

A Giant, Flushing Sound - US Presidential Election and the Trans Pacific Partnership

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IN A SURREAL and bitterly polarized election year, there is one issue on which the majority of voters, left to right, agree: Flush the Trans Pacific Partnership. Donald Trump and Bernie Sanders ran against the TPP, and Hillary Clinton says she opposes it after she used to support it.

There is also one issue on which the established leadership of the Republican and Democratic parties, amidst all the infamous gridlock of Congress, agree: They want the TPP. And it's just possible that in the "lame-duck session," that interregnum between the November election and the January installation of the new President and Congress, they might try getting together to pass it and have outgoing President Obama sign it.

The twelve current members of the pending TPP are Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. Collectively they account for 40% of the world economy. It's not only in the United States that TPP is viewed as a corporate coup and menace to labor rights and national sovereignty. [1]

Because of "fast-track" enabling legislation, TPP would be subject to an up-or-down vote in the U.S. Congress, with no amendments of a 1200-page agreement that few if any members of the House of Representatives or Senate have actually read. It would not be subject to the usual requirement of 60 votes in the Senate that's usually necessary to bring legislation forward.

The lame-duck ploy might not be the only option. A leading ruling class militant, Thomas Donohue, president and CEO of the U.S. Chamber of Commerce, says he believes that Hillary Clinton in the White House would implement the TPP — an indication that this institutional organ of U.S. capital may be leaning her way. Michael Bloomberg, of course, also roundly endorsed her during the Democratic convention. [2]

Bernie Sanders' opening-night convention speech bravely attempted to square the circle, praising "the most progressive platform in the history of the Democratic Party" while stating that there must be no lame-duck vote on the TPP — glossing over the reality that the Clinton-dominated platform committee majority rejected his demand to oppose that prospect.

If Sanders made the best job he could of making lemonade from some fairly rancid lemons, it says quite a bit about democracy in the United States that the two capitalist parties might stop slitting each other's throats just long enough to adopt the very thing that their voting bases both hate. So what's the TPP all about, and what make this a corporate priority?

Back in 1992 when maverick billionaire Ross Perot ran for president, he famously asserted that the

then-pending North American Free Trade Agreement (NAFTA) would create “a giant sucking sound” of U.S. manufacturing and industrial jobs moving to Mexico. When NAFTA came into effect with the signature of President Bill Clinton in January 1994, it certainly accelerated the “de-industrialization” of America although it didn’t cause it (the domestic steel industry, for example, had virtually collapsed years earlier).

Destroying Mexico

But NAFTA didn’t only ship out U.S. jobs. It also forced open Mexican markets to the 800-pound gorilla of heavily subsidized U.S. agribusiness, wiping out huge chunks of Mexican domestic agriculture and hollowing out farming communities that couldn’t possibly compete with U.S. imports.

This result was actually intentional, based on the neoliberal strategic notion that Mexico would become a food importer and its erstwhile farmers would become workers in the maquiladores, Mexican industrial zones where the jobs of former U.S. workers would be relocated. But the global spread of “free trade,” represented by the World Trade Organization — a gold rush for capital to find the very cheapest possible labor — meant that many of those jobs now migrated further, to Haiti or Indonesia or, if Indonesian workers got uppity, to Vietnam.

As a result, breadwinners or whole families of devastated Mexican communities had no choice but to head north to find work — legally or otherwise — in the United States. (Believe it or not, they weren’t hoping for jobs, for example, in Iowa meatpacking plants in order to enjoy the wonders of Midwestern winters.) This trend has continued — including the accelerated depletion of Mexican lakes and groundwater sources under the impact of water-intensive vegetable cultivation for upscale North American markets.

The Trans Pacific Partnership, which has been called “NAFTA on steroids,” represents a further evolution of the “free-trade” regime. But the United States already has bilateral trade agreements with most of the other parties, even without the TPP. In fact 24 of its 29 chapters, negotiated in deep secrecy, aren’t really about trade. They’re fundamentally about expanding the power of corporate interests to roll over the attempts of any country — the United States or any other — to protect its labor standards, its environment, its citizens’ access to affordable drugs and their right to seek redress from corporate piracy.

One dirty secret is that the most odious provisions on “intellectual property,” notably extended copyright protection for pharmaceutical companies to extract gargantuan profits — at the expense of the lives of patients who can’t afford essential drugs — were included at U.S. insistence. The praise of “free trade” is a cover for corporate sovereignty.

Thus under TPP’s investor-state dispute settlement (ISDS) investors get the right to sue foreign governments for treaty violations. On paper ISDS is meant to provide investors in foreign countries basic protections from foreign government actions such as “freedom from discrimination,” “protection against uncompensated expropriation of property,” “protection against denial of justice” and the “right to transfer capital.”

In short, this kind of “free trade” liberates capital from the bother of national regulation, while working people remain subject to the nation-state’s laws and repression. Economist and former Secretary of Labor Robert Reich calls TPP a “Trojan horse in a global race to the bottom.”

Reich should know, having been there when Bill Clinton promulgated NAFTA and subsequently

ended “welfare as we know it,” with all the horrific consequences. This hasn’t stopped him from transferring his support now to Hillary Clinton, who he confidently says “will be a good president if not a great one.”

For the Obama administration and both Congressional parties, the TPP is a priority for “strategic” reasons as well. It’s part of the United States’ “pivot toward Asia” against the rising political and military reach of China — in other words, a clash between an established imperial power and an aspiring regional hegemon. As China muscles up on its neighbors, and the Philippines and Vietnam look toward Washington for protection, it’s an economic and political rivalry with, ultimately, a dangerous military dimension.

According to August 22 New York Times, that’s a big part of why “Despite Opposition, T.P.P. Gets a Final Push” from the Obama team. In brief, the TPP is where free-market theology meets the doctrine that the United States, “the indispensable nation,” has the right to rule the Pacific and the world.

Donald Trump’s boasts that he’ll “negotiate great trade deals” and bring manufacturing jobs flooding back to U.S. shores are as empty as the library shelves at Trump University. But Hillary Clinton’s statements require closer scrutiny, especially since she’s the likely next U.S. President.

Hillary Clinton’s Record

The evolution of Hillary Clinton’s pronouncements on TPP are documented by PolitiFact [3]. Here’s what the then Secretary of State said in Australia in 2012:

“So it’s fair to say that our economies are entwined, and we need to keep upping our game both bilaterally and with partners across the region through agreements like the Trans-Pacific Partnership or TPP. Australia is a critical partner. This TPP sets the gold standard in trade agreements to open free, transparent, fair trade, the kind of environment that has the rule of law and a level playing field. And when negotiated, this agreement will cover 40 percent of the world’s total trade and build in strong protections for workers and the environment.”

That same year in Singapore, she opined:

“The so-called TPP will lower barriers, raise standards, and drive long-term growth across the region. It will cover 40 percent of the world’s total trade and establish strong protections for workers and the environment. Better jobs with higher wages and safer working conditions, including for women, migrant workers and others too often in the past excluded from the formal economy will help build Asia’s middle class and rebalance the global economy.”

PolitiFact points out that these are “in contrast to more recent comments where Clinton said she had concerns about the deal and that she ultimately opposes it. The [current] statement is distorting her previous comments. We rate it Half True.”

That judgment may be charitable, but there is no need to debate here whether Hillary Clinton’s reconstruction of her history is “Half True” or “Total Lie.” It’s a fool’s errand to expect corporate politicians to be truthful about questions where the will of the people clashes head-on with the wishes of the ruling class. Corporate elites for their part don’t demand that a political leader openly declare her loyalty, especially if that would compromise her ultimate ability to act in capital’s interests.

Goldman Sachs, the pharmaceutical industry and other corporate sponsors didn't really "buy" Hillary Clinton with the hundreds of thousands of dollars they paid her for what Bernie Sanders quipped "must have been really great speeches." Rather, Wall Street was expressing thanks for her previous services and its well-placed confidence in future ones. How and when President H.R. Clinton would bring the TPP into effect is a tactical, not a principled, issue.

A Donald Trump election would present a somewhat different problem, since his only proven loyalty is to himself and his stated program is one of crude economic nationalism. In that scenario we could well see the Congressional leadership team up with the outgoing Obama administration to pass the TPP before Trump's inauguration (a trick he could violently denounce without having to actually do anything about it).

Where the TPP fight will go is up in the air. It will depend in part, of course, on the outcome of this strange and disturbing election. More importantly it will be shaped by the extent of the popular opposition and outrage, and by how great a price is paid by politicians for obeying the dictates of their corporate masters.

In capitalist America, that's pretty much the meaning and the limits of what's called "democracy." Whether the ultimate giant flushing sound is the TPP going down the drain, or sucking the life from the workers of America and Asia alike, will be decided in struggle, both in the United States and globally.

The Editors (*Against the Current*)

P.S.

* Against the Current n°184, September-October 2016:

<http://www.solidarity-us.org/node/4743>

Footnotes

[1] For a perspective from Indonesia, for example, see "TPP May Bankrupt Indonesia, activists say" (<http://bit.ly/2b0wwNd>).

[2] For a report on Clinton supporter and Virginia Governor Terry McAuliffe's speculation that Clinton might "flip" to support TPP after all, see <http://politi.co/2atHTBp>. Nobel Prizewinning economist Joseph Stiglitz, a Hillary Clinton advisor and opponent of TPP, told "Democracy Now" that he's convinced TPP is "dead" for the Obama administration and would have to be "renegotiated" for her to supportt: <http://bit.ly/2aIKhF9>.

[3] at <http://bit.ly/1NbSsSH>