

Benedict in the boardroom

This year's political villain was a hero of the revolution

By Daniel A. Reznick

The name of Benedict Arnold has unexpectedly surfaced in this year's election campaign.

Democratic presidential candidate John Kerry denounced "Benedict Arnold corporations," which go offshore in search of tax havens. It turns out, however, that executives of some of these companies are contributors to the Kerry campaign.

A Democratic leader in Florida labeled Ralph Nader a "Benedict Arnold" for having the temerity to run for president and perhaps prevent the Democrats from carrying Florida, as he did in 2000.

Politicians should be cautious about invoking the name of Benedict Arnold, even though he has been dead for over 200 years. His strange and ambiguous career shows that even heroism in battle and war wounds afford no immunity against public infamy and obloquy.

It is often forgotten, or little known, that Arnold was one of the greatest heroes of the American Revolution in its early years. A Connecticut Yankee, he volunteered for the emerging Continental Army right after the battle of Lexington in April 1775. He joined Ethan Allen and the Green Mountain Boys in the seizure of Fort Ticonderoga in upstate New York the next month. In the fall George Washington picked him to head an expedition to capture Quebec. He led his force through the wilderness of Maine and assaulted Quebec on New Year's Eve 1775. The attack failed, and Arnold was severely wounded.

Undaunted, the next year he was on Lake Champlain, commanding an American flotilla against the British. By now a brigadier general, he began to suffer the pangs of unrequited ambition when several other officers were promoted to major general ahead of him.

The apogee of Arnold's career as an American patriot came in 1777, when he faced the British invasion of New

York. He beat the British in a battle at Fort Stanwix, near what is now the city of Rome, New York, in August 1777. In the fall, he fought brilliantly at the decisive battle of Saratoga. There he lost a foot on the battlefield. To this day at Saratoga there stands a monument with a boot engraved on it to commemorate his valor.

From then on, it was all downhill for Arnold. Assigned to Philadelphia after the British evacuated it in 1778, he began to fraternize with Loyalists and married a Loyalist sympathizer, Peggy Shippen. Embittered by the attacks against him in Pennsylvania, he contacted the British, started to inform them of American war moves, and embarked on an audacious scheme to betray West Point to the enemy. While his British handler, Maj. John Andre, was caught and hanged as a spy after trial by a military commission, Arnold fled to the British side, earning the enmity of the Loyalists for leaving Andre to his fate. Arnold completed his ignominious course as a turncoat when he led British troops in a raid on New London, Conn., his home state, shortly before the end of the war. He died in England 20 years later, disdained as a traitor in both America and Britain.

Thus Arnold's name entered the history books as a synonym for treason, to await the exploitation of his ill-fame in far-reduced controversies like the present election more than two centuries later. It is difficult to know what to make of his bifurcated life. If nothing else, Arnold's career proves that ambition can be both a spur to a man's accomplishments and a source of his ultimate undoing. And a war hero and a patriot can nevertheless end up a scoundrel. Benedict Arnold's name is a nettle that is probably better for American politicians not to grasp.

Reznick is a Washington, D.C., lawyer.

Keeping our commitments to American workers on international trade

By Greg Mastel and Howard Rosen

In 2002, after a nearly decade-long deadlock, Congress passed the most sweeping international trade legislation in 15 years.

By giving the president authority to negotiate new trade agreements, the United States has begun negotiating free-trade agreements with more than a dozen countries. President Bush has already signed free-trade agreements with Chile and Singapore, and he expects to sign at least two more this year.

In exchange for trade negotiating authority, Congress and the administration committed to assist those workers who lose their jobs due to increased imports and shifts in production. Unfortunately, our commitment to these workers has not received the energy and priority it deserves.

Expanded trade creates new jobs and provides consumers with greater choices at lower cost. At the same time, however, increased imports and the movement of factories from the United States overseas can cost some American workers their jobs.

Many of the more than 3 million manufacturing jobs lost since 1998 can be attributed to increased competition from abroad. But the costs associated with international competition are no longer limited to traditional manufacturing jobs. Recently, even IBM moved some of its computer programming jobs — once seen as the "safe jobs" in the new economy — out of the country.

For those workers and thousands of others, the knowledge that the economy as a whole benefits from trade provides little solace. The inability or unwillingness of the government to respond to the needs of those workers is undoubtedly one reason that Americans appear doubtful of the benefits of free trade.

To address the legitimate and often overlooked needs of workers adversely affected by trade, the authors of the Trade Act of 2002 proposed to revise, expand and reinvigorate Trade Adjustment Assistance (TAA), the nation's largely moribund worker adjustment program. TAA was established 40 years ago, and its record has been spotty, due in large part to its limited resources.

The Trade Act of 2002 expanded TAA eligibility to include workers who lose their jobs due to shifts in production, workers who produce in-

puts into final products facing international competition, farmers and fishermen. Another important change was the provision of a refundable tax credit to help offset the cost of maintaining health insurance during the period of unemployment. Workers around the country have unanimously praised this provision.

The legislation also launched an innovative approach known as wage insurance. Older workers who qualify for wage insurance can receive half of the difference between their new and old wage. Wage insurance should help workers return to work at a lower cost than current programs. More important, it enables workers to get on-the-job training, which experience demonstrates is the most effective form of training. Wage insurance is a promising new idea in a field largely devoid of innovative thinking.

However, much of the promise of these reforms is yet to be realized. To its credit, the Bush administration requested nearly a tripling of funds for worker adjustment last year, but only a fraction of that amount has been spent. At the same time, numerous states, such as Pennsylvania and Massachusetts, experienced shortfalls in training funds. The healthcare tax credit is in place, but some states have made it difficult for workers to receive it.

A lot more needs to be done to ensure that workers who lose their jobs due to increased imports or shifts in production receive the assistance they need. The nation's ability to pursue further trade liberalization depends on our willingness to provide assistance to all workers who need it. Fully implementing the TAA reforms may cost money. Breaking our commitment to workers may cost the economy the benefits of future trade liberalization.

The TAA reforms adopted in 2002 are slowly being implemented. The administration and the states must move beyond bureaucratic roadblocks and strive to insure that all workers get the assistance they need. Perhaps if TAA received the same priority as new free-trade agreements, workers who lose their jobs because of shifts in international trade and investment would receive meaningful assistance and might be back at work, earning paychecks once again.

Regrettably, free trade and workers' needs are often presented as opposing interests. An effective worker-adjustment program could go a long way toward reducing worker anxiety over foreign trade.

This, in turn, could reduce the opposition to free trade, open the door to new trade agreements, spur new economic growth and ultimately ensure that the benefits of free trade are fairly shared. The first step should be to keep the commitments we made to American workers in the 2002 Trade Act.

Howard Rosen and Greg Mastel are the founders of the Trade Adjustment Assistance Coalition at the New America Foundation. (www.TAACoalition.com) Dr. Mastel was the lead Senate staffer on the Trade Act of 2002.

