull belonged),<sup>24</sup> their earlier preference for internationalist institutions in the 1930s through the war was dictated by a simple logic: the economy of the South was tied strongly to agriculture, and southern farmers were largely an export oriented lot whose interests was most visibly threatened by Hitler's autarchic economic policies. As Peter Trubowitz put it, "in the final analysis, there can be little question that the South's interests were determined by its position in the international economy . . . The South was more vulnerable to the loss of overseas markets than the rest of the country."<sup>25</sup>

By the early 1950s, however, Southern Democrats were aligning with Republican constituencies in strident opposition to the proliferation of international institutions. What happened? The answer is that Truman had decided to break with Roosevelt's more delicate and nuanced approach on civil rights issues, and had gambled on courting the black vote whose pressing demands included using international human rights agreements to overcome domestic obstacles to integration. According to the now famous Rowe Report, Truman was advised that his 1948 electoral victory hinged on the support of African American voters in the north who, "[held] the balance of power in Presidential elections for the simple arithmetic reason that the Negroes not only vote in a block but are geographically concentrated in the pivotal, large and closely contested electoral states such as New York, Illinois, Ohio, and Michigan."<sup>26</sup> In hindsight, the Rowe Report erroneously calculated that Southern whites would not abandon the New Deal coalition and align with Republican business interests simply because of civil rights.

Simply put, Truman's willingness to embrace key planks of the civil rights upset the key coalition that enabled Roosevelt to pursue multilateralism both during the 1930s and early 1940s. For instance, James Byrnes, Truman's first Secretary of State who negotiated the peace treaties with the key European allies at the end of the war and started the process for the creation of West Germany, was a Southern Democrat who eventually turned against Truman on the question of UN treaties and civil rights. Indeed, in order to satisfy human rights treaty skeptics, Eisenhower

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<sup>24</sup> The claim here is not that Hull's ideological posture was a mask for regional Southern commercial interests, but that his free trade positions both as Secretary of State and as a Senator and Congressman from Tennessee resonated with Southern interests and politicians. See Trubowitz, *Defining the National Interest*

<sup>25</sup> Peter Trubowitz, *Defining the National Interest* 134.

<sup>26</sup> Quoted in DAVID MCCULLOUGH, *TRUMAN* 590 (1948).

subsequently appointed Byrnes to replace Eleanor Roosevelt as the Delegate to the UN. But Byrnes had earlier been a champion of multilateral institutions and free trade. As described by the wartime British Ambassador Lord Halifax, Byrnes was “[a] fervent believer in international cooperation . . . [who] can be counted to show himself as a faithful disciple of Mr. Hull.”<sup>27</sup>

To be clear, the claim is not that ideational explanations cannot influence the preferences of politicians for free trade or international institutions, but that to be politically sustainable these ideas will usually have to resonate with the material or ideological interests of some core constituencies aligned with either of the political parties. Staking out high-minded views about the benefits of free trade or global multilateral institutions may frequently overlap with the more parochial objectives of a party’s core constituents, but sometimes they will not. And when such divergences do occur, it is not far-fetched to assume that office-seeking politicians will be willing to sacrifice ideals about the general welfare for electoral self-interest.

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<sup>27</sup>James L. Gromley. Secretary of State James F Byrnes, An Initial British Evaluation, 79 *South Carol. Hist. Mag.* 198, 204 (1978).