

Horrific Support by Cato for the Trans-Pacific Partnership

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Cato sent out this tweet on Saturday.

#TPP is the next step for free trade, and @CatoInstitute stands in support of its ratification. <https://t.co/pRCtsr3AF1>

— Cato Institute (@CatoInstitute) August 13, 2016

As I have stated before, the Trans-Pacific Partnership is a very mixed bag.

There are many anti-trade provisions in the agreement.

Further, the agreement calls for certain minimum wage regulations which will surely result in greater unemployment in many participating countries.

To be sure, there are some positive provisions in the agreement, but to suggest that this agreement is the "next a step toward free trade" is absurd.

It is a crony trade deal that in some parts of the agreement ends certain trade.

I hasten to add that it is possible for a crony trade deal to be better than no trade.

To take a dramatic example, suppose that there is a cancer drug that saves people lives, but that because of trade restrictions on the seven pharmaceutical firms that provide the drug, none are allowed to export it into country A.

Because one of the pharmaceutical companies has government crony ties and in a trade deal gets language written in that allows it (but not the other six companies) to export it into country A.

This is certainly a positive for cancer patients in country A but it is crony trade, not free trade, since six potential exporters into country A are still prevented from exporting the drug into the country.

There are some provisions like this in TPP but more troubling is provisions in TPP that would make trade even more restrictive than it is before the agreement and, as I have said, the unemployment causing minimum wage regulations in the agreement are stunning in their oppressiveness.

Shouldn't it be the responsibility of a "think-tank" to make clear the pluses and minuses of the TPP (and there are many minuses) at all times, to, uh, make people think, rather than provide full-throated support? Cato understands the problems in TPP. They outline many of the problems in their longer analyses but their sound bite endorsement that will be bandied about inside the Beltway, to provide cover for many to support TPP, is the knife that guts true understanding of TPP and helps promote the march of restrictive and crony trade as if it were free trade.