

# Letter from Scotland

Scotch whisky distillers are raising their half glasses and muttering “Slainte Mhath”, more in hope than in expectation.

Their official response to Donald Trump’s 10 per cent tariff on all imports into America is “disappointment”. But they must be spluttering into their glasses in outrage – that a son of Scotland should do his motherland such a disfavour.



Whisky Galore. Ardbeg Distillery, Islay. Photo by M.J.Richardson.

Does he not realise how big a deal whisky is to Scotland?

It's our second biggest export, after oil, and the USA is our third largest market, worth £971m last year. The whisky industry as a whole employs 41,000 people in 151 distilleries. There are 22 million oak casks lying in wait in bonded warehouses in quiet corners of Scotland.

Industry leaders and politicians are hoping that a 10 per cent rise in price will not put Americans off drinking whisky – though the last time there was a hike in tariffs, by 25 per cent in 2019, whisky sales to American fell by £600m. There's also the hope that Trump might change his mind or that a comprehensive trade deal might remove the levy.

It's mildly pathetic to watch our leaders go down on bended knee at the court of King Trump in order to win such a deal. There was that fawning performance from Keir Starmer in the Oval Office last month and this week our first minister John Swinney is on a pilgrimage to New York to plead with the Americans during Tartan Week.



Alongside the whisky distillers at this less-than-cheerful

drinks party are Scotland's salmon producers. Some 2,500 people work at salmon farms in remote sea lochs in the islands and along the west coast.

Their £225m trade with America is under threat. Both industries are important but they also have their downsides. Environmentalists question the ethics of rearing salmon in cages. Whisky itself has its dangers. Scotland has one of the worst drink death rates in Europe and we have a culture of alcohol friendliness that is unpleasant late at night on our city streets and, it has to be admitted, in grand houses too.

I'm also not sure about the consensus in Europe that tariffs and trade wars are a bad thing. Although in theory, free trade and international specialisation, makes us all richer, there are other considerations apart from money. Is globalisation good for the environment? Does it result in good jobs, either in the country importing or exporting? Is it right that the rich West lives off poorly-paid workers in the East?

Donald Trump's "Independence Day" tariffs in America may result in a huge re-organisation of international trade or it may just peter out as individual trade deals are made and we are back to the status quo. In the meantime it will almost certainly cause prices to rise in the United States, hitting the poorest the most. And if the revenue from the tariffs are to be used to cut taxes for the wealthy, as Trump is planning, then the gap between rich and poor will grow.

The story of the Corn Laws in Britain is a salutary warning on the dangers of tariffs. They were introduced in 1815 to protect farmers (and therefore landowners) from cheap grain imports. The price of bread soared and 90 per cent of the population were worse off. There were riots in the streets. The poor suffered for 30 years, until the Irish famine shamed Robert Peel, the Tory prime minister of the time, to repeal the Corn Laws. It began the era of free trade and laissez-

faire economics, and its successor neo-liberalism, concepts now melting in the heat of modern realities.

Ideologies come and go but the damage they do lingers after them. Even this week, we are seeing the results of government "austerity" in the form of: cuts and strikes in our universities; an NHS improvement plan that lacks the funding to make it work, schools that don't have enough teaching assistants to deal with the 40 per cent of pupils who are classed as needing additional support; and a survey which found that 19 per cent of pensioners are living on less than £15,000 a year.

And most shocking of all, a study by Glasgow University's John Smith Centre found that 63 per cent of young people in Britain believe democracy is in trouble and 27 per cent preferred dictatorship.

Thinking again of those 22 barrels of whisky, calmly lying in our bonded warehouses, I wonder what the world will be like when they come out of hibernation in three years' time or seven years' or seventy-seven year's.

Will we still be fighting a trade war or will we have matured, like the whisky in those precious barrels?