

COMMON SPACE

Conservative UK and US think tanks meet in Washington to plot post-Brexit regulations bonfire

Sean Bell

May 23, 2018

Although formal negotiations cannot legally begin until March 2019, prominent right-wing think tanks have met in Washington DC to discuss an “ideal” trade agreement between the UK Government and the Trump administration

SPECULATIVE TALKS have begun in Washington DC to explore the possibility of a new post-Brexit trade agreement between the UK and the United States, overseen by several right-wing and libertarian think tanks known to have extreme views on getting rid of regulations and the welfare state.

The corporate-funded Initiative for Free Trade (IFT) and the Koch-affiliated Cato Institute’s Trade Policy Unit began discussions on Tuesday, 22 May, also attended by pro-Brexit Conservative MEP Daniel Hannan and the Institute of Economic Affairs director Shanker Singham.

Prior to the meeting, the IFT published [a statement on its website](#), announcing that the collaboration with the Cato Institute will work towards producing a draft of an “ideal” US-UK trade agreement. Described as a “unique exercise”, this draft deal “will bring together all the major conservative and free market think-tanks on both sides of the Atlantic” before being subjected in simulated trade talks in London and Washington DC by delegates of the think tanks that produced it.

While the IFT acknowledged that formal negotiations between the UK and US governments could not legally begin until Brexit comes into force in March 2019, the organisation quoted President Donald Trump’s assertion in July of 2017 that the US has “been working on a trade deal which will be a very, very big deal a very powerful deal, great for both countries and I think we will have that done very, very quickly.”

The IFT’s statement was vague in its description of how the think tank specifically envisaged such an “ideal” agreement, but said that such a deal “would focus on mutual recognition of standards and qualifications for goods and occupations.” Given the well-established free market ideology of those involved and intentional absence of any non-conservative input, it is also likely to focus on a reduction in tariffs and a minimum of government regulation, standards or oversight.

In the past, the Cato Institute has advocated the privatisation of all public schooling, broadcasting and transportation, and endorses the abolition of the minimum wage, child labour prohibitions and the entirety of the welfare state. The IFT has consistently advocated a hard Brexit, and was

embroiled in controversy in February after it emerged that Foreign Secretary Boris Johnson had **waived a £6000 fee** to allow the think tank to use the Foreign Office for their launch party. The IEA is one of Britain's oldest think-tanks, was a favourite of former prime minister Margaret Thatcher and proudly states it supports "neoliberal" economics.

Achieving a trade deal with the US, the UK's biggest national trading partner, would be a major achievement for the UK Government, should it successfully extricate itself from the EU customs union, as other international trade agreements may hinge on whether a US-UK deal is achieved.

READ MORE: **Robin McAlpine: In Brexit-Trump UK, Scotland must choose – accommodate or separate?**

However, such an agreement would likely require the UK to align the British economy more closely to the US, as well as distancing itself from pre-existing economic commitments with Europe. So long as Donald Trump remains in power, closer relations with the US may prove controversial.

In March, **MPs taking evidence in Washington** for the Commons defence committee were told by Tom Wright of the Brookings Institute that the UK would be used as "guinea pig" for a new US trade policy, and would be expected to "concede everything."

In April, the US Trade Representative laid out **its demands for future international trade**, which will indicate its likely negotiating position with the UK post-Brexit. Emphasising free trade and the lessening of regulation – both issues which the IFT/Cato draft is likely to echo – the document also sought to scrap numerous EU rules on food safety, chemicals, animal welfare and the environment.

A **recent report** by Harvard University and King's College London led by former Labour shadow chancellor Ed Balls has highlighted a "power imbalance" between the US and the UK, with the US economy more than five times the size of the UK's. The report also notes that the UK may be outmatched by US trade negotiators, as British trade negotiations have for four decades been outsourced to the expertise of the EU.

Should a power imbalance be reflected in the terms of a future trade deal, it may be unacceptable to those Brexiteers whose support for leaving the EU was predicated on a return to British national sovereignty.

Further doubts over the ease of a future trade deal were voiced by **Sir Peter Westmacott**, the former British ambassador to the US between 2012 and 2016, who described the idea of a "generous" free trade deal with the Trump administration as an "illusion".

Westacott said: "It is frankly an illusion to think that the day after Brexit there was going to be a very generous all-singing, all-dancing free trade agreement for the United Kingdom with the US because Donald Trump said: 'I love Brexit, it's marvellous.'"