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Cutting off mercantilist noses [1]

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There's an interesting side to the EU's latest "green" threat. The suggestion from the EU summit is that nations which fail to conform to the EU's idea of environmentalism will have their goods excluded from the EU market. That is, unless they sign up to Kyoto or son-of-Kyoto or whatever carbon targets are to be achieved by the specific methods endorsed by the EU, there will be trade sanctions against them. This might include nations that don't trash the planet and starve the poor by turning intensively-produced food crops into biofuels.

Quite what the WTO would make of such flagrant violation of its rules would be interesting to observe. But Tim Worstall makes another point over at the Globalisation Institute [3]. It is that the proposed protectionist measures would actually hurt EU citizens more than those they were aimed at. He says:

> *... As we know it is the imports which make us rich, exports being only the dreary drudgery we do to pay for them. So what the Commission is actually proposing is that if those foreigners do not do what the Commission tells them to, then the Commission will make all Europeans poorer by restricting access to or increasing the price of those imports.*

He is correct. Mercantilism is as wrong and stupid now as it was when Adam Smith first denounced it.

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[4] http://disqus.com/?ref_noscript
[5] http://disqus.com