

Trade wars

I agree with the consensus that trade wars are not helpful, and higher tariffs do impede growth and prosperity.

I do not agree with the view that the UK needs to be in an EU tariff zone/Customs Union in order to enjoy more of the benefits of free trade. That is an absurd contradiction of a view. The EU Customs Union imposes tariffs and barriers against the rest of the world that are not helpful. If pro EU people agree, as they seem to do, that Trump's new tariffs are harmful, they should also agree that the EU's far bigger and more numerous old tariffs are also harmful.

The irony of Mr Trump's stance is lost on them. He is imposing tariffs to try to bash down the barriers and unfair trading practices others have imposed. His main two targets are China and Germany. There is an interpretation doing the rounds that his only target is China and some of his tariffs are therefore ill judged. Mr Trump starts with analysis of the largest trade surpluses around the world, which reside in China and Germany. Because Germany's trade stance is handled by the EU it leads the USA into conflict with the EU. It is true that his steel tariffs do hit the wrong people, as the USA imports little steel from China which is the main cause of overcapacity and of subsidised or unrealistically low prices.

The US has written a report into how China has in the US view cheated with Intellectual Property and technology products. The US is currently reviewing the practises of the German car industry, to see why Germany sells so many more cars to the USA than the USA sells to Germany. Part of the reason is obvious. The EU levies a 10% tariff on US cars, but the US only levies a 2.5% tariff on German cars. I can see why the USA may wish to question that.

I look forward to the day when the UK can negotiate her own trade terms around the world. The danger of the current situation is we get dragged into an unhelpful trade war between the EU and the USA which is primarily about the huge German surplus, not about our own global trade deficit.

The UK will regain her vote and voice at the WTO. The sooner the better. This is exactly the time when an independent UK could act as a strong voice and influence for freer trade worldwide, assisting the USA where she has a good case to bring the barriers down that others have imposed, and working with those who oppose unilateral US tariffs that do not tackle the underlying problems.