TPP is a deal worth making

BY THE EDITORIAL BOARD

The Trans-Pacific Partnership, the largest regional trade agreement in history, is being hailed by the Obama administration as a breakthrough in trade between the United States and 11 other Pacific Rim nations. But assessing its merits is complicated by the lack of
disclosure about what the complex agreement covers and how those hidden provisions could affect the U.S. economy.

Campbell Harvey, a professor of international business at Duke University’s Fuqua School of Business, says the agreement known as the TPP is now more an enigma than a proposal. “Because we don’t know the details, it’s very hard to comment,” Harvey said Tuesday, a day after the agreement was announced. That opaqueness hasn’t stopped some presidential candidates from both parties from denouncing the TPP. Sen. Bernie Sanders, a Democratic presidential hopeful, called the deal “disastrous” for American workers, and GOP candidate Donald Trump called it “a terrible deal.” And Democratic contender Hillary Clinton now says she does not support the pact she called “the gold standard” of trade deals while she was secretary of state.

Other presidential candidates are taking more of a wait-and-see approach, and many members of Congress are doing the same. Congress will debate the deal’s merits and then vote it up or down.

North Carolina U.S. Rep. David Price, a Democrat, typifies how the TPP’s multiple aspects are complicating the congressional vote. Though sympathetic to labor’s concerns about jobs, Price is also weighing how the trade pact could strengthen the U.S. position in Asia.

In a statement, Price said, “We must also consider whether (the agreement) advances our nation’s interests in Asia at a time when we are increasingly competing with China for leadership in the global economy.”

Whatever the TPP’s contents, Harvey said it will have the same qualities as all international trade agreements – some gains for the United States and some concessions. “Whether you approve depends on how much those benefits outweigh those costs,” he said. For example, he said, the agreement may cost some American jobs, but it could also provide American consumers with cheaper goods.

If the devil is in the details of the TPP, the deal’s virtues are clear in its outline. It will remove thousands of foreign tariffs that drive up the costs of U.S. exports and boost hiring in export-based industries. That will improve the Pacific market for U.S. autos and agricultural goods, a sector for which lifting tariffs could help North Carolina’s farm economy. The downside is that cheaper foreign goods, such as auto parts, could flood some U.S. markets, costing American jobs.
But two considerations make the agreement desirable and necessary. First, it will
strengthen the U.S. position in the Pacific and counter the growing economic power of
China, which is not part of the deal. (If successful, the TPP may even attract China to join,
a step that would make its markets more accessible and its economic behavior more
accountable.) Second, the TPP is a necessary response to globalization. There’s no point in
falling back on protectionist trade policies now.

Harvey says the test of the TPP’s value isn’t whether Congress approves it. It’s whether
other signers live up to it. “You can sign whatever you want,” he said. “It depends on what
they’re going to do.”

There’s no assurance that there will not be unfair dealing, but for now the TPP looks like a
fair deal.
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We don't need cheaper goods, we need higher wages!!

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**Marsh Hardy**

Every Republican President from Lincoln to Eisenhower (not to mention Democrats) would've agreed with you...

"Under free trade the trader is the master and the producer the slave. Protection is but the law of nature, the law of self-preservation, of self-development, of securing the highest and best destiny of the race of man. [It is said] that protection is immoral.... Why, if protection builds up and elevates 63,000,000 [the U.S. population] of people, the influence of those 63,000,000 of people elevates the rest of the world. We cannot take a step in the pathway of progress without benefiting mankind everywhere. Well, they say, 'Buy where you can buy the cheapest'.... Of course, that applies to labor as to everything else. Let me give you a maxim that is a thousand times better than that, and it is the protection maxim: 'Buy where you can pay the easiest.' And that spot of earth is where labor wins its highest rewards."

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