

Leading letter to the editor 20/21 November 2005

'Time for action on free trade'

The Business (formerly The Sunday Business, currently Spectator Business)

Sir

I agree with the general direction that your editorial ('Time for action on free trade', 20/21 November) suggests, but a declaration of unilateral free trade by Britain would give an unfair competitive advantage to some countries with uncomfortable regimes. Would it not be better for Britain to sign up to formalised trading blocs where guarantees can be given and where there is more transparency? Already suggested in your article was withdrawing from the EU customs union and rejoining EFTA, which might be a good first step. But why not also focus on our other historic trading partners? Britain was invited to join NAFTA when it was established, but rebuffed, and there is still much support in Washington for our membership. Britain should also reinvent the old 'Commonwealth preference' into a new trading bloc of willing countries from her former empire.

This strategy would again put Britain at the centre of the English speaking world and would give us the possibility of free trade with both the US and India. Free trade with the other world superpower, China, should only perhaps be granted once it improves its labour and human rights policies which would have the added effect of levelling an unfair competitive advantage. Encouraging this sort of thing, in a reversal of the 'race to the bottom', is one of Europe's few successes and whatever strategies Britain decides to take whether in free trade or any other area we should continue to maintain our sense of fair play.

Dhruv Patel

Investment Banker (Analyst)