

Building bridges to the USA

This week the UK welcomes the President of the USA. Let me risk criticism by saying I wish this to be a successful visit, stressing the things the USA and UK can do together to make the world a better place. As good hosts we should not be in the business of taking public political shots at the President or stressing the things some in the UK do not like about his stance. In private of course the government can make representations where it disagrees.

There are many areas where we can and should make common cause. Both the USA and the UK believe in NATO, and believe that to be a fair and strong alliance all its partner states should spend a minimum of 2% of GDP on their contribution to the mutual assurance. As one of the few members who does so we should help the President make the case with other members, and should show we are determined to increase our spending to be a decent ally and helpful partner.

President Trump thinks President Obama was wrong to tell the UK that we would be at the back of the queue for a trade deal. He is willing to get on with one. The UK should respond positively and progress the talks. It would be good to have an Agreement ready for ratification as soon as the UK leaves the EU.

The President is a big advocate of lower taxes. His dramatic tax reform is boosting the US economy. US companies are busily repatriating profits and spending more money on wages, investment and dividends. US families have more money to spend thanks to the income tax cuts. The UK should congratulate the President on his success with this, and should add income tax reductions to the corporation tax cuts we have carried out.

The President has published a study which finds that some Chinese companies steal or obtain western ideas on the cheap. He is trying to get improved conduct from China. There are UK companies who have experienced Intellectual Property difficulties with their own brands and products. The UK should share its knowledge of this with the USA and discuss what might be a good agreement with China to improve the position. The Chinese authorities have themselves said they oppose IP abuse.

The President is pushing both China and the EU for lower tariffs, better market access and "fairer trade". Where the demand is for a lower tariff or for easier market access, the UK can be sympathetic. Clearly we do not support the unilateral imposition of tariffs to try to force the pace of change, and wish to avert a trade war. This week is a chance to influence the President by offering positive ways that we can help get Chinese and EU barriers to trade down.

I suggest we keep off the topic of walls. The EU has helped financed a long border defence for Turkey, and has seen a number of border fences or walls spring up in recent years, so we are not in a strong moral position to lecture the USA on this sensitive subject. The UK herself wishes to tighten

controls on migrant numbers.