



The Free Traders Weigh In On TPP

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According to a new study conducted by the American Medical Association (AMA) for every hour doctors spend seeing patients, they are spending almost two additional hours on paperwork. After following 57 U.S. doctors in various fields, the study concluded the physicians spent an average of 27 percent of their time seeing patients and 49.2 percent of their time doing paperwork. The study went on to find that even when doctors were in the room with patients, they were still spending 37 percent of their time filling out paperwork.

A new report released last week finds that while the housing market continues to pick up pace, the millennial generation is being left behind. Today, only 39 percent of 25-34 year-olds own a home, in 2004 almost 50 percent of 25-34 year-olds owned a home. The difficulty in obtaining a mortgage, as well as the memories of the housing crash, are being blamed for the drop in millennial homeownership.

Eakinomics: The Free Traders Weigh in on TPP

It's not surprising that the Obama Administration favors the Trans-Pacific Partnership (TPP) — it was negotiated by his Trade Representative Ambassador Froman and his **website** is filled with facts supporting the virtues of the agreement. Similarly, it is not much of a surprise that the folks at the **Peterson Institute for International Economics** (full disclosure: I worked there at one point) or the **International Trade Commission** would come down in favor of the deal.

Yesterday, however, generated some real news when five trade scholars —Daniel Ikenson, Simon Lester, Scott Lincicome, Daniel Pearson, and K. William Watson — at the Cato Institute issued their **evaluation** of the TPP. In short, TPP confronted unrepentant, full-throttle, take-no-prisoners free traders. What happened?

The short version is shown below (table reproduced from the report itself). The authors took each chapter and, where appropriate, assigned it a score, with “10 assigned to chapters that offer the most liberalizing terms possible (“free trade”); 0 assigned to chapters imposing the most restrictive terms possible (“protectionism”), and; 5 assigned to chapters for which the terms, in aggregate, have a neutral effect.” Obviously, the authors think there are a few stinkers

among the chapters (textiles, trade remedies and labor) and a few winners (national treatment and market access, customs administration and trade facilitation, cross-border trade in services and dispute settlement). On average, however, the TPP is judged to be net liberalizing and looks like a winner on the economic merits.

Drawing such judgments is hard work. A real merit of the Cato work is that it takes the TPP process at face value. Instead of favoring TPP because one supported Trade Promotion Authority (TPA) that permitted the president to negotiate TPP or vice-versa, the agreement was read independently and evaluated on its merits. One hopes that every member of Congress follows suit.