The Partisan Divide in U.S. Congressional Communications after the China Shock

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Abstract

Donald Trump upended Republican orthodoxy on free trade, advocating anti-Chinese protectionism. Our research suggests that how Republican politicians responded to Chinese import competition at the district level laid the groundwork for this policy shift. In this paper, we examine the partisan difference in legislator communication strategies on China and trade related issues. Prior research has found that local Chinese import shocks increase legislator support for protectionist roll-call votes on trade (Hall and Feigenbaum 2015) as well as bills hostile to China (Kuk, Seligsohn, and Zhang 2017). We find that, even though Chinese imports impacted both Republican- and Democrat-held districts, Republican politicians engage in more protectionist and anti-China rhetoric and policy proposals. Using press release data from members of Congress, we show that, among districts more exposed to Chinese imports, Republicans are more likely to blame China as the problem. But there is no difference between Republican and Democratic messaging on trade issues in general. We attribute this partisan shift in political communication strategy to the fact that Republican legislators are more constrained by their party platform from advocating for trade protectionism and social welfare relative to Democrats. Blaming the negative externalities of import competition on China rather than on trade policy has allowed Republican incumbents to continue to support their party's free trade platform without alienating their constituents. However, it is also likely that the strategy of linking China

and trade meant that candidate Trump's protectionist message of tariffs against China resonated with the Republican base much more so than proposals that were better grounded in economic realities.

1   Introduction

To the casual observer, the 2016 presidential elections marked a sudden turn towards economic nationalism after decades of relatively unopposed trade liberalization. Candidate Trump's rhetoric appeared to many observers to be a major break with the Republican Party consensus and the its tradition of supporting corporate interests in freer trade (Harwood 2016). Or as another pundit remarked in Politico in September 2016, "In a stunning reversal, a large majority of Republicans are repudiating their party's traditional support for free trade, and falling sharply in line with nominee Donald Trump's insistence that trade costs Americans more jobs than it creates."

But we find that Trump's positions were not nearly as novel for the Republican Party as many supposed. By examining Republican Congressional representatives and their communications to their constituents, we find a clear evidence that the Republican party, particularly incumbents representing districts hard hit by trade competition, had become much more hostile on trade issues well before anti-trade rhetoric became dominant in the 2016 primaries. But we also find that in contrast to the shared skepticism on the Democratic side of the aisle, positions on trade deeply divided the Republican Party. However, these divisions over trade were mitigated by communication strategies by Republican incumbents that linked local economic dislocations on China's cheating rather than on free trade.

The change in Republican rhetoric on trade can be traced to rising economic competition from China. We find that Republican politicians who are more likely to link trade to China

in their communications with constituents represent districts that have been hard hit by import competition. As Autor, Dorn and Hanson first demonstrated in 2013, China's entry into the World Trade Organization (WTO) in 2000 profoundly and rapidly reshaped global trade flows, dealing major blows to specific localities that had relied on manufacturing that now abruptly faced much greater competition. This economic shock led to political shockwaves, requiring politicians to adjust their behavior to stay attuned to their voters. We would therefore expect that all else being equal that the China trade shock of the early 2000s would affect electoral outcomes. The most likely impact would be a cost to incumbents, but Feigenbaum and Hall (2015) do not find an increase in primary challenges to incumbents or on rates of incumbent reelection. Subsequent work by Autor et al (2016) and Che et al (2017) find that the China trade shock does affect rates incumbent reelection, but only for a subset of legislator depending on ideology or partisanship.

We agree with Feigenbaum and Hall that these inconclusive results linking electoral outcomes to economic conditions can be explained by the strategic behavior of incumbent legislators in the face of economic shocks in their district. They offer protectionist roll-call voting on trade as a potential strategy to mitigate the electoral effects of the local trade shock, acknowledging that this is but one arrow in the incumbent's quiver. We examine another important arrow in the incumbent's quiver, position taking in political communications. Compared to other strategies such as going against one's own party in roll-call votes on trade or working to secure trade assistance for one's constituents, changes in political communication strategies do not require a bargaining process with other legislators or the approval of party leaders. They are directly within the control of individual legislators and an important part of their reflect their "home style" in political representation (Fenno 1978; Grimmer 2010). While voting is one of a representative's most important tasks, the limited number of opportunities to vote makes it difficult for a representative to fully convey his or her

views to constituents in this manner. Direct communication to constituents, on the other hand, allows Representatives to craft more subtle messages, and it offers us a window into their "home style."

We are thus able to use congressional communication to better gauge how the China shock has affected the types of communications representatives choose to make and how that differs both by the trade impact of the district and by the representative's party affiliation. We expect that Republican incumbents in trade shock districts are more likely to change their political communication strategy because they are constrained by their party platform from advocating for trade protectionism and social welfare relative to Democrats. This would explain why the empirical results on electoral consequences are inconclusive because these outcomes depend on the success of the incumbent's mitigation strategy. It also helps explain why it is that during the height of manufacturing job declines during the Bush administration, Republicans in the U.S. Congress passed a slew of new free trade agreements by large majorities.

In this paper we use ADH's methodology for calculating the impact of the China trade shock on localities to estimate the impact on each Congressional District. We then look at how Congressional communication between 2005 and 2010 was affected by the China shock. We apply structure topic modeling to measure changes in legislators' communication strategy. This process creates the two main dependent variables of this study: the proportion of trade topics and the proportion of topics on China trade. We find Representatives from districts that are hard-hit by the China trade shock communicate more with their constituents on trade issues overall, but that the real changes is their increased communication on China trade issues. This change, however, is entirely driven by a difference among Republicans. Democrats maintain their skepticism, while Republicans from hard-hit districts moved essentially against their party's longstanding support for trade, and essential

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belief that free trade was the way to promote freer politics in places like China. Thus, this change in Congressional Communication is in many ways a harbinger of what we saw at the national level in 2016.

2   Theory and Literature Review

2.1   The Economic Effects of the China Shock

Autor, Dorn, and Hanson's (hereafter referred to as ADH) seminal 'China Shock' paper (2013) broke with decades of conventional wisdom to show that the U.S. suffered much more from trade than economists had previously thought. Most economics textbooks portray free trade as a win-win for the countries involved, and assume the costs in terms of job displacements are modest and short-lived. ADH found that surging Chinese imports after it joined the World Trade Organization in 2001, has had unexpectedly long-lasting effects on US labor markets, accounting for 25 to 50 percent of the manufacturing job loss across U.S. commuting zones between 2000 and 2007.

China's entry into the WTO had rapid, far-reaching and unanticipated economic impacts on the United States. Even though tariffs for Chinese goods imported into the United States were already low, until WTO entry, Most Favored Nation Status (relabeled Permanent Normal Trade Relations upon entry into the WTO) was subject to annual review and thus precarious. Figure 1 shows the volume of goods exported by China to the United States and from the United States to China. We note that Chinese exports increased nearly four-fold in the decade after China's entry into the WTO in late 2000. This rapid increase came as an unexpected shock, because as Pierce and Schott (2016) have demonstrated it was triggered by companies' strategic behavior unanticipated by policymakers.

WTO entry solidified the terms of trade, and thus there was a real uptick in outsourcing in industries

where there had previously been a large difference between the MFN/PNTR tariff rate and the rate

risked if MFN had been voted down in any one of the highly contentious annual votes in the 1990s.[1]

As a result, China saw an unexpectedly rapid rise in manufacturing exports to the United States,

and the United States experienced a concomitant decline in manufacturing employment, labeled by

ADH as the "China shock." Acemoglu at al (2016) estimate lost employment in the United States in
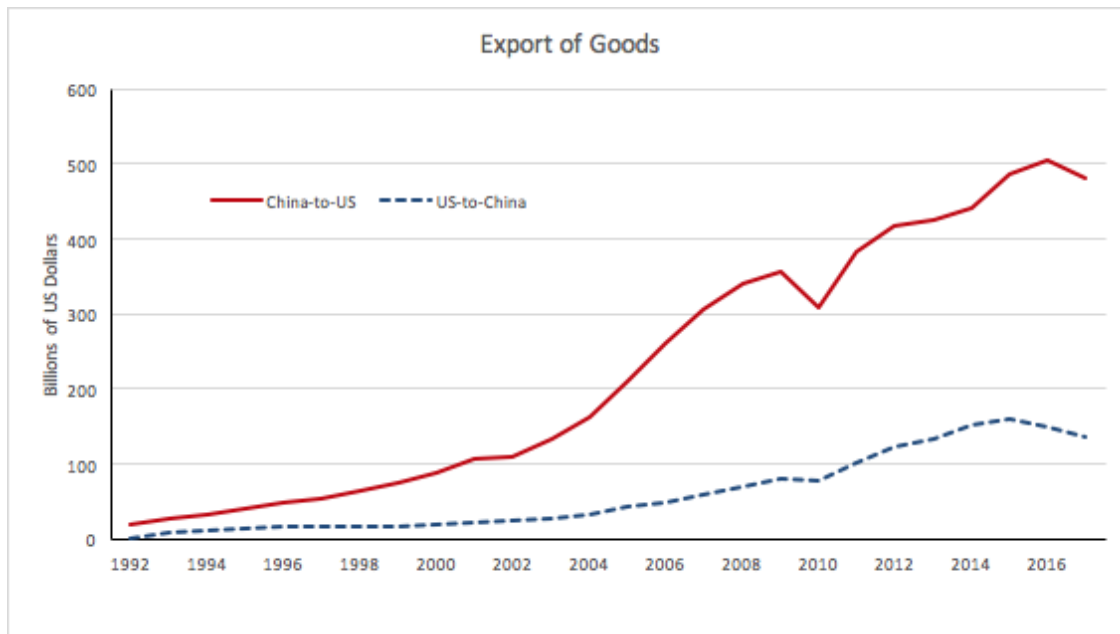
1999-2011 to be 2 to 2.4 million jobs.

Figure 1

Given that manufacturing is on average a highly tradable sector, a natural candidate explanation

for this downward trend has been international trade and the rise of China. ADH (2013) show

that commuting zones with industries facing higher import competition from China experienced

greater declines in manufacturing employment. They estimate that about 21% of this decline is

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[1]The contention in the 1990s, in the wake of the 1989 Tiananmen Square massacre, as we show in Kuk et al 2017, related to these human rights/political concerns. As a result of strenuous debate both within Congress and particularly between Congressional human rights advocates and both the Bush and Clinton administrations, there was always considerable uncertainty over the fate of MFN status.

due to competition from China, whose exports to the U.S. have grown enormously since the 1990s.

Figure 2 illustrates the decline in US manufacturing employment since 1970. We note that the

most dramatic period of decrease occur in the years after 2001, taking another steep plunge in 2008
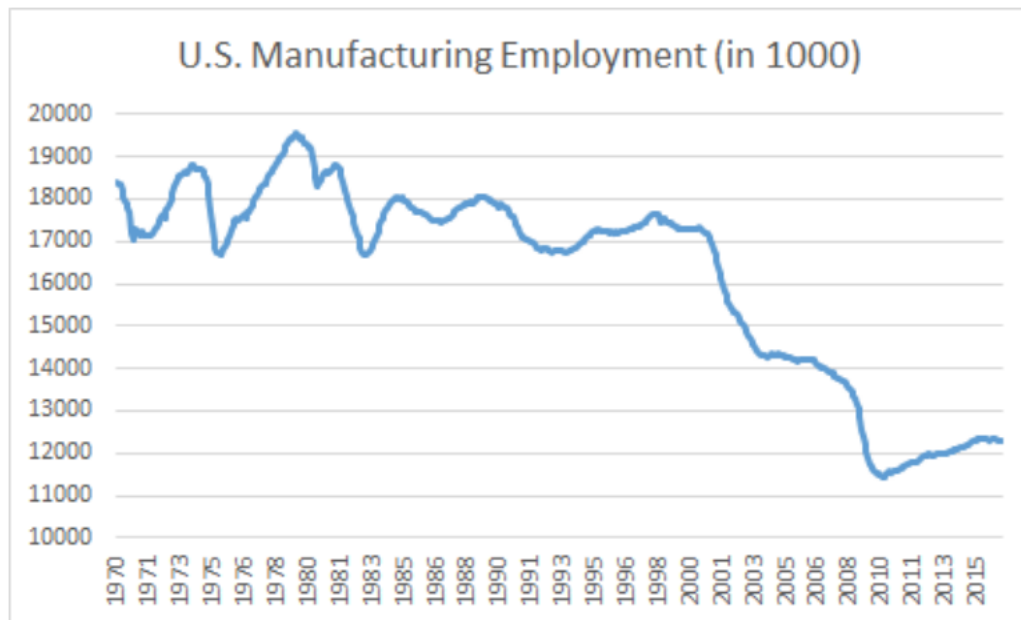
during the Great Recession.

Figure 2

2.2 Political Consequences of the China Shock

The election of Donald Trump in the United States and the Brexit debate in the United Kingdom in

2016 has pushed economic nationalism to the forefront of policy discussions and fueled academic

interest in the political implications of ADH's research. The idea that economic conditions have

electoral consequences is a mainstay of the political economy literature (Fair 1978; 2009, Margalit

2011, Jensen, Quinn, and Weymouth 2016). It is commonly accepted that trade liberalization creates

both winners and losers, with winners generally outnumbering losers, but losers often being quite

concentrated. The China shock is such a case. There was a widespread welfare gains to American

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consumers from Chinese exports, but the impact on the manufacturing industry was acute, localized, and prolonged.

However, the electoral impact of the China shock is the subject of some scholarly debate. There is a well-established literature in political science establishing sociotropic voting (Lewis-Beck and Stegmaier 2000), with more recent refinements suggesting that voters focus most particularly on the effects on their regional economy, the area where they are most likely to be looking for a job and where they may be able to generalize from the experience of people like them (Ansolabehere et al 2014). Autor et al. (2016) assert that congressional districts exposed to larger increases in import penetration disproportionately removed moderate representatives from office in the 2000s. Trade-exposed districts with an initial majority white population or initially in Republican hands became substantially more likely to elect a conservative Republican, while trade-exposed districts with an initial majority-minority population or initially in Democratic hands became more likely to elect a liberal Democrat. Che et al (2017) find that U.S. counties subject to greater competition from China via a change in U.S. trade policy exhibit relative increases in turnout, the share of votes cast in congressional elections for Democrats and the probability that the county is represented by a Democrat. However, Hall and Feigenbaum (2015) argue that Chinese import shocks have no effect on incumbents' reelection rate or probability of a primary challenge, or on the partisan control of the district. Instead, the find that incumbent legislators exposed to negative trade shocks fend off these effects in equilibrium by taking more protectionism positions on trade bills.

The lack of agreement about the causal mechanisms that link trade shocks to electoral outcomes exacerbate the differences empirical findings. Autor et al. (2016) and Che et al (2017) both implicitly rely on retrospective voting, the idea that voters sanction incumbent elected officials based on their observed performance, to establish this link. Hall and Feigenbaum argue that their findings can

be explained by the fact that: 1) voters may be unusually aware of the source of these shocks and the fact that they are not related to the incumbent's actions in Congress and 2) incumbents can strategically respond to trade shocks and thus to mitigate electoral effects in equilibrium. Their paper provide evidence that incumbents are catering their trade roll calls specifically in response to economic shocks in their district. But they also acknowledge that "Roll-call votes are only one arrow in the incumbents' quiver". Following Hall and Feigenbaum's emphasis on the agency of the legislator in the face of economic shocks, we examine another important arrow in the incumbent's quiver - position taking in political communications.

2.3   Strategic Use of Political Communications

Incumbent legislators must manage competing pressures while dealing with rising import competition and manufacturing decline in their districts. They face electoral pressure from voters who are adversely impacted by trade, but they also leadership pressure from their own party to support certain pieces of pro-trade legislation as well as pressure from industry lobbyists and donors to advance the agenda of trade liberalisation. As we elaborate in the following section, Republican legislators are particularly susceptible to these cross-cutting pressures due to their party's support for free trade during this period. During the Bush administration, for example, Congress would pass thirteen new Free-Trade Agreements (FTAs) with overwhelming Republican support (see Appendix 1). Thus, taking more protectionist stances in roll-call voting is not without political costs. Additionally, roll-call voting is a relatively infrequent activity, especially bills that target a single foreign country. Moreover, many bills include relations with multiple countries, leaving even fewer

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opportunities to give a clear signal. And individual legislators also do not have much control over the timing of such votes, making them a blunt instrument.

We expect that strategic behavior of incumbents to mitigate the electoral effects of trade shocks will be much better captured in press releases and direct communications with constituents because legislators prefer to have more bespoke approaches to communicating with their own district over blunt instruments such as roll-call votes. Press releases are both more frequent and direct way to send signals to one's own constituents and one that is fully under the legislator's control. Mayhew (1974) establish that congressional communications achieve one of three goals: advertising, credit claiming, and position taking. Grimmer (2013) in a study of the U.S. Senate establishes textual analysis of elected representatives' press release as an effective approach for analyzing home style. Grimmer differentiates credit claiming (essentially for expenditures) with position taking, and he finds that Senators from more "aligned" districts, where they risk primaries more than a general election challenger, are more likely to take positions, while those in more competitive districts focus on credit-claiming and obfuscate their positions. Strategic communication give incumbents the ability to spin the narrative about the impact of trade to their advantage. Incumbents have the option to appeal to the rational interests of voters by explaining his voting record indicates a tough stance on trade competition. However, he could just as easily manipulate the out-group bias of voters and cast foreign countries as cheaters.

In this paper we focus on position-taking by incumbents on trade related issues in press releases. Our question is how the trade shock affected the positions taken in trade-impacted Congressional districts. This paper thus further develops the concept that we introduced in Kuk et al 2017, namely that of prophylactic behavior, and refines it. By communicating hostility and concern about China to their voters, representatives in hard-hit districts signal that they are concerned about this major

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issue, even though their hands are essentially tied through the previous trade agreement (the WTO) against acting forcefully. We also contribute to the existing literature on home style, which explains how legislators and staff strategically use their institutional resources to develop a public image and convey their activities to constituents (Grimmer 2010). The consideration of home style might provide an important missing piece in the growing China shock literature that mitigates the economic impact of import competition on electoral consequences. At minimum, by examining the changes in communication strategies on the trade policy topic through the use of textual analysis, we add a second arrow to the theoretical quiver available to incumbent legislators.

A third potential arrow not addressed in this paper is trade adjustment assistance and other such efforts to secure or claim credit social programs designed to increase voters' favorable views toward them. Margalit (2011) shows that if voters can be compensated, the cost to incumbents is much lower. The China trade shock may, however, represent a particular challenge for trade adjustment, both because the instrument cannot be adjusted to respond to differentiated impacts from different trade partners, and because the period of greatest impact of this trade shock includes both the 2008 financial crisis and more recently budget sequestration. As we discussed earlier, another arrow would be congressional voting: Incumbents can signal through roll call votes and co-sponsorship on trade bills (Owen 2017), and specifically on China-related trade (Kuk et al 2017, Feigenbaum and Hall 2015) that they are critical of Chinese trade behavior. But we anticipate that both of these arrows are more difficult to employ than home style or political communications because they require more political capital. Incumbents, therefore, will likely rely on less costly tools to demonstrate to voters that they are on their side.

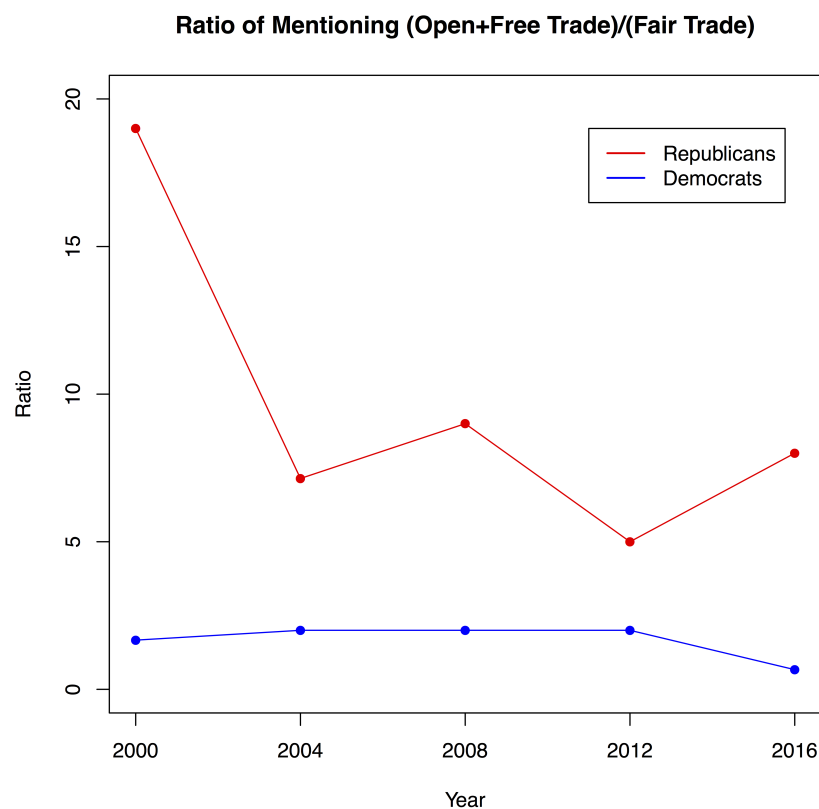## 2.4 Partisan Differences in Political Communication

We believe that it is important to take party ID into account in considering the behavior of incumbents in response to economic voting. The party ID of the legislator constrains the type of home style he or she can adopt on the issue of trade. Given the long association of Democrats with "fair" as contrasted with "free" trade, we expect that the changes in political communication strategy will be most pronounced among Republican incumbents. Daniel Lipinski (2009) finds that rather than 'running against Congress', legislators usually 'run with the party' and signal in their loyalty to the policy priorities of Congress if their party is in power. This means that a Republican incumbent whose home district is suffering from import competition faces a dilemma if her party is championing free-trade legislation in Congress. We argue that incumbent Republicans in this situation are more likely to link trade with China, blaming the local labor market dislocations on unfair practices by China rather than on free trade as a whole. Thus the incumbent is free to support other trade initiatives championed by party leaders while showing constituents that she is looking out for their interests.

The differences between the two parties on trade policy is evident from a review of their respective party platforms. The Republican Party's 2000 Platform described trade as "the force of economic freedom," and began their discussion with a confident, outward looking quotation from then candidate George W. Bush, "The fearful build walls; the confident demolish them. I am confident in American workers, farmers, and producers, and I am confident that America's best is the best in the world." By 2016 the Republican Party had changed dramatically with both fear and walls playing much larger parts. By 2016 the dominant narrative in the Republican Party had changed from a focus on the idea that free markets are essential to free societies, to one where

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as the platform explicitly says, it puts "America first," trade agreements have winners and losers, and the goal is for America to have a "winning trade policy." In fact, candidate Trump described international trade as a war, with clear winners and losers: In a major speech on trade in June 2016, he declared: "A Trump Administration will end that war by getting a fair deal for the American people. The era of economic surrender will finally be over."[2]

Democratic Party rhetoric by contrast was consistently more skeptical of trade, balancing arguments for "free" or "open" trade with arguments for "fair" trade. Trade was clearly being described in contest terms, but not warlike, nor did the Democrats express fears of defeat. The change in tone occurs on the Republican side. We can see this difference in Figure 1, where we use the ratio of the number of mentions of open or free trade in the party platforms to the number of mentions of fair trade to illustrate the difference in emphasis. A higher number shows emphasis on openness and freedom, while a lower figure shows more balancing with the idea of fairness. The Democrats are consistent in the emphasis on fairness throughout the 16 year period we measure. By contrast, while 2000 represents somewhat of a high water mark for Republicans on the overwhelming emphasis on open and free, even by 2016 these concepts are not balanced by the concept of fairness. Instead, as we find a new language of winning and losing, and this fear of loss.

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[2]"Read Donald Trump's Speech on Trade," Time, June 28, 2016. http://time.com/4386335/donald-trump-trade-speech-transcript/

Ratio of Mentioning (Open+Free Trade)/(Fair Trade)

3 Data

To estimate the impact of the China trade shock on congressional communication, we need data that

demonstrates the geographical variation in Chinese import and a collection of legislators' effort to

communicate with their constituents. The main independent variable of this study is the change in

Chinese import exposure per worker from 2000 to 2007 by congressional districts. There are two

main dependent variables of this study: the proportion of trade topics and the proportion of topics

on Chinese trade.

3.1 China Trade Shock

The first dataset is based on data collected by Autor, Dorn, and Hanson (2013). ADH constructed a set of variables that measure trade shock from China. To measure the geographical differences in import competition, ADH started with computing the amount of Chinese imports by industry. They used UN Comtrade Database on US imports from China which has HS product level information. By using imports information by HS product level, AHD can disaggregate the amount of total import from China to four-digit SIC industry level by matching HS product code to SIC industry code. ADH then find the change in the amount of Chinese imports by industry and divide it by the number of workers in that industry, which gives the dollar amount of Chinese imports per worker in a given industry.

After industry disaggregation, ADH obtain geographical variation in imports by using industry composition in each geographical unit. ADH discern import exposure by local labor market level since County Business Patterns (CBP) data has information on employment by county and industry. Instead of using counties as geographical units, ADH define local labor market as Commuting Zones (CZs).[3] Given the impact of import competition would be concentrated on local labor market units rather than administrative units, CZs are better way to measure import exposure. ADH multiplies the national industry import exposure per worker with the proportion of workers located in the CZ among the whole nation. Through this calculation, ADH can compute the amount of Chinese imports by industry and per worker in a given region. To finally derive import exposure by CZs, ADH aggregated every industry existing in each CZ. The map on the left in Figure 3 shows the geographical distribution of Chinese import exposure by CZs.

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[3]Tolbert and Sizer (1996) developed CZs by clustering counties that share strong commuting ties. CZs are similar to Metropolitan Statistical Areas (MSAs) as they are collection of counties but CZs cover not only urban areas but also rural areas.

The measure developed by ADH cannot be directly used in our study because we are interested in the impact on congressional communication and legislators represent congressional districts not CZs. To aggregate the import exposure measure of 722 CZs to 435 congressional districts, we developed a method of aggregation using sub-county units, specifically the CCD (the Census County Division) (Kuk et al 2017). If a congressional district is a collection of CZs, then we use the import exposure per percentage of population in the congressional district. When a CZ has multiple congressional districts, then we find the population distribution by disaggregating CZs to CCD. The distribution of Chinese imports is shown in the map on the right in Figure 3.
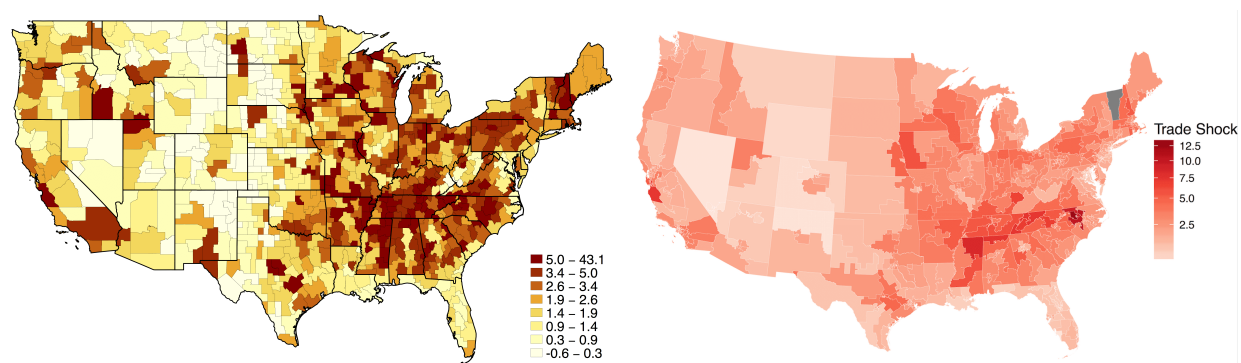

Figure 3: The Geographic Distribution of Chinese Import Competition

The main independent variable of this study is the change in Chinese import exposure per worker from 2000 to 2007 by congressional districts. One unit of the measure is equivalent of $1,000 per workers. If the variables has a value of 2, it means $2,000 per worker of Chinese import has been increased between 2000 and 2007. The two control variables — change in log weekly wage and change in unemployment rate — are also from the ADH dataset.

3.2 Congressional Communications

To measure legislators communication strategy, we use House press releases data (Grimmer, Messing, and Westwood 2012). Press releases are useful to capture how legislators want to shape their image to the public given the press releases are targeted to both national and local presses. Press releases reflect legislators' communication strategies and are more direct because they do not go through the media's editorial process (Kaplan, Park, and Ridout 2006). The press release data are collected from 2005 to 2010 and there are total 170,000 press releases.

From this data we create the two main dependent variables used in this study: the proportion of trade topics and the proportion of topics on Chinese trade. We use automated text analysis to measure how legislators allocate their topics in press releases. We apply topic modeling to measure changes in legislators' communication strategy. Legislators have limited space on press releases. Since legislators would like to increase their exposure in the press, issuing too many press releases would be less effective for seeking press attention. They have carefully choose topics to maximize their reach to the press and their constituents. Topic modeling allows researchers to explore existing topic allocation in a large text corpus. It is an unsupervised methods since it does not require human supervision and the models automatically infer topics from text.

Among various methods of topic modeling, we choose Structural Topic Model (hereafter STM; Roberts et al. 2014). STM is a topic model that allows researchers to include covariates in the estimation process. By including information that we believe is important in generating topics and documents, STM can better estimate the relationship between covariates and topic proportions.

The first dependent variable of this study is the proportion of topics allocated to trade. We run STM with 45 topics. Instead of choosing the number of topics based on computing log likelihood

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of the holdout sample with 10-fold cross-validation (Taddy 2012), we iteratively run models and choose number of topics based on interpretability (Chang et al. 2009).[4] Out of 45 topics, there is a trade topic with related words such as "trade," "worker," "industry," "company," "manufacturing," "agreement," and "labor." The trade topic occurs on average 1.56% of the whole corpus and 3,394 press releases (2% of total documents) show trade topic as the most salient topic.

The second dependent variable of the study is China-trade related topics. To construct the variable, we use a two-step procedure. First, we keyword searched the whole corpus with terms related with China.[5] It returns 3,488 documents. Among these China-mentioning documents, we estimated topic proportions with STM. For this STM model, we choose the number of topics to 20. The STM model estimates topics with three overarching themes: trade, human rights, and security. The trade related topics have words with high frequency such as "trade," "china," "agreement," "export," "market," "state," "steel," "import," "industry," and "product." The trade topics occur 10.4% on average across China mentioning documents.

Table 1: Summary statistics of Key Variables

Statistic	N	Mean	St. Dev.	Min	Max
Chinese Import Exposure (1=$1000)	580	2.635	1.502	0.347	13.338
Δlog Weekly Wage	580	3.466	4.101	−7.274	16.290
Δ Unemployment	580	0.868	1.240	−2.589	4.708
DW-NOMINATE 1st	580	0.145	0.509	−0.681	1.223
DW-NOMINATE 2nd	580	0.156	0.383	−0.992	1.310
Trade Topic Proportion	571	0.015	0.018	0.001	0.145
Chinese Trade Topic Proportion	442	0.104	0.166	0.0003	0.910

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[4]Grimmer (2013) estimated 44 topics when he analyzed Senate press releases. Given the similarity of House and Senate press releases, our choice of 45 is reasonable.

[5]The terms we use for search are "China," "PRC," "Beijing," and "Chinese."

4 Empirical Strategy and Results

4.1 Identifying the Impact of Chinese Import Competition on Congressional Communication

We are not able to estimate the causal impact of Chinese imports if we regress our measure of import exposure on the dependent variable. The amount of import is driven not only by China's competitiveness in the global market but also by demand of the products in each local labor markets. If a certain labor market has a surge of new born babies and hence the demand for baby products increase, this market is likely to increase the import of Chinese baby products. Chinese import is endogenous to known market demand and unknown factors in each labor market.

To identify the impact of import competition, we use an instrumental variable regression by using a measure developed by ADH. ADH suggest a measure that is exogenous to labor market demand but correlated with the outcome: Chinese export to other affluent economies with a lagged labor force information. If we recall the discussion of how ADH constructed the import exposure variable, the variable is constructed from aggregation of industry imports and its multiplication with proportion of workers in each industry and region. The instrumental variable fixates the industry, but instead of measuring the amount of import to the US, ADH use the amount of Chinese export to other affluent countries. By using this information, the instrumental variable can capture the competitiveness of Chinese industries and leverage the exogeneous variation of the competitiveness. To make the variable more exogenous, ADH use lagged data of the proportion of workers by industry and by region. The instrumental variable that captures the competitiveness of Chinese

industries can only affect the outcome through the endogenous variable, the amount of Chinese imports.

Since we expect the impact of import competition is conditional on legislators' party, we include an interaction term of party in each regression. Other control variables such as change in log weekly wage, change in unemployment rate, legislators ideology (the first and second dimension of DW-NOMINATE) will be included in our regression models. We expect to find that incumbents whose districts were more adversely impacted by the China trade shock will respond by changing their political communication strategy to constituents. We anticipate that this change will be most pronounced among Republican legislators because of the conflict between their party's agenda on free-trade and the needs of their constituents. Specifically, we expect these legislators will link the trade and China topics, blaming China as a prophylactic move against potential challengers while buying themselves room to maneuver on trade policy.

4.2   The Partisan Divide in Congressional Communications

We now look at how members of Congress communicate with their constituents in the wake of the Chinese trade shock. We consider both whether the China trade shock affected general Congressional communication about trade and whether it specifically affected communication about trade with China. A key feature of this analysis compared with previous examinations of the impact of the China trade shock is that we take the Party ID of Congressional Representatives into account.

Figure 4 and Table 2 provide insight into the question of how the China shock has affected overall discussions of trade issues in Congressional Communication. Table 2 tests three models. First we replicate Feigenbaum and Hall's (2015) work testing the trade shock against each Congressional

representative's CATO score. The CATO score is a single measure of protectionism with low scores meaning more protectionist and high scores being Congressional representatives who support free trade. We find, as did Feigenbaum and Hall that exposure to the China trade shock is correlated with a lower CATO score, meaning the representatives in trade-exposed districts are rated as more protectionist by CATO. Interestingly, we find that exposure to the China trade shock is correlated to only a moderate increase in overall communication about trade issues, as shown by column 3 in Table 2 and in the mild slope in Figure 4. We find significance in the OLS regression, but we do not find any significance when we use an instrumental variable. So we are unable to state with certainty whether the trade shock causes in the increase in communication. There is no significant difference in overall communication between Democrats and Republicans, as shown in the lack of significance to the Democrat variable in Table 2 (OLS regression), and we can see how close the Democratic (blue) and Republican (red) lines are in Figure 4. Thus, the impact of the China trade shock on overall trade communication is quite modest and does not show any important changes between the parties.
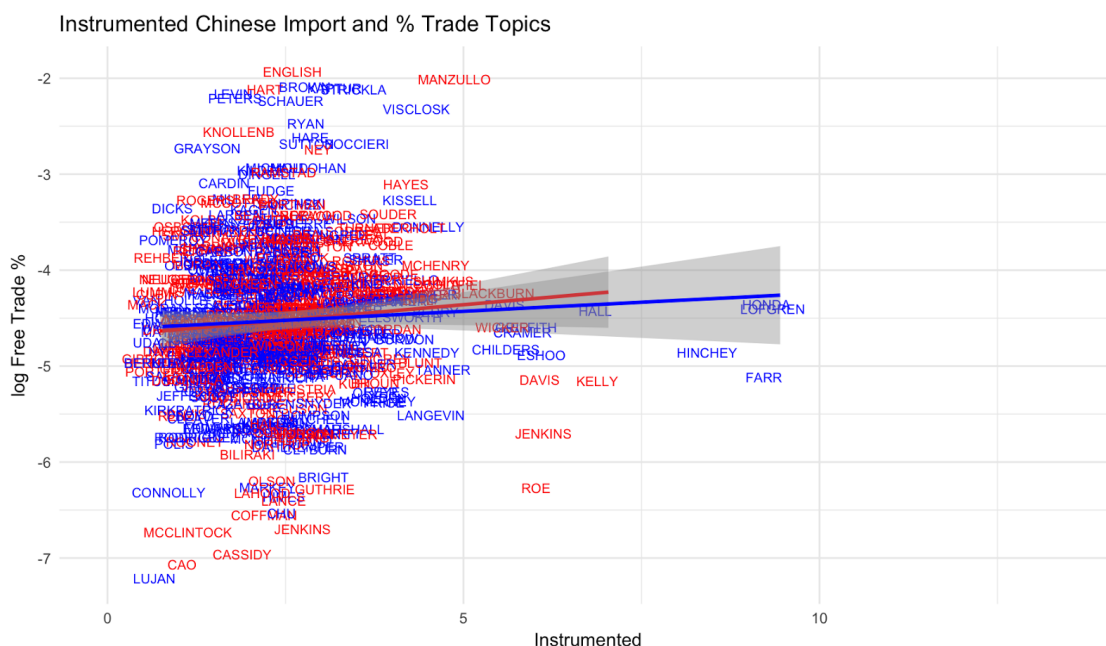
Figure 4: Instrumented Chinese Import and % Trade Topics

We see quite a different picture when we turn directly to Congressional communication about trade with China. Here we find that the China trade shock causes an increase in congressional communication on the subject of trade with China. Using both an OLS and instrumental variable model we have a positive coefficient for the influence of the trade shock (Table 3). But what is most interesting is that this effect is driven almost entirely by the approach Republican representatives take to the trade shock. As you can see the coefficient for the Democrat variable is positive, significant and a very large effect. In fact, in both models Democrats are about twice as likely to communicate on China trade issues as are Republicans. However, the key here is the interaction variable. When we interact Party ID (Democrat) with import exposure, the coefficient is significant and negative in both models. In other words, Republicans whose districts are not exposed to the China trade shock are far less likely to communicate with their constituents about China trade issues, while those that are trade-exposed are far more likely to communicate with their constituents on China trade than are

	Dependent variable:			
	Cato Score (FH 2015)		*log* % Trade Topic	
	First Stage	IV	OLS	IV
Import exposure per worker		−2.812***	0.067**	0.064
		(0.896)	(0.033)	(0.044)
IPW non US (Z)	0.916***			
	(0.043)			
Democrat	0.384**	−23.703***	0.090	0.065
	(0.167)	(3.348)	(0.132)	(0.162)
IPW × Dem		1.022	−0.038	−0.027
		(1.165)	(0.044)	(0.057)
Z × Dem	−0.127**			
	(0.056)			
Constant	13.229***	−4.687***	−4.682***	
	(2.565)	(0.098)	(0.124)	
Observations	578	578	569	569
R^2	0.618	0.307	0.009	0.006
Adjusted R^2	0.616	0.303	0.004	0.0005
Residual Std. Error	0.936 (df = 574)	16.263 (df = 574)	0.777 (df = 565)	0.778 (df = 565)
F Statistic	309.141***	84.651***	1.711	1.093

Note: *p<0.1; **p<0.05; ***p<0.01

Democrats. As is shown in Figure 5, Democrats communicate with their constituents about China trade quite consistently, regardless of the specific trade characteristics of their district. Republicans, on the other hand, behave significantly differently and choose to communicate more about China trade if their own district is trade exposed.

Table 3

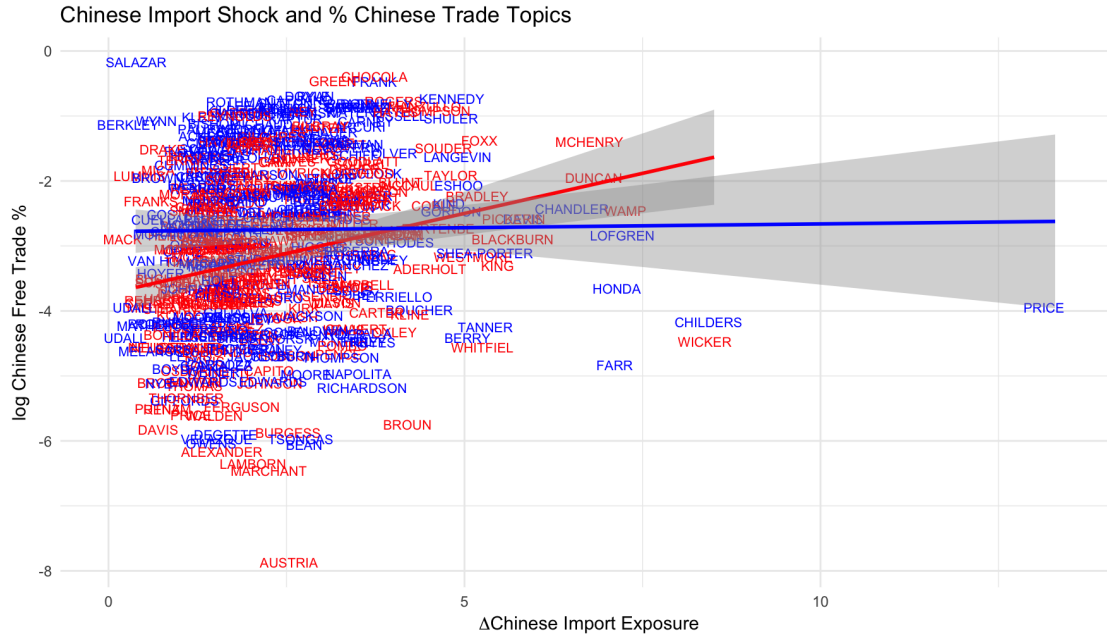|	Dependent variable:	
	log % Chinese Trade Topic	
	OLS	IV
Import exposure per worker (IPW)	0.247***	0.309***
	(0.066)	(0.090)
Democrat	0.954***	1.041***
	(0.262)	(0.317)
IPW × Dem	−0.235***	−0.269**
	(0.088)	(0.112)
Constant	−3.732***	−3.894***
	(0.192)	(0.249)
Observations	440	440
R^2	0.047	0.044
Adjusted R^2	0.041	0.037
Residual Std. Error (df = 436)	1.307	1.310
F Statistic (df = 3; 436)	7.222***	6.618***
Note:	*p<0.1; **p<0.05; ***p<0.01	

Figure 5: Chinese Import and % ChineseTrade Topics

The effects that we find are sizeable. For every \$1000 of increased Chinese import exposure there is a 30% increase in China-related communications on trade. Democrats on average communicate twice as much as the average Republican. However, the most trade-exposed Republicans communicate more than Democrats, even more than similarly import-exposed. The point where the two lines cross, in other words where their communications are equal is when trade-exposure is \$4000 higher than the baseline.

While we do not have text analysis for earlier eras, this result is consistent with our contention that Republicans' expressing negative views on international trade, specifically China, is a break with the overarching Party ideology and driven by the specific characteristics of their district. In other words,

4.3 Examples of Republican and Democratic statements to illustrate this trend

In this section we provide a few illustrative examples of press releases by Democrats and Republicans whose districts are impacted by the China trade shock. We observe the same strident anti-trade rhetoric from Democrats representing districts less impacted by the China trade shock and those that were heavily impacted. The mean value in the ADH trade shock measure is roughly 2.6. The statements emphasize the loss of manufacturing jobs to China, the theft of intellectual property, and other 'unfair' trade practices.

Low-trade shock Democrats:

Bill Pascrell Jr., D-N.J. (8th CD) (1.95) "Wal-Mart's growth as an economic force is inseparable from China's rise as a manufacturing giant ... no company has been a bigger catalyst in pushing American" manufacturing jobs to China. Wal-Mart's sponsorship of the "Only in America" series exemplifies the company's recent attempts to rely on marketing campaigns to improve its image, rather than actually changing its corporate behavior that damages the American family, local communities, and the nation at large."

Carolyn Kilpatrick, D-Mich. (13th CD), (1.82) "I commend the ITC for a careful review of the facts and a swift determination that tire imports from China are leading to the loss of American jobs."

Jerrold Nadler, D-N.Y. (8th CD) (1.6) ""America is a land of innovation and creativity in all fields, and here in New York City, that is certainly true of the fashion industry," said . Nadler. "Fashion is the second largest industry in New York, but there are no federal laws to fight

fashion design piracy. Every knock-off of an original item harms the designer, and more importantly, costs the city over $1 billion in lost taxes every year. It's high time we end this counterfeiting of the ingenuity and originality of our best fashion designers." There are no laws on the books protecting clothing designs from rampant Chinese piracy."

High trade-shock Democrats:

Heath Shuler, D-N.C. (11th CD), (4.05) "According to a recent study by the Economic Policy Institute, 2.4 million U.S. jobs were lost or displaced due to trade with China between 2001 and 2008. Unfair trade agreements have closed too many factories and sent thousands of good-paying jobs to foreign countries. A member of the bipartisan House Buy American Caucus, it is one of my top priorities to stop the trend of sending manufacturing jobs overseas and promote American manufacturing to put more Americans back to work."

Steve Kagen, D-Wis. (8th CD), (4.8) "I rise to bring to the country's attention something devastating that's happening in Northeast Wisconsin: Our paper industry, the very business, the very industry that grew the jobs and grew the future of Northeast Wisconsin is being devastated because of unbalanced and unfair trade with communist China who continues - continues to import illegal paper."

Marion Berry, D-Ark. (1st CD) (5.46) "I do not understand how the Chinese have taken over almost 20% of the market for standard pipe in this country when we have the most efficient steel mills and pipe mills in the world," said Congressman Berry. "Something does not seem fair about our trade relationship with China. I hope the ITC, the Administration, and Congress

do something soon so that our companies and workers do not lose any more ground as foreign imports overwhelm our market."

By contrast, Republicans from districts that were not hard-hit by import competition talked about China and trade at a lower frequency than their peers in hard-hit districts. When they did talk about China and trade, the sentiment is not systematically negative and China is not always blamed from local economic problems. For example, Representative Kevin Brady's statement below advocates for greater liberalization of the footwear sector and actually urge the importation of cheaper Chinese shoes. High-trade shock Republicans, however, read a lot like Democrats. They charge China with violations of international laws and other 'unfair' trade practices.

Low-trade shock Republicans:

Kevin P. Brady, R-Texas (8th CD), (0.698) "High footwear duties originated in the 1930s to protect a manufacturing sector that no longer exists as it once did. Over the last 20 years, U.S. footwear production has virtually disappeared except for the few footwear producers that have been successful in focusing on niche items that are distinguished by specialty and quality. Low-priced shoes, made primarily in China, Indonesia and Vietnam, are still subject to these outdated yet protective tariffs. The Affordable Footwear Initiative does not include the few footwear products made in the United States, so domestic manufacturers do not oppose this bill."

Lee Terry, R-Neb. (2nd CD) (1.16) "I applaud the bipartisan effort by the House of representatives yesterday by expanding a tax credit for home buyers, extending unemployment benefits and expanding tax advantages for net operating losses

High-trade shock Republicans:

Jeb E. Bradley, R-N.H. (1st CD), (5.28) "When China violates international trade laws by counter-
feiting goods developed and manufactured in the U.S., it hurts American manufactures and
makes them less competitive in the international trading community," said Graves. "If China
wants to be taken seriously on the global stage, then they need to do a better job enforcing
and complying with international trade laws."

Don Manzullo, R-Ill. (16th CD), (4.48) "China illegally subsidizes its industries and manipulates
its currency to unfairly give an advantage to its manufacturers over American workers, and
those Chinese companies must be punished in this case."

Mark E. Souder, R-Ind. (3rd CD), (5.07) "There's no question that our steel manufacturers are
hurt by China's cheating trade practices," Souder said. "By manipulating their country's
currency, China's regime distorts the playing field so that American steel producers are heavily
disadvantaged.

These examples from press release data confirm the main results of the empirical analysis that
Republicans in hard-hit districts are adjusting their political communications to their constituents
the most and converging with Democrats in the emphasis on "fair trade" over "free trade". Our data
only allows us to show the cross-sectional variation of responses across districts and incumbents.
Ideally we would like to have across-time variation of the same district before and after the China
shock, but unfortunately our press release data begins in 2000 and only allows us one period of the
China shock.

5 Discussion

The China shock has a significant impact on Republican communication with constituents. Republican representatives whose districts are adversely affected by the import shock communicate much more with their constituents on China trade issues than do their Democratic counterparts. These results point to two political effects of the China shock. The first is to divide the Republican party, and this is what we see first. In this data set, that covers 2005 to 2010 we see import-exposed representatives communicating in fundamentally different ways from their more insulated colleagues. This marks a dramatic break with previous practice and from what is still the overall Republican ideology as set forth in the party platform. Republican representatives in trade-exposed districts were speaking to their constituents in populist, protectionist terms and were moving away from the party's historical commitment to free and open trade.

The original Republican commitment to free and open trade was more than simply instrumental. If we look at the consistent Democratic language on trade over this time, it is essentially about economic benefits. The U.S. opens trade with others in order to gain concrete economic benefits. Hence there is an emphasis on "fairness" in order to ensure those benefits. If we go back to 2000 the Republican rhetoric was about something far more than simply economic gains, the idea was that free and open trade relations would open up societies and promote democratic values. These ideas derive from the Cold War with both the socialist economic system and totalitarian rule combined as Communism, the United State's major opponent. The idea that economic freedom would inexorably lead to all other freedoms was a deeply held ideological commitment. It was common across party lines, but held for much longer among Republicans.

The success of China was a frontal attack on this ideology. The Chinese economic success, so consistent since 1979, it became increasingly clear, was unrelated to political liberalization. The first blow to this idea was clearly the Tiananmen Square Massacre, where a global audience saw on their television sets that despite a decade of economic and social opening (many more travelers, exchange students, etc.), politics remained firmly in the grasp of the Chinese Communist Party and even more dramatically, the People's Liberation Army. As subsequent decades showed no clear and consistent liberalization trend, the argument that both President George HW Bush and after election President Bill Clinton made that closer trade relations with China would lead to greater political freedom could appear to many, especially those adversely impacted by the trade, as ringing hollow. However, trade continued to have its supporters within the Republican party, particularly the corporate elites that make up its donor class, and the wealthier suburban voters who tend to benefit from international trade. The result was the visible split we see in our data.

Our data shows a specific point in time, but it also indicates what lay ahead. The second effect was to create space for a new idea about trade to come to dominate the Republican party - where trade is no longer about grand values, but about winners and losers. In the communication of Congressional representatives in this 2005 to 2010 period we see the language that will ultimately come to dominate the Trump campaign. In Trump's inconsistent language in actually addressing trade with China, we see the still strong divide in the Republican party between its populist base and its corporate supporters.

One important implication of our research is the tie between perceptions of China and Trumpian economic policies. By blaming China for the negative externalities of trade, Republican incumbents in import competing districts were able to alleviate the tension between the economic reality of their district and their party's stance on free trade. But words have consequences. The 2016 election

bridged the disconnect between how Republican elites communicated with each other and how they communicated with their grassroots. It is likely that the strategy of linking China and trade over the years meant that candidate Trump's protectionist message of tariffs against China resonated with the Republican base much more so than proposals that were better grounded in economic realities. While the offshoring of production to China as well as competition from cheaper Chinese exports did undoubtedly contribute to the decline of America's manufacturing sector, they did so largely due to structural forces that can be explained by the Heckscher–Ohlin trade theory rather than widespread Chinese "cheating". Many of the favorite hobby horses of Republican politicians on trade with China such as currency manipulation, intellectual property theft, restrictive barriers of entry for foreign firms are either no longer a problem (as in the currency manipulation charge) or have seen dramatic improvements over the past decade due. Most importantly, the policy proposals put forth by Trump and his economic nationalist advisers such as Peter Navarro are unlikely to bring manufacturing jobs back to the United States in uncompetitive sectors such as steel.

But the reason why these bad policy ideas have had so much currency is because the Trump campaign tapped into this deep strand of anti-China and economically nationalist sentiment that Republican legislators have helped cultivate at the grassroots level over the past decade, quietly moving away from "free trade" towards the traditional Democratic position on "fair trade". It was in response to real needs by their constituents faced with economic dislocation as a result of import competition. However it was a short-term fix, a change in rhetoric, rather than a programmatic effort to address the problem. It is, of course, difficult to disentangle the role of China trade policy from other elements of Trump's rhetoric when assessing the success of his candidacy. But the triumph of Trump's outdated views on trade over more sensible Republican policies can be traced to

how individual Republican legislators dealt with rising import competition from China since 2000.

America First, like the iconic MAGA baseball caps, was also made in China.

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Appendix

FTA Votes List

108th

Chile 2003
> Republicans: 195 Yay 23 Nay
> https://www.govtrack.us/congress/votes/108-2003/h436

Singapore 2004
> Republicans: 197 Yay 27 Nay
> https://www.govtrack.us/congress/votes/108-2003/h432

Morocco 2004
> Republicans: 203 Yay 18 Nay
> https://www.govtrack.us/congress/votes/108-2004/h413

Australia 2004
> Republicans: 198 Yay 24 Nay
> https://www.govtrack.us/congress/votes/108-2004/h375

109th

Bahrain 2005
> Republicans: 212 Yay 13 Nay
> https://www.govtrack.us/congress/votes/109-2005/h616

CAFTA 2005
> Republicans: 202 Yay 27 Nay
> http://clerk.house.gov/evs/2005/roll443.xml

Oman 2006
> Republicans: 199 Yay 29 Nay

110th

Peru 2007
> Republicans: 176 Yay 16 Nay
> https://www.govtrack.us/congress/votes/110-2007/h1060

112nd

Panama 2012
> https://www.govtrack.us/congress/votes/112-2011/h782
> Republicans: 234 Yay 6 Nay

Colombia 2012

    https://www.govtrack.us/congress/votes/112-2011/h781

    Republicans: 231 Yay 9 Nay

Korea 2012

    https://www.govtrack.us/congress/votes/112-2011/h783

    Republicans: 219 Yay 21 Nay