

I come neither to bury the Trans-Pacific Partnership, nor to praise it. As Bryan has explained, free trade is a good thing – good for us, good for our trading partners, and above all good for the poor. The trouble is that trade deals these days aren't about free trade, they are about managed trade. If Congress is to do anything, it should put the free back in free trade.

What do I mean by “managed trade?” Well, if you look at trade deals since the creation of NAFTA in the 1990s, you'll see a lot of stuff in them that isn't about trade at all. NAFTA started this by including provisions on labor and environmental standards that were all about harmonizing regulation between the parties to an extent.

This isn't free trade. A free trade agreement has nothing to say about the labor or environmental standards of the partner country – or its system of government for that matter. Kevin Williamson of National Review calls such agreements Goldberg Agreements after my friend Jonah Goldberg who suggested trade deals should consist of one sentence: "There shall be free trade between the United States and insert name of country." In fact if you look back at the earliest roots of American freedom, England's Magna Carta, you'll see a unilateral Goldberg agreement in there, with the King promising not to interfere with our steal from foreign merchants. These days, we call stealing from merchants taxes or tariffs.

The problem is that things have just gotten worse since NAFTA. Trade deals have included more and more of these extraneous matters. In fact, the deals stopped being called “free trade agreements” when President Obama entered office, and started being called “trade promotion agreements.” The Trans-Pacific Partnership, you may have noticed, doesn’t even include the word “trade.”

Why is this? Quite simply, the left hates free trade. It is incredibly effective at undermining the inefficiencies the left likes to build into the system, like union collective bargaining or valuing the environment over people. That’s why to get bipartisan support for a trade deal, negotiators have included provisions

introducing those inefficiencies into other nations' economies.

This is a bad thing, because the benefits of trade stem from the comparative advantages of nations.

Remove those advantages by harmonizing standards, and everyone suffers. The poor in the partner country stay in poverty longer, because they can't get the jobs owing to artificial restrictions introduced by the trade deal. The poor here suffer doubly because they can't get jobs thanks to unionization and environmental regulation, while the price of imported goods goes up and the price of domestic goods stays high.

So we can expect trade deals which give more weight to these extraneous matters to be less effective at

providing the benefits of trade. That's the direction TPP has headed in. Indeed, it raises labor and environmental dispute resolution to the level of actual trade dispute resolution. That means that environmental groups and labor unions will have as much say in the success of the agreement as the companies that are actually doing the trading.

But that's not all that's problematic about TPP. The negotiations included a host of carve-outs and provisions that cater to ideological special interests, again undermining the benefits of trade. Let me give you one example. At the insistence, I believe, of the Obama administration, one industry was left out of the dispute resolution procedures. Those procedures ensure that if a country decides for populist reasons

to target, say, a US company operating in that country with punitive measures such as expropriation or arbitrary regulation, that company has a chance to cry foul. That option will no longer be open to the tobacco industry under TPP.

Now, I realize that people's views differ on tobacco. I am a non-smoker and have been all my life, except for the occasional celebratory cigar. I hope my children never smoke. The evidence seems clear that tobacco is harmful to those who use it. Yet that should be beside the point. Tobacco is a legal product in every country in the TPP. It may be heavily regulated, but it is legal. Yet it is to be excluded from dispute resolution for the simple reason that the Obama administration disapproves of it.

Think for a minute where that could lead us in the future. The next major trade deal to be negotiated is with Europe. The EU has its own list of products it disapproves of. We could easily see future trade deals excluding a litany of industries that the left dislikes for supposed public health reasons: trans fats, sugar, alcohol, fossil fuels, perhaps even meat. Bacon? How terrible could that be?

We might even see the cultural provisions of trade deals extended this way. Companies that could be excluded from dispute resolution in future agreements include those quintessential examples of American commerce, Coca-Cola and Disney. If global

companies can be treated this way, the benefits of free trade will recede further.

So I think Congress needs to give TPP a good, hard look. It needs to ask itself whether the undoubted benefits of tariff reduction outweigh the problems caused by this constant move towards politicized, managed trade. It needs to ask itself whether a no vote will kill off future trade deals for the foreseeable future, or whether it will send a signal that trade needs to be truly free. Above all, it needs to ask itself what will be the effects of the TPP for those who truly stand to benefit from free trade – the poor here and abroad. Free trade always used to be about the poor and the benefits it brought to them, not special interests. Let's



make it about them again, and have a real debate  
over what trade deals should look like in the future.