

It's the Law That's Stupid, Not Free Trade

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Imagine playing the TV show *Deal or No Deal* with your entire family. Not in the stands, giving you “advice”, but there on stage with you. You all have to make the choices together.

For most families, it'd be a total disaster. Probably for years afterwards too. That despite the purely probability driven nature of the whole drama. Perhaps the lack of rational decision-making makes the emotional side stronger.

The [Brexit](#) negotiations seem to be following the same sort of dynamics. Which isn't surprising given the whole premise is false.

When it comes to Brexit, decisions and negotiations are based on emotive reasoning and perception, not a rational basis. It can't be rational given everything from immigration figures to trade data was proven to be out of whack by proportions rendering them meaningless altogether.

More importantly, the simple truth is that both sides interests are perfectly aligned in a rational world. But the following simple truths are completely lost in the Brexit negotiations, because with them the whole facade would fall:

Free trade is good for both parties, otherwise they wouldn't trade. Any restriction on free trade makes the parties that would've traded worse off because they have to find the next best trading partner, or none at all.

Restricting free trade also interferes with basic property rights

People who own something should be able to sell it to whomever they want. Any restriction is a violation.

A free trade agreement between the UK and EU will really be an agreement restricting trade in a long list of ways. Again, a violation of the right of individuals to trade. The more details in the agreement, the less trade.

The threat of a no-deal scenario is only real because the EU treats countries outside the EU like villains under the World Trade Organisation (WTO) rules. The EU's trade and other barriers are horrific.

The argument that “no deal is better than a bad deal” is a simple calculation, even if it's been turned into a political tactic. Compare the EU's WTO rules with the proposed deal from the EU. None of this “divorce payment” nonsense. Simply sit and wait to discover to what extent the EU is willing to violate the rights and economic prosperity of some chunk of its citizens. If the deal is worse than the WTO rules, then don't agree. Obviously, no deal would be better than a deal worse than the WTO rules we'd revert to.

The nature of the trade negotiation shows why the UK should leave in the first place: to be part of a world embracing trade instead of an insular mindset inside Europe. To be a country with sensible migration policies. (What policies our polities actually come up with in the end is another question.)

The EU cannot be vindictive towards the UK without breaching WTO rules. It must treat Britain equally badly as other nations. Pointing that out will make Remainers realise the nature of the EU and how it harms others. Remaining inside the EU is a selfish motivation – what's best for Britain in a static world. Brexit, pursued properly, is an opening of Britain to the dynamic world. An abandoning of the EU's anti-trade "us and them" mindset.

The stories of border control are a total joke

The media is in a furore over the lack of border infrastructure in a no-deal scenario. There's even news of the army getting involved.

This would be a terrible development. Heck, our borders would begin to look something like the other ones inside the EU thanks to the immigration crisis. There's military at borders all over the place.

The debate about the border, especially with Ireland, also misses something called a tourism visa. Presumably, Britain won't prevent people from visiting the country.

Any illegal immigrant considering crossing the Northern Ireland border dressed as an Irish farmer under the cover of darkness "could simply fly to Luton instead," said MEP Daniel Hannan at our conference. Find out what else he said [here](#).

This morning on the German news, a victim of Brexit was complaining about what would happen to his business without a deal. The logistics business owner from Dover supposedly said he needed certainty to prepare his business. A no-deal Brexit would mean having to invest in vast amounts of new equipment, pushing up costs.

Consider how nonsensical this argument is. The biggest beneficiaries of Brexit would be precisely this type of business. Border logistics is what they make money from. A no-deal Brexit would mean demand for such services surge as the border is clogged up with companies struggling with the new logistics rules. It's the business' customers who would see their costs go up.

Imagine a chocolate manufacturer going on TV to complain about the extra machines they would have to buy to produce more chocolate thanks to growing demand. It'd impose costs. What a ridiculous argument. But it's on the German news. And that shapes European perceptions of Brexit.

The reason negotiations look so much like *Deal or No Deal* was best illustrated by home secretary Amber Rudd and Brexit minister David Davis. One said a no-deal scenario is "unthinkable" while the other said it was possible. The EU is reportedly sick of such confusion.

The politicians are doing nothing more than playing *Deal or No Deal* – a game of emotions. It's to distract from the basic principles. Both sides' welfare is perfectly aligned to produce a deal.

Unfortunately, politicians care more about their re-election than their country. (Hence our prime minister's support of Brexit despite believing it's a bad idea.) And Brexit is a fantastic political opportunity. It's like a war without the costs. Framed correctly, it'll unify the population behind their leader against their new enemy.

Funnily enough, the electorate in Europe isn't buying it though. In election after election, euroscepticism is exposing itself on the continent now that it's more respectable in the wake of Brexit. And the bigger Brexit's wake, the more will surf the wave of anti-EU sentiment.

The issues that do matter

The question of what actually determines a good or bad outcome for Brexit is completely lost in all this.

Firstly, any restriction on trade is a bad thing. It's simple. That fact is only obfuscated by a different issue. Domestic policy in the UK and EU is what makes free trade a problem. Regulation, licensing, workplace law, welfare rules, healthcare rules and much more is the real problem.

In other words, the reason free trade is problematic has to do with the compliance of trade with the law. But it's the law that's stupid, not free trade.

The Europeans want Britain to uphold EU rights and rules for people living there. But they chose to live there! It's not as if rights and policies can't change inside the EU. The only right needing upholding is the right to leave if the local policy becomes worse than in the EU.

Until next time,

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