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If You Dislike The TPP, You Might Dislike The Alternative More

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Presidential candidates of both parties have turned themselves into snarling attack dogs where free trade is concerned.

They talk *ad nauseam* about the ghastly things that will happen if the United States ratifies the Trans-Pacific Partnership, but nary a word has been said about what will happen if it doesn't.

One thing you can count on is that America's credibility among its friends and allies will take a beating. The United States would not be seen as a reliable negotiating partner with regard to trade or anything else.

Another is that the governments of the 11 other TPP countries will be livid about seeing their years of hard work on negotiating it come to nothing.

"It would be a huge blow to U.S. credibility in terms of leadership," said Simon Lester, a trade analyst at the libertarian Cato Institute.

If Congress and/or the next president says no to the TPP after years of arduous negotiations, Lester asked, "is anyone going to take the U.S. seriously" as a negotiating partner?

If the United States walks away from the TPP, advocates say it will be left out in the cold as countries in the Asia-Pacific region become more prosperous and more desirous of foods, products and services that are not available domestically, and do trade deals with other partners to satisfy that demand.

The United States didn't create the TPP. Its origins date to 2002 when New Zealand, Singapore and Chile agreed to negotiate a trilateral free trade agreement. Brunei joined the negotiations in 2005 and the agreement took effect in 2006, although negotiations on the financial services and investment chapter were put off for two years.

That gave the George W. Bush administration a way in. It not only joined the talks when they resumed in 2008, it took charge of them and proceeded to reshape the agreement to its liking. It invited Australia, Peru and Vietnam, and later, Malaysia and Japan to join.

How do you suppose those governments will react if the United States, having commandeered the TPP and rewritten it in its own image, abandons it?

“Other countries will go ahead and make deals among themselves, which will disadvantage us by definition,” said Wendy Cutler, a former U.S. trade negotiator for Asia.

In fact, that process is already underway. Sixteen Asia-Pacific countries, including seven TPP parties, are negotiating a regional trade agreement called the Regional Comprehensive Economic Partnership or RCEP.

Failure to ratify the TPP could also ring the death knell for the other big trade agreement the U.S. is working on: the Trans-Atlantic Trade and Investment Partnership, or TTIP, between the U.S. and the European Union, and the Trade in Services Agreement, or TISA, a proposed 50-country agreement that would liberalize and expand global services trade.

Donald Trump, Ted Cruz, Bernie Sanders and Hillary Clinton have been so successful in turning voters against the very idea of free trade that the next Congress may not have the nerve even to consider either of those agreements.

Cruz has already thrown down the gauntlet on TISA. Speaking at the 12th GOP presidential candidates’ debate on March 10 in Miami, he said, “This Obama administration is negotiating the Trade in Services Agreement, which is another treaty to allow services to come in and take jobs from Americans as well.”

Services trade is one of the bright spots of America’s trade relations with the rest of the world. The U.S. has long enjoyed a large services trade surplus. It was \$220 billion in 2015, according to the Census Bureau. Services account for three-quarters of U.S. GDP and about 80 percent of American jobs, according to the office of the U.S. Trade Representative.

TISA would almost certainly enlarge the services trade surplus and increase employment in service-providing U.S. industries such as express delivery, telecommunications and entertainment.

Cruz is smart enough to know that, but apparently he’d rather scare people than tell them the truth. But he’s not the only presidential candidate who is guilty of that.