

The EU believes in tariffs

There is a double irony in the Remain position on trade. They say a free trade agreement with the EU is crucial, whilst doing everything in their power to stop us having free trade agreements with all those other non EU countries who would like one. They pose as free traders, claiming tariffs are harmful, yet they fully support EU trade policy which makes use of very high tariffs on agricultural and food products to protect domestic farming and the food industry, and seeks to use a 10% tariff on non EU cars to help single market producers.

So which is it? Is free trade essential to our future? Or do selective tariffs do good and protect domestic industries sensibly?

The theory of free trade tells us that a country is better off with free trade than with tariffs. If, however, you take this to the logical conclusion that you might as well surrender all your tariffs with no reciprocation from overseas you may well find domestic industries damaged by aggressive overseas competition, to be followed by price hikes once the domestic industry has been demolished. Arguably the West has been too generous to China, offering low or no tariffs under WTO rules whilst allowing China to maintain big protectionist barriers of various kinds. UK industry lost out badly when we went to zero tariffs against German and other continental steel, car and textile manufacturers in the 1970s.

I favour bilateral or multilateral reduction of tariffs and other barriers. As we leave the EU's single market and customs union we are free to choose tariffs or no tariffs, and to decide how high they should be. The only proviso is we need to impose the same tariff on all WTO members, unless they have a Free Trade Agreement with us. In the case of food it means we can lower tariffs on non EU countries whilst imposing some tariff on EU food, which will act as a stimulus to recapture market share for domestic producers lost over our years in the CAP and Customs Union.

So let us once and for all get rid of the silly lies put around about trade

1 We can trade well and grow our trade without a Free Trade Agreement, as we have done during our time in the EU with non EU countries

2 Tariff free does not guarantee good trade growth, as have seen in recent years within the tariff free single market in the EU

3, Most Free Trade Agreements are useful and can add a bit to trade.

4. Lop sided trade agreements can be damaging, as our EU has been to our farming and fishing industries.