

# UNEARTHED

## **Liz Truss slams regulations in speech to US think tank backing environmental roll-back after Brexit**

James Ball

September 19<sup>th</sup>, 2018

Liz Truss told a right-wing US think tank that “a thicket of regulation and control” is holding back business and called for a new “Anglo-American dream” while the group published details of a proposed deregulatory US-UK trade deal.

Her speech – given at the Cato Institute during a taxpayer-funded trip to Washington – came as Cato and other right-wing think tanks launched a major report at joint events in London and US outlining an “ideal” free-trade agreement after Brexit.

The proposed deal would threaten environmental regulations, remove current rules on imports of chlorine chicken and hormone-fed beef and open up the NHS to competition from the American healthcare industry.

At the Washington DC launch of the report yesterday, Truss delivered a speech entitled ‘Market Millennials’ in which she described Brexit as a “huge opportunity” to “shape a new relationship with America” and “turbo charge freedom”.

The DC launch was also attended by former UK environment secretary Owen Paterson, Utah Republican Senator Mike Lee, and MEP Daniel Hannan, who edited the report.

Speaking at the London launch of the report in Westminster, the Cato Institute’s Daniel Ikenson said workplace and environmental rules do not belong in trade agreements, insisting that companies can be “self-regulating” when it comes to environmental standards.

Ikenson also suggested “local farmers” had been “scaring” people about chlorinated chicken and suggested that “incumbent” providers such as the NHS should be opened up to competition as part of a de-regulatory trade deal.

I don’t think labour and environmental provisions belong in trade agreements

That report, an “ideal” version of a US-UK trade agreement, was a collaboration between 11 influential right-wing US and UK think tanks – including the Institute of Economic Affairs, which enjoys close ties to trade secretary Liam Fox and former foreign secretary Boris Johnson, and the Initiative for Free Trade.

The report calls for an extensive free trade deal between the US and the UK, with no tariffs on any goods, reductions in regulation, and equivalence between the UK and USA's rules, which could open up the UK to the sale of chlorinated chicken, hormone beef, and other products.

In remarks at the report's London launch, its primary author Daniel Ikenson, the director of Herbert A. Stiefel Center for Trade Policy Studies at the Cato Institute was blunt about its effects – and his view on regulation.

“Healthcare is a service, we call for opening services to competition,” he said. “And I know some people are worried about what happens to the NHS, for example. We think competition is a good thing and it would lead to better quality healthcare.”

Ikenson noted the report would allow the UK government to protect up to 10% of its service sector from the full effects of competition – but noted that even if this full allocation was used on the NHS it might not be enough to shelter it, given the organisation's scale.

“If the UK government were to choose to want to insulate the NHS or other services they have an allotment of 10% of the economy, though that might not be enough to cover all of the NHS but there is room for carve-outs,” he said. “But this is a free trade agreement, the purpose of liberalising trade is to expose incumbent business to competition, including healthcare.”

Ikenson also admitted the “ideal” trade agreement the 11 think tanks had drafted included no protections for workers or the environment, and was dismissive of their existence.

“Labour and environmental provisions are in most trade agreements nowadays, I don't think they belong in trade agreements,” he said. “Couple of things the left insists on having that I disagree with ... I would like to have a much cleaner, smaller set of rules that gives maximum flexibility to transact as they wish.”

Ikenson continued: “Are there labour violations on occasion involving Western companies? Yes. Are there environmental issues and externalities? Yes. But I've got to say they're the exception and not the rule and these companies, for a lot of these companies, their most important asset is their brand, and they want to do their utmost to avoid these things, and so they make amends – I think it's self-regulating.”

### **‘Flooding our supermarkets with chlorinated chicken’**

Amy Mount of the Greener UK coalition responded to Ikenson's remarks to *Unearthed*.

“This is a depressing vision for our future. Flooding our supermarkets with chlorinated chicken, undercutting our farmers and lowering standards for chemicals would be a strange way to take back control,” she said.

“The UK has benefited from trade deals that embrace high standards, and enjoyed high quality food and safer products as a result. Our blueprint for post-Brexit trade should be defined by a lighter footprint on the global environment, not a low-standards free-for-all.”

At the launch, the report's authors noted trade deals provided an opportunity to lock-in rules and prevent “backsliding”, dismissing concerns around trade deals and food as lobbying and scaremongering, attacking UK farmers in the process.

“There’s a lot of politics involved [in trade deals],” Ikenson noted. “A lot of bootlegger and Baptist stories where you have interests that want protection ... and they enlist the support of unknowing groups who have social consciences, for example they don’t want to eat chlorinated chicken – and chlorinated chicken, there’s nothing wrong with it scientifically, it’s available for sale.

“The local farmers who benefit from scaring people about chlorinated chicken have won them to their side, to do their bidding for them. There’s a lot of that going on in trade policy.”