

Parliament can REDUCE food prices by AVOIDING a deal with the EU and voting to end tariffs

Don't believe the hype – more democracy, lower food prices and savings of £200 million per week just need MPs' assent

Abraham Lincoln said that you cannot fool all the people all the time, but some cynics are determined to prove him wrong, at least where post-Brexit food prices are concerned.

The EU is mistakenly regarded as a free trade organisation, but most imports from the 93 per cent of the world which is not in the EU are heavily taxed – by imposing so-called 'tariffs'.

The UK is due to leave the EU in March 2019.

Then, in the absence of a 'deal' with the EU, the government has the power to take the 'free trade' approach and abolish tariffs from non-EU countries.

The UK would not be the first to do so: the Aussies, Kiwis and Singaporeans, for example, have followed the low or no-tariff approach for years, and their economies have thrived.

According to World Trade Organisation (WTO) rules, which apply in the absence of a deal, abolishing tariffs for non-EU countries means that food imports from the EU, as now, must also be tariff-free, since the rules do not allow discrimination.

Transitional

Some diehard Remainers are trying to delay our departure from the EU for as long as possible and advocate a 'transitional deal', which means, in effect, that we would stay subject to EU laws for at least a further two years, until 2021 – about five years after the referendum.

The fact which frightens the daylight out of the diehards is that food prices in shops and pubs will actually be lower on leaving the EU WITHOUT a deal in March 2019, if we adopt free trade, since there will no longer be tariffs on food imports from non-EU countries – nor will there be tariffs from EU countries, in that case.

Wetherspoon has calculated that leaving without a deal would result in food prices in our pubs falling by an average of about 3.5 pence per meal and bar prices falling by about 0.5 pence per drink. Similar reductions are likely for supermarket purchases too. For example, the current EU tariffs on popular Aussie wines would come to an end.

As a result, in spite of what the cynics say, no deal, combined with free trade, would result in lower food prices, and we also save the £200 million a week in EU contributions, which government lawyers have repeatedly told us there is no obligation to pay.

Food prices in shops and pubs will be lower on leaving the EU, if we adopt free trade

Everyone knows that the realisation that food prices could be lower without a deal is the death knell for the image of the EU as an organisation which promotes itself as favouring free trade and prioritising the welfare of its citizens.

Dishonest

So, a breathtakingly dishonest campaign has been waged by an elite, mostly graduates of Oxford or Cambridge University – each of which receives over £60 million in annual EU funding.

An example (see opposite page) is the Sunday Times headline: 'Sainsbury's boss David Tyler warns a 'no deal' Brexit would raise the cost of shopping'.

According to Tyler, the UK could face an average tariff of 22% on foodstuffs we import from the EU.

I'm afraid, Mr Tyler, that that is an outright fib. Even if the government were to decide not to opt for free trade and to impose retaliatory tariffs on the EU, the average tariff would be far lower than you say.

Perhaps Tyler (Cambridge University) and the journalist (Oxford University) didn't understand WTO rules and forgot to mention that 'no deal' and the free trade option would result in lower food prices than we have today? You can decide, dear reader.

A Guardian editorial (Editor, Katharine Viner, Oxford University) of 7 July made the same misrepresentation:

"... no deal would mean a reversion to WTO rules... It would mean, as Monsieur Barnier points out ... customs duties of 29% on drinks, and an average of 12% on meat and fish." Wrong, Ms Viner.

The Guardian must surely favour the lowest-possible food prices, and those are obtainable by a combo of no deal and the free trade option. Contrary to what you say, food prices would actually fall.

Mislead

The same misinformation was peddled in a Financial Times interview in October 2016, in which Henry Mance (Oxford University) interviewed Nick Clegg (Cambridge University). The headline, 'Clegg warns 'hard Brexit' will lead to 22% EU food tariffs', says it all. How could you mislead the public so, gentlemen?

Another scare story in the Evening Standard quoted the British Retail Consortium and its chairman, Richard Baker (Cambridge University): "... failure to reach a trade deal ... would see tariffs of 12% slapped on clothes ... and up to 27% on meat ... Chilean wine would be hit by a 14% levy ... meaning higher prices for consumers."

Do you believe in free trade, Richard, or are you really a closet protectionist?

A final example involves a spate of articles in various newspapers, quoting an organisation called the Resolution Foundation.

Its appallingly biased 'Key Findings', widely reported, are that "in a no-deal scenario ... tariffs on footwear, beverages and tobacco will rise by 10 per cent ... tariffs on dairy products by 45 per cent and by 37 per cent for meat products."

The director of Resolution Foundation is Torsten Bell (Oxford University), formerly an adviser to arch Remainer Ed Miliband (Oxford University).

Project Fear failed in the referendum, and Project Food Price Spiral is also destined to fail.

The associated attempt to persuade the public to stay in the undemocratic EU and accept a transitional deal is a scam – around 90 per cent of companies in the UK do no trade with the EU anyway.

Even those, like Wetherspoon, which do so, don't need two extra years.

We're ready to leave tomorrow, in reality, and little or no preparation is needed.

The groupthink and bias of the elite minority are stunning.

More democracy, lower food prices and savings of £200 million per week are the attainable realities.

We'll all drink to that, surely...

Tim Martin
Chairman

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“Sainsbury’s boss David Tyler warns a ‘no deal’ Brexit would raise the cost of shopping

Families will have to pay more for their weekly shop if Britain leaves the EU without a trade deal, the chairman of Sainsbury’s has warned.

David Tyler said customs delays and tariffs would add to the costs facing shoppers. His warning comes after Theresa May said she was making plans for a “no deal” Brexit, which would see Britain trading with the EU under World Trade Organisation rules.

“If we don’t get a deal and we move to WTO rules, we could face an average tariff of 22% on foodstuffs we import from Europe,” Tyler said.

Under current customs arrangements, a lorry leaving Italy early in the morning would be able to deliver to Sainsbury’s in time for the food to be on shelves the following day.

“There is considerable worry about wastage,” he said, warning that trucks could face delays leaving French ports and again on reaching Britain.

Hauliers have warned that delays in cross-Channel trade could place Britain’s supply chain under pressure, potentially leaving supermarkets short of food and manufacturers without vital components.

“The resilience of the supply chain is about one week,” said James Hookham of the Freight Transport Association. ”

*The Sunday Times,
Sunday 15 October 2017*

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The Guardian, Editorial, Friday 7 July 2017

“The Guardian view on Brexit and business: speaking for Britain

A deal is better than no deal. No deal would mean a reversion to WTO rules on trade between the EU and the UK. Among other things, it would mean, as Mr Barnier points out, that there would be customs duties of almost 10% on vehicle imports, of 19% on drinks, and an average of 12% on meat and fish. These would be hugely disruptive shocks with major economic and social repercussions. Those repercussions would likely be worse for Britain than the EU. Mrs May would be crazy to take the economic and political risks. But that is where she is still heading. ”

3

The Financial Times, Monday 17 October 2016

“Clegg warns ‘hard Brexit’ will lead to 22% EU food tariffs

Britain will face average tariffs of 22 per cent on its food imports from the EU, unless it remains within the single market or strikes a bilateral trade deal following Brexit, the former deputy prime minister Nick Clegg has warned.

The analysis counters calls from Conservative backbenchers that Britain should fall back on World Trade Organisation rules to strengthen its bargaining position with the EU. The chairman of the foreign affairs select committee, Crispin Blunt, has said WTO rules would provide a “perfectly sound bottom line for the UK in the negotiations”.

Food prices hit the headlines last week, when Unilever products, including the spread Marmite, briefly disappeared from the website of retailer Tesco after a dispute over which company should bear the cost of the falling pound.

Mr Clegg is calling for Britain to remain within the EU single market and to seek an interim deal based on Norway’s status. Theresa May has not

ruled out a transitional arrangement with the EU, or contributing to the bloc’s budget, as Norway does.

Without a trade deal or interim arrangement, the UK’s exports to the EU would be subject to the latter’s terms at the World Trade Organisation. Those specify average tariffs of 2 per cent on non-agricultural products, but 22.3 per cent on agricultural products, Mr Clegg said.

Applicable tariffs would include 40 per cent on cheese.

The same levies would apply to UK imports from the EU, assuming, as Liam Fox said last month, that the UK would “continue to uphold” the EU’s most favoured nation tariffs. Applicable tariffs would include 13 per cent on salmon, 14 per cent on wine, 40 per cent on cheese and 59 per cent on beef. The rates must apply to all countries outside the customs union, unless a free-trade agreement is in place. ”

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“Changing Lanes: The impact of different post-Brexit trading policies on the cost of living

The issue of trade has returned to the frontline of British policy making and politics for the first time in 40 years, but little has been said about what the impact of changes in the UK’s trade regime could be on living standards. This paper aims to fill that gap by looking at what impact two “no deal” Brexit scenarios could have on prices and living standards.

Key findings

- If the UK reverts to most-favoured-nation (MFN) tariffs with the EU under a “no deal” Brexit scenario, then tariffs on clothing, footwear, beverages and tobacco will rise by 10 per cent. Tariffs on dairy products will rise by 45 per cent and by 37 per cent for meat products.

- Tariff changes will feed through into consumer prices. As a result of reverting to MFN tariffs with the EU we estimate the price of clothing will rise by 2.4 per cent, and the price of transport vehicles will rise by 5.5 per cent. Prices will rise even more for food products. The prices of dairy goods will rise by an average of 8.1 per cent and by 5.8 per cent for meat products.

- Overall such price rises will have a significant impact on consumer spending. Annual spending for the average family could rise by around £260. However this is just an average effect. Some households would experience more significant price rises; 3.2 million households would see price rises of £500 or more. There is also evidence that poorer households and less affluent parts of the country will be harder hit.

- If we leave the EU without a free trade agreement some have argued that the UK should unilaterally reduce all tariffs to zero. Our analysis indicates that should the country do this the benefits to consumers would be low. Across those goods affected by the tariff cuts prices would fall by just 1 per cent. Aside from the fact that unilateral tariff elimination would give up the UK’s best leverage in future trade negotiations, it is also likely that some sectors and parts of the country would struggle to adjust to a sharp increase in competitive pressure. While business and industries should not necessarily be shielded from such competition, it is important that the government is aware of where job losses may occur. The evidence suggests that 1.4 million people are employed across all the sectors that could be affected by trade liberalisation and that the majority of these are in rural areas and in the Midlands and the North. ”

Resolution Foundation, Director Torsten Bell, Tuesday 17 October 2017