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## The Choice Is Not Between TPP or No Trade

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The high-profile presidential primary revolt against decades of damaging American trade policy finally has forced the Trans-Pacific Partnership (TPP) into mainstream media coverage.

The usual free-trade-agreement cheerleading squad of chronic-job-offshoring corporations, Wall Street, agribusiness and their coterie of think tanks and pundits are unnerved.

After spending billions in campaign contributions, lobbying and PR since the 1990s to enact our current trade policies, they want us to believe there is no alternative. In recent weeks, they have ginned up a PR campaign with two main themes: Critics of free trade agreements in general and the TPP in specific are protectionists who want to stop trade and/or are ignorant and misled.

The recent Washington Post [piece](#) by Vice President Biden's former chief economist Jared Bernstein does a great job explaining why the real choice is not between TPP and no trade. As he notes, we don't need more free trade agreements to expand trade.

Indeed, U.S. export growth to countries that are not Free Trade Agreement (FTA) partners has exceeded U.S. export growth to FTA partners by 29 percent over the past decade. By the end of 2015, the aggregate U.S. trade deficit with FTA partners had increased by 418 percent since the FTAs were implemented while that with all non-FTA countries had decreased by 6 percent.

How can that be? For the same reason polls repeatedly show that most Americans are for trade and against our trade agreements: America's trade policy and trade agreements have been hijacked by special interests.

Indeed, the TPP's strongest opponents are not against trade and do know what is in such agreements. That is precisely why they oppose them.

This Washington Post [infographic](#) shows how our secretive trade negotiating process gives a privileged role to hundreds of official U.S. trade advisors representing corporate interests. They have turned our "trade" agreements into delivery mechanisms for an array of retrograde policies, many unrelated to trade, that have hurt most Americans.

Consider that the agreements sold as expanding exports of Made-in-America goods actually include provisions that make it easier for corporations to export investment and American jobs to low wage countries and import their goods back. The pro-free-trade Cato Institute calls these foreign investor protections, found in pacts since the North American Free Trade Agreement (NAFTA), a subsidy for offshoring. The terms significantly reduce risks and costs for firms that relocate.

Or consider that our “free trade” agreements impose protectionist intellectual property monopolies. Big PhRMA got terms that require every signatory country to extend the periods during which pharmaceutical firms can avoid generic completion and thus charge obscene medicine prices. The pacts also include terms extending copyright protections and limits on Internet freedom that undermine access to knowledge and stifle innovation.

The pacts also provide new tools for transnational investors to attack the environmental and health policies on which we all rely to keep our families safe. Major oil and gas firms have been among the most frequent users of these infamous investor-state dispute settlement provisions. They empower individual foreign corporations and investors to drag the U.S. government in front of foreign arbitration tribunals to demand compensation from taxpayers when the investor believes that policies - applying equally to domestic and foreign firms enacted by Congress and approved by our courts - violate their new trade pact investor rights.

Agribusiness interests got terms that require us to import food that does not meet U.S. safety standards. The GEs, GMs and other manufacturing firms that offshored production pushed rules that forbid us to apply “Buy American” procurement policies. That lets them still benefit from U.S. government procurement contracts after they move production to sweatshops abroad. Yes, our trade pacts also offshore our tax dollars rather than harnessing government purchasing power to create jobs and spur innovation here.

Wall Street got rules limiting financial regulation, even those applying equally to domestic and foreign firms. This includes constraints on policies that limit the size of financial institutions, ban especially risky financial products or require firewalls to limit the spread of risk across financial products.

Every effort at common sense reform has been beaten back - both in the agreements and in U.S. policy.

So we have tax policies that reward job offshoring and provide impunity for ‘American’ firms that invert their corporate structure to tax havens but no rules to stop other countries from cheating on trade by lowering the value of their currency. Currency devaluations subsidize their exports to us - wiping out American jobs, firms and farmers - and make our exports too expensive to sell in the currency-manipulating countries.

There are no limits on trade with countries complicit in horrific human rights abuses. But it would violate the trade rules if we cut off trade with a country after a coup against a democratic government.

In sum, our trade policies reflect the goals of certain privileged interests to the detriment of promoting the broad public interest.

Having lived with the damaging results over the past decades, it should be no surprise that many Americans are against these corrupt special interest trade policies.

And now we have presidential candidates from both parties revealing the truth: There is nothing inevitable out the damage, but rather the rules have been rigged against us.

Trade agreement after trade agreement has not only failed to meet its business sector and political backers' glowing promises of job creation but has done severe damage.

We have suffered the net loss of nearly 5 million U.S. manufacturing jobs and more than 57,000 factories, and seen millions of higher-wage service sector jobs offshored.

Americans face flat median wages despite significant productivity gains as those losing jobs to bad trade policies join the glut of Americans competing for non-offshorable service sector jobs. This has been a major contributor to the worst U.S. income inequality in the last century.

The volume of U.S. food exports has stagnated while U.S. food imports have more than doubled in the past 20 years of NAFTA-style deals. The result: family farmers wiped out and all our families flooded with unsafe imported food.

And this is not just a NAFTA problem. The 2012-implemented Korea FTA included the higher labor and environmental standards congressional Democrats forced into George W. Bush's last trade pacts. But still the U.S. trade deficit with Korea grew over 90 percent in the first three years it was in effect. That equates to the loss of 90,000 American jobs, counting imports and exports in the formula the administration used to predict job gains from the pact.

We can do better and we must.

Trade agreements and policies are how we can write rules for the global economy.

And the United States is uniquely able to set trade policies that others have to follow. That leverage is the only upside to having the largest trade deficit in history.

China, Vietnam, Mexico, Japan and other nations are deeply reliant on being able to sell things here. That means these governments need to come to agreement with us on terms of trade or risk economic disruptions that could undermine their own political viability.

But to date, this leverage has been squandered to obtain special protections for Big PhRMA and U.S. firms seeking to invest abroad rather than to secure terms that work for all of us.

We desperately need a new American trade policy.

To achieve that, first, we must do no further harm. As Paul Krugman put it in a recent New York Times column, we need "a standstill on further deals, or at least a presumption that proposed deals are guilty unless proved innocent."

We must not enact any more-of-the-same, job-killing, race-to-the-bottom agreements.

Polls show majorities of Democrats, Independents and Republicans oppose the TPP. Currently there is not a majority in the House of Representatives to pass it. Supporters' hope is to slime it through Congress in a lame duck session post-election with the votes of retired and fired representatives.

Imagine the fury if the public knew that the Obama administration also is close to a deal with China after years of closed-door negotiations. That China Bilateral Investment Agreement would provide special protections for U.S. corporations that offshore investment to China and give

Chinese firms new rights to buy up American manufacturing companies, energy and communications firms, and land.

Second, we must review and replace our existing trade policies and pacts. The special interests that put our current system in place are jealously intransigent about commonsense changes for which there is now growing consensus.

This includes enforceable disciplines against currency cheating; removing offshoring incentives, bans on Buy American preferences, patent extensions and the investor-state tribunal system in trade pacts; conditioning access to the U.S. market on countries meeting international labor, environmental and human rights standards; eliminating existing U.S. tax credits, subsidies such as Export-Import bank loans, and government contracts for firms that ship jobs overseas; enacting domestic tax and procurement policies that reward firms producing here; expanding Buy American procurement preferences; eliminating the corporate benefits for companies that relocate their corporate headquarters overseas to take advantage of a tax loophole and so forth.

Third, before we consider negotiating any new agreements, we must create a new model that ensures any future pacts create jobs here and raise wages.

The TPP's boosters cynically claim that the TPP is the new model. In fact, the TPP includes word-for-word much of the old NAFTA-style language. Worse, it actually expands on some of NAFTA's most damaging terms, such as the foreign investor privileges that promote job offshoring.

The TPP rolls back the initial reforms to trade-pact environmental and medicine patent rules that congressional Democrats forced Bush to include in his last trade deals. It would double U.S. liability under the investor-state dispute settlement regime by empowering an additional 9,200 Japanese and Australian firms to attack our laws in foreign arbitration tribunals. (While billions have been paid to foreign investors under this regime, so far we have dodged the bullet because past U.S. pacts have been with developing nations with few investors here.)

The TPP includes notorious human rights violators like Brunei, which recently implemented sharia-based laws for the stoning-to-death of gays and unwed mothers, and Malaysia whose modern day slavery has made it among the worst nations for human trafficking.

What would a good trade agreement look like? In 2009, Congress' leading fair-trade champions worked with economists, trade experts, businesses and environmental, labor, consumer, faith and family-farm organizations to develop that alternative. They hoped it would shape the approach taken by the new incoming Obama administration.

That is not how history played out, and thus we have the TPP — NAFTA on steroids.

But the 2009 Trade Reform, Accountability, Development and Employment(TRADE) Act provides a good blueprint for trade pacts that could benefit more Americans. The legislation set forth what must and must not be included in future pacts - basically eliminating the special interest non-trade riders that now comprise the majority of our Trojan horse agreements and adding the rules to make actual trade terms more fair.

It also included criteria for what countries would be appropriate U.S. trade agreement partners - those that offer American exporters opportunities and where strong labor, environmental and human rights standards exist in practice, not just on paper.

Unless and until we enact a trade policy that can harvest the benefits of expanding our exports to create well-paying American jobs and prosperity for American farmers while growing jobs at home, raising wages and promoting democracy, human rights and a healthy environment, the trade fury we are now witnessing will only grow.