The EU's tariffs are daylight robbery [1]

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One attractive aspect of an EU exit would be the exit of the Common External Tariff. As Daniel Hannan has pointed out [3], the Single Market is more like a customs union than a free trade bloc. All goods coming into Britain from outside the EU are subject to tariffs, designed to protect European industries from cheaper competition.

Unlike VAT, which isn?t levied on essentials (although I?m not sure I like the idea that beer and wine aren?t essentials), the tariffs are highest on things like food and clothes. (Courtesy of the WTO, here is a list of goods affected by the Common External Tariff [4].)

There?s a 16% tax on bananas from outside the EU, a 17% tax on trainers, 12% on stoned fruit like peaches and plums, and 12% on shirts, suits, coats and school uniforms. Cars are taxed at 9.7%. Twine and string get a 9.2% hit. Knitted gloves carry an 8.8% tariff whereas non-knitted gloves are hit by 7.6%. You name it, they tax it.

The loser is the consumer. On its own, the European cucumber industry (protected by a 12.8% tariff) might not be very influential, but any threat to a tariff causes businesses and their lobbyists to circle the wagons.

The 'bra wars [5]' ended with European consumers paying more for Chinese underwear ? not because Big Brassiere is unbeatable, but because related industries recognised that, individually, they would fall, and marshalled their political representatives into action.

The most perverse part is that if we got rid of all these tariffs, many, if not most, producers would be better off too. They are consumers as well as producers, and tariffs make the inputs they use (like steel ? 2.7%) more expensive. But they face exactly the same collective action problems as consumers at large do.

The old public choice problem holds: free-riding is more costly for members of small interest groups than for members of big ones. Ostracism from trade associations, and so on, is much easier (and more harmful) for firms that don?t go along with the lobbying. Unfortunately, there aren?t many people who will ostracise their fellow consumers for failing to renew their subscription to the Adam Smith Institute.

The public choice problem in politics is often overstated. Most of the people who march against austerity really do think the cuts are bad. Most of the people who want to keep out immigrants really do think that they?ll cost them jobs. And, no doubt, most people who support tariffs really do think that protecting native industries is a good idea.

But voters are not as aware of the Common External Tariff as they are of many other issues. It isn?t clear what the ?left-wing? position on taxing cheap clothes from China ought to be, nor the 'conservative'

position on exposing native industries to the free market. It?s hard to escape the impression that the Tariff really is an example of businesses hijacking democracy. The External Tariff represents one of the biggest swindles of modern times: a collective theft from consumers by politically powerful producers.

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