

It's time to repeal the EU's new Corn Laws



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It's important that Brexit be used to negotiate a much better deal for British shoppers CREDIT: CHRIS RATCLIFFE

Every so often, one single number can change an entire political conversation. So here, dear reader, is my candidate for this weekend's game-changing fact, which reveals why it is desperately important that Brexit be used to negotiate a much better deal for British shoppers.

On average, prices paid by EU consumers are 6pc higher than the prevailing world price; in many cases, prices are much higher than average, with EU consumers paying 31pc more for beef and veal, for example; two hugely important products.

It's the real and entirely unacceptable cost of living in the EU; a far greater problem than the membership fee that richer countries must pay to Brussels

The reason for such rip-off prices? Europe's protectionism, though lack of competition doesn't help either (and is related to barriers to trade with the rest of the world). As ever, it

is the poor who are hit the hardest: they spend a higher share of their income on essential products such as food.

The figures, from the OECD, were unearthed by Andrew Tyrie, the Tory MP, who has just written an interesting report on Brexit published by Open Europe. I disagree with some of Tyrie's broader arguments, but his paper is well worth reading.

My point is this: there are, of course, costs as well as benefits to Brexit. The Government's great, historic task is to maximise the upside while minimising the downsides. To deliver the best possible solution, it will be key to tackle the absurdity of consumers having to pay such elevated prices, and push through policies that bring these down to global, free-market levels as soon as possible.



Prices paid by EU consumers are 6pc higher than the prevailing world price CREDIT:DOMINIC LIPINSKI/PA

A 6pc drop in prices would represent an immense gain in welfare terms: it is one of the great pots of gold at the end of the Brexit rainbow, with the added benefit of truly existing. There are many other gains to be had, but lower prices are the most immediately tangible benefit.

It is the knowledge that we live in an over-priced bloc that has led Eurosceptics, over the year, to draw parallels between Brexit and the repeal of the Corn Laws. This was one of the most glorious moments in British history, and certainly the greatest ever act of economic policy.

The Corn Laws, which blighted Britain between 1815 and 1846, imposed tariffs and other restrictions on imported grain. This pushed up prices, impoverished consumers who relied hugely on bread as a key part of their diet, reduced the demand for other goods and services, and enriched landowners at the expense of everybody else.

The campaign against the Corn Laws was the first morally driven, libertarian middle-class mass movement, demanding free trade, globalisation and popular choice and freedom; it made heroes of its leaders, including John Bright and Richard Cobden.

It is vital that the post-Brexit Government learn the lessons from the anti-Corn Law league: the UK is a different country today but delivering lower prices for consumers and helping the poor would be a hugely powerful mission. It would rightly imbue the Brexit process with a moral purpose and help discredit any rear-guard Remain campaign.

There is a strong argument that we should simply declare unilateral free-trade, and not bother with anything else apart from membership of the World Trade Organisation once we leave Brussels' clutches. We should certainly quit the customs union.

The problem is that the EU is mercantilistic: it doesn't understand that everybody gains from free access. Its response to unilateral free trade would doubtless be to enjoy the easy access while heavy-handedly enforcing whatever residual tariffs and non-tariff barriers the WTO allows on goods and especially services. British exporters would have to prove that standards and other rules are met. This could be costly and a hassle. The City requires some sort of access deal, either a passport or equivalence.

It would make sense, therefore, to seek a UK-EU trade deal, especially for finance, carmakers and perhaps pharmaceuticals. This may take time and require us joining the EEA as a bridging solution. But one thing is for sure: Brexit must mean cheaper prices for consumers. If May can deliver that, she will be on to a winner.