



There's now a US-UK trade deal ready to be signed

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Yesterday, 11 think-tanks from the United States and the United Kingdom came together to launch a full agreement for free trade between our two countries. This isn't a plan for a deal (like Chequers) or a plea that a deal is possible. It's an actual, complete agreement, legal in every detail, and ready for signature.

All of the think-tanks believe in the power of free trade. We also believe that free trade must rest on the democratic sovereignty of free nations. And we believe that the United States and Britain are ideally placed to negotiate an agreement that reflects and embodies those values.

Our goal was to avoid an agreement that could be gamed by special interests and big corporations, and to reject any mechanisms for supranational rule-making. We wanted to write a trade agreement that would be about trade.

There is a lot at stake here. With Brexit, the UK is in effect re-emerging as a commercial power in its own right. Of course, the US wants to export to Britain, and Britain wants to export to the US. But Britain matters much more because, as a G7 economy and the world's second largest exporter of services, it is deeply invested in a world economy that is free, open and competitive. The People's Republic of China has no interest in that. The EU hates competition like the plague.

The US badly needs allies who have an enlightened self-interest in promoting competitive markets. And the US needs friends who can help keep it on the right path too. For its part, Britain needs negotiating partners abroad who can remind it yet again that the EU is only 20 percent – and shrinking – of the world's economy. For Britain, throwing away the ability to negotiate freely with the growing 80 percent for the sake of the shrinking 20 percent would be an act of folly.

If the UK had not gone into the EU – or the EEC, as it then was – in 1973, the US and Britain would almost certainly have free trade today. But the point of a deal between our two nations is not to close ourselves off from everyone else. On the contrary, we explicitly drafted this agreement with the goal of welcoming in other trade partners. We believe that Australia, New Zealand, Singapore, Hong Kong and Israel could join immediately, and we hope others would join after that.

But we want to start with the United States and Britain. They are by far the biggest players, and it is where the opportunity is the greatest. Moreover, the public and political support for a deal is overwhelming. The latest YouGov polls find that 64 percent of the US public backs a deal (and only 7 percent opposes), while support in Britain is an almost identical 67 percent (with 9 percent against).

In his remarks welcoming the agreement at the Washington launch, Senator Mike Lee (Republican-Utah, pictured above with Shanker Singham of the IEA, myself, Dan Hannan MEP (obscured), and Simon Lester of the Cato Institute) commented – in response to a question from Owen Paterson MP – that he couldn't think of a single British product that didn't enjoy a good reputation in the US, or anything (and yes, haggis did come up) that Americans don't want to import from Britain (especially, he commented, British chocolate).

But of course this is not simply about Britain. It's about free trade. As Senator Lee put it:

“It is encouraging that there has been wide transatlantic support for this effort because it is a victory for free trade generally. This effort shows that we have not lost faith in free trade. On the contrary, it shows that we still believe that free trade benefits everyone, individuals and companies alike.”

For my part, I wrote the part of the agreement on defence trade, which is its own sector with its own rules. But I share completely the broader objectives of the authors – including the primary authors, Dan Ikenson and Simon Lester of the Cato Institute – to draft an agreement that is good for economic freedom, good for democratic self-government and, thus, good for Anglo-American relations. And an agreement like that is only possible, let us remember, in the context of Brexit.