



1875 Eye Street, N.W., Suite 1110  
Washington, D.C. 20006  
202 293-3126

TUESDAY, DECEMBER 13, 1994

## TRADE AND THE PUBLIC

By

Andrew Kohut and Robert C. Toth

*FOR FURTHER INFORMATION CONTACT:*

Andrew Kohut, Director  
Robert C. Toth, Senior Associate  
Carol Bowman, Director of Research  
Kimberly Parker, Assistant Research Director  
Times Mirror Center for The People & The Press  
202/293-3126

## TRADE AND THE PUBLIC

Polls consistently show the American public to be two-minded about trade. But common wisdom is reversed on this issue. Instead of being ideologically conservative and operationally liberal, the public is ideologically liberal about international trade -- in favor of free trade in principal -- and operationally conservative. It complains that some jobs and products need to be protected, with the emphasis hugely on jobs. It is willingly to put much of the blame for an economic slowdown on foreign competition, and willing to charge that some foreign countries engage in unfair trade practices.

A Newsweek poll in 1993 (PSRA, July) found 76% of Americans said international trade is a good thing for the country. About the same time (March, 1993), Yankelovich found that precisely the same proportion (76%) felt that past trade agreements have caused a loss of jobs here. The public, in fact, has been consistently and overwhelmingly willing to impose tariffs on foreign goods to protect American jobs: 75% favored this option in 1987 (28% "strongly") and 77% in 1990.

In examining international trade and public opinion, it is important to recognize that trade and economic stories usually get short shrift in the media, particularly on television where over two-thirds of Americans get their news. Stories about war and famine always win out for attention. Even with the print media, foreign trade stories tend to be categorized as DBI -- Dull But Important -- and relegated to business pages.

To make them more interesting, such articles are often cast in conflict terms which can distort the facts. The European Community is Fortress Europe within which people speak in strange languages and conduct trade among themselves at the expense of Americans. Japan is an unfair trading partner even for those who can't remember Pearl Harbor. NAFTA was potentially Perot's giant "sucking sound" of jobs headed south of the border.

GATT was covered during the Uruguay Round only when a breakdown or breakthrough in the talks was threatened. An editor of the *Wall Street Journal* reportedly warned his staff in 1992 that he would "no longer use stories that speculated on the possibility of a collapse of the GATT Round unless the prediction was likely to be proved correct!"<sup>1</sup>

This Times Mirror Center paper will touch briefly on public attitudes toward some of the trade issues mentioned above, and then consider public attitudes toward the North American Free Trade Agreement as it moved through Congressional passage and finally attitudes toward GATT as it moved toward enactment. It will conclude with some broad thoughts on emerging attitudes toward U.S. integration in the global economy.

---

<sup>1</sup>"The Media and International Affairs After the Cold War," Nicholas Hopkinson, August, 1993, Wilton Park Paper 74. London: HMSO.

### *Japan and the Trade Deficit*

Most of the American public believes that Japan has an unfair trade policy toward the United States, and the percentage has been rising in recent years. Specifically, 54% of the general public in 1988 said the Japanese policy was unfair, rising to 63% in 1989, and to 71% in 1990. It has remained there ever since, with 72% saying unfair in September, 1993.

The public's view of Japan as the world's economic powerhouse is changing, however. In 1989, Times Mirror found 58% of the public believed Japan was the world's leading economic power, with 29% saying the United States. Earlier this year, only 39% said Japan, while a slight plurality, 42%, said the United States.

There is some evidence that elites never saw Japan as the world's top economic power as the public did. In 1989, for example, 72% of an elite survey said the United States was the leader, with 21% naming Japan; and 64% thought the U.S. would continue to be the leader in the year 2000 (vs. 18% who said Japan).<sup>2</sup>

Nonetheless, all nine of the U.S. elite groups we surveyed in September, 1993, were stronger in their conviction that Japan is unfair than was the public. On average, 85% of the elites said Japan was unfair.<sup>3</sup> A majority of these same elites, however, opposed retaliatory action if it risked setting off a protectionist war in world trade.

When these elites looked eastward from the United States toward Europe, incidentally, five of the nine groups believed the European Community was fair rather than unfair in its trade policy toward the United States.

Public sentiment has probably not changed materially regarding Japan's trading policy this year. The fair/unfair question has not been asked directly, but other questions continue to find high levels of animosity toward Japan on this issue. For example, 78% in a Gallup poll in February supported new trade restrictions on Japan.

Public attitudes about how to solve the U.S. trade deficit with Japan are instructive. In another February Gallup poll, more than three out of four Americans favored such measures as pressuring Japan to import more U.S. products and lower import taxes on U.S. goods. Only a minority (45%) favored raising import taxes on Japanese goods sold in the U.S., which would make Japanese goods cost more here, while 53% opposed such action.

---

<sup>2</sup>The People, the Press & Politics: Public Opinion About Economic Issues. A Times Mirror Survey, conducted by Gallup. March, 1989.

<sup>3</sup>"America's Place in the World," Times Mirror Center for the People & the Press, November, 1993.

### ***China and Human Rights***

Public opinion about U.S. trade relations with China varies considerably depending on whether the phrase "human rights" is used in the question.

When the phrase was not used, a majority supported unfettered trade in May, 1990, less than a year after the crackdown on dissidents in Tiananmen Square. At that time, a *New York Times* survey found 52% of Americans would "give the same privileges to China that it gives to other friendly nations," with 37% opposed. One year later, in June, 1991, a *Washington Post* poll found the same majority support (52% vs. 41%) when the question was only slightly modified ("free trade with China on the same terms the U.S. gives its main trading partners").

When the phrase "human rights" was included in the question in recent years, opposition to normal trade relations was high for a while but has dropped with time. In December, 1993, for example, an NBC poll found 65% of the public said the United States should demand improved human rights policies in China in exchange for keeping its current trade status (with 29% saying good trade relations should be maintained despite disagreements over human rights policies). In May and June of 1994, however, support for demanding improved human rights dropped in two NBC polls using the same question to 51% and 50%, respectively.

A mid-May poll by Time/CNN found contradictory sentiment: 60% supported a continued policy of requiring human rights progress before China receives preferential treatment on trade policy (vs. 28% for stop linking trade policy to human rights); and 62% said U.S. policy should encourage human rights (vs. 29% for establishing a strong trading relationship).

If he was steered by the polls, President Clinton chose the evidence that showed human rights support was waning. For later that month, he announced that the Most-Favored-Nation status would be renewed for China and furthermore, no longer would trade be tied to human rights.

### ***Public Opinion and NAFTA***

From our perspective, two aspects of NAFTA are striking. First, the public was largely skeptical and relatively disengaged from the debate although now it appears to embrace the agreement. And second, public and elite opinion were at loggerheads until the agreement became law.

Through 1991, fewer than one in three Americans had heard or read anything about NAFTA. This rose to over half (52%) by September, 1992, (Gallup), 15 months before it became law. Our own measure of public attentiveness found that same September that 40% of the public said it was following news about NAFTA closely (13% "very closely," 27% "fairly closely"). It then ramped up steeply, to 50% a year later (21% followed "very closely") as the media focused on the Democratic split on the issue, then to 68% (24% "very closely") during the Congressional debate, and finally 73% (39% "very closely") in December after the President signed the law.

While the elites were already committed -- 72% of U.S. executives (in a September, 1992,

Yankelovich poll) favored NAFTA -- public support for the measure rose only slowly and unevenly with increased attention from the media. Throughout 1992 and 1993, only a minority of the public approved of NAFTA; in September, 1993, for example, Gallup found 35% approved, 41% opposed. Times Mirror surveys found in mid-September, 1993, that among those respondents who had followed NAFTA news closely (fairly plus very closely), 46% favored the agreement, with 42% opposed and 12% undecided/didn't know. One week later, both the support and opposition dropped --to 42% support, 37% oppose -- while the undecideds rose sharply, to 21%, again based on those who had followed the news closely. The change appeared to reflect, among other things, the determined trade union effort to defeat the agreement.

In mid-October, Clinton stepped up his lobbying efforts for NAFTA and on Nov. 9, Vice President Albert Gore appeared to win against Ross Perot in their televised debate on the issue. The public's view of NAFTA improved following those events.

In early November, for example, 47% agreed that the treaty would mean more jobs for Americans, a rise from 37% two months earlier, Gallup found. Similarly, fewer Americans believed U.S. companies would go to Mexico in order to pay lower wages to Mexican workers; 59% agreed this would happen in early November, down from 73% in September.

In mid-November, amid the debate, the public was still somewhat equivocal: 47% told Gallup NAFTA would have a positive effect on U.S. economic conditions, while 38% said negative. But on the key question of jobs, the trend was moving in favor of NAFTA, among the public most interested in the issue, and in retrospect, the rise in favorable opinion toward the agreement was parallel to the rise in belief that NAFTA would mean more jobs for American workers.

The other major impression left after reviewing the data is that the public, despite the jobs issue, was remarkably disengaged from the issue. A *New York Times* survey Nov. 11-14, directly prior to the key House vote, asked if respondents knew whether their representative stood in favor of NAFTA, against it, "or aren't you sure where he or she stands?" Fully 79% said they weren't sure where their member stood; 7% said against, 14% in favor.

Most of the public also said NAFTA was not an issue that would determine their vote. Asked in mid-November whether a Congressman who voted for NAFTA would be more or less likely to get the respondent's vote for reelection, 14% said more likely, 21% said less likely, and 60% said no effect.

In early December, after NAFTA was passed by Congress, Times Mirror found among the public which followed NAFTA news closely, 52% were in favor, 33% opposed, and 15% undecided. And pro-NAFTA sentiment increased throughout 1994. In March, 1994, 52% of the public said "more free trade agreements like NAFTA" will help the U.S. job situation, vs. 32% who said they would hurt. In July, 1994, we found fully 62% of the public in favor of "free trade agreements such as NAFTA and GATT."

NAFTA was not an issue in the 1994 mid-term elections. A national exit poll found that only

2% of the public cited issues involving "foreign trade/NAFTA" when asked which of two issues mattered most in deciding how the respondent voted for the U.S. House. [Of those voters, 55% voted Republican and 45% Democrat.] In comparison, campaign finance reform motivated 4% of voters, education 18%, health care and taxes each got 22%, the economy and jobs 27%, and crime at the top with 38%.<sup>4</sup>

NAFTA was probably not an election issue because U.S. jobs have not gone south in noticeable numbers<sup>5</sup> and because unions, faced with the prospect of the Republican landslide in the election, saw virtue in backing even those Democrats who voted for NAFTA despite earlier threats to withhold support.

### *GATT and Public Opinion*

The successful enactment of NAFTA in Congress a year earlier and its virtual invisibility in the 1994 elections seemed to promise an easy ratification ride for GATT. But there were a few straws in the wind which created some anxiety as the matter moved toward the floor in Congress.

First was a very low level of knowledge and interest in the issue. Polls in the early Fall found majorities saying they did not know enough to have an opinion about GATT: 61% in an NBC poll in late September and 54% in a Los Angeles Times mid-October survey. Of the rest, 24% and 27%, respectively, were in favor of the treaty, and 13% opposed in both polls. In October, a Times Mirror survey found GATT followed closely by 26% (8% "very closely") of the public, far less than NAFTA at a comparable period.

Then, a determined southern Democrat, Sen. Ernest Hollings (S.C.), forced postponement of the vote until after the elections. GATT got literally no attention before or during the mid-term elections as unions, stung by their failure to stop NAFTA and focused more on limiting Democratic losses to Republicans, ignored the issue.

Immediately afterwards, however, news coverage of the treaty debate picked up as some Republicans who won control of Congress expressed opposition or sought concessions for their support. In the event, the House approved the treaty by almost two to one and the Senate did the same by more than three to one. Our post-election poll in early December found 44% of the public had followed the issue closely (16% "very closely"), reflecting the increased coverage. And of these, 64% supported the measure, 28% opposed.

Another post-election survey by R/S/M Inc. focused on knowledge and attitudes toward the World Trade Organization to be created under GATT. More than half the public (53%) were

---

<sup>4</sup>Mitofsky International, Nov. 8, 1994

<sup>5</sup>Slightly fewer than 5,000 people claimed benefits due to jobs lost to NAFTA imports in the first six months of 1994, a period when 500,000 new jobs were created for reasons unrelated to trade. as the *Washington Post* editorialized, Nov. 8, 1994, p.A16

unaware of it. Told that the W.T.O. would have greater power to enforce trade rules than under the current GATT system, 42% said that was a "good thing," 30% said a "bad thing," and the rest didn't know. Asked for views on W.T.O., 45% said the benefits outweigh the risks while 26% said the organization threatens U.S. sovereignty, and the rest didn't know.

Finally, attentiveness to news about the condition of the U.S. economy overall remains at about its lowest level in three years: 28% followed reports about economic conditions "very closely," down from 49% in February, 1993, when interest in the issue -- and presumably public anxiety -- peaked.

### *Conclusions*

What can we say, then, about public attitudes toward international trade and greater U.S. integration into the global economy?

First, public opinion in this area is particularly hostage to the quantity and quality of media coverage since these issues do not have a serious audience among the general public. The public is also largely disinterested in the issue, due to its complexities and its remove from its immediate concerns. So probably more than in most other areas of foreign policy today, the elites can lead. It should be noted, however, that the elite and the public differ on what is the most important region of the world; the elites say Asia, giving economics precedence, while the public says Europe, still favoring the centuries-long cultural affinity.

Second, American values have changed in the post-Communist world in ways that suggest public opinion should become more amenable to agreements that promote international trade and measures that advance global economic integration. Among these new attitudes are a lesser commitment to promoting democracy and human rights, which should result in less demand that foreign trade be tied to these Western values. Another is the demand that foreign policies fit the needs of the U.S. domestic agenda; with the U.S. economy and jobs high on this agenda, trade issues that promise to increase jobs and improve the economy should get a more favorable hearing in the country. Americans now believe the country should no longer carry the responsibility and cost of being the single world leader of the West but only one of the nations at the top table; this should mean greater willingness to accept restrictions on U.S. freedom of action in international trade councils.

Third, the American public seems unwedded to appeals to "buy American." Asked in mid-1993 about such attitudes, 46% of respondents said it was "very true" that they try to buy the best product whether American-made or not, while 27% said it was "somewhat true" (Newsweek by PSRA). Similar results were found a year and a half earlier by Yankelovich.

Fourth, faith in future growth and prosperity of the nation, although shaken somewhat in the early 1990s, appears to be rebounding. Times Mirror found this year that over three in five Americans feel there are no real limits to the country's growth potential. Attitudes about U.S.

competitiveness in the world have also improved. In our December poll, 27% said U.S. competitiveness has improved in the past ten years; in 1990, only 20% answered the same. At least as important, those who said American competitiveness has worsened dropped from 51% to 38% over the same period.