

28th June, 2013

HM Revenue and Customs,
Balance of Competences Review, 3E10,
100, Parliament Square,
London,
SW1A 2BQ

Dear Sirs,

Review of the Internal Market:
Free movement of goods, Intellectual Property rights etc

I write as a sole-trader and micro-business owner making bespoke furniture using locally grown timber, often utilising my late father's patented wood-work joints. I am also a published author so have practical experience of intellectual property matters raised in your latest review.

Preamble:

Neither myself nor our former family business (est. 1967) import directly or export - the latter as our work is bespoke and our clients are, by necessity, local to us. We thus have no interest in exporting. Some of our products are however bought by foreign visitors. Never-the-less, EU regulations have a direct impact on the materials, treatments and finishes we use and operating costs.

Key questions:

1: EU action on free movement of goods:

Advantages:

- Same rules apply in all countries (in theory) without political interference on sale of goods

Disadvantages:

- Some EU regulations are completely irrelevant to the UK consumer - culturally or geographically - (not that I can immediately think of a good example other than the Italians demanding head-lamps on cars be on at all times). Such derogations/exemptions have to be sought, which is an extremely costly, time-consuming business made worse by committees whose members rarely have experience of the problem or who are then overruled by politicians with vested interests through 'qualified majority voting'. National governments better understand their needs.
- By its very definition the EU is a fully political Customs Union - it is NOT a Free Trade Area of sovereign nations such as EFTA, NAFTA etc, which are a-political Free Trade areas associating with and promoting mutually beneficial tariff free trade.
- The EU (especially France!) often imposes political barriers to trade contrary to WTO rules, such as CAP subsidies, preferential or punitive tariffs on non-EU trade, eg. China (solar panels) and America (Boeing air-liners), yet EU nations have been forced to move their production to China on costs and EU regulations!

WTO: better national interests

- Businesses have no interest in politics - their interest lies in trade and removing barriers - fiscal or physical - to trade.
- Politicians do not conduct trade - it is businessmen and customers who trade, regardless of their deeply held political views
- Where uniform standards are required, mainly for safety or compatibility, the existing non-political International

- Standards bodies, or the WTO, are best placed to manage such constraints to free trade. It matters to company not a jot if the British want Imperial threaded nuts and bolts, the French metric; some with fitted 3-pin BS plugs others unearthed 2-pin! No two customers' needs are the same. A company which modifies products to customer needs prospers, one which doesn't, fails!
- The WTO has free trade at its heart; the EU is by its own ambitions an introspective, self-protectionist political customs union.

2: EU action on free trade

- EU 'action' on free trade has not made any fundamental difference to Britain's trade with continental Europe, but EU/EEC tariffs and membership have decimated Britain's preferential trade with our Commonwealth, reducing it to around 10% of gross exports
- By its very definition the EU is a political Customs Union - it is NOT a Free Trade Area. EFTA, NAFTA etc are a-political Free Trade areas and associations promoting tariff free trade.
- As a founding member of EFTA in 1960, Britain had tariff free trade with 9 European sovereign nations. In the 1930s and 1960s, Britain traded with every European nation - the largest markets being those five/six who formed the ECSC/EEC. Many British companies established assembly plants in Belgium to avoid 33% EEC import tariffs (as indeed did American and German companies in Britain in the 1930 to enjoy Britain's preferential tariffs on Commonwealth trade). Such 'foreign' plants boosted British 'local' trade and presence in the EEC; such companies prospered from it, meeting local customer requirements. It was not a barrier to trade except to the smallest of businesses.
- As a member of the EEC/EU British assembly plants in the EEC were closed - removal of tariff barriers meant there was no need for them but as a consequence, their closure saw our EEC exports fall - especially the motor industry! Other EU nations simply stepped in, gaining 'our' local market share! In reality, British business wrongly sees the EEC/EU as a free trade area when it is in fact a Customs Union
- In the 1930s and 60s, Britain's trade with Europe was around 40% of exports (HMSO data).
- Today, Britain's exports to Europe is only around 45-50% (HMSO and Eurostat data - 40-45% with the Rotterdam effect). Being in or out of the EU has not fundamentally made any difference to Britain's trade with Europe! Germany, France, Ireland, Holland, Belgium and Italy (the ESCS five plus Ireland) remain Britain's principle European markets - just as they were before we joined the EEC/EU! Indeed the other 21 EU states are statistically insignificant to British exports, especially as the USA remains Britain's largest export destination (21% compared to Germany, 19%). Britain's exports to the EU are now falling compared to those to China, India, the Commonwealth...

3: EU action - additional costs/benefits as a consumer on free-movement.

- Costs?
- Additional costs have been incurred through EU taxes: such as huge CAP subsidies paid out of VAT and a fixed % of GDP to meet EU national budget contributions. Consumers never get any EU rebate!
- We were promised that by joining the EEC we would see reductions in the cost of food. The exact opposite has happened! Imported New Zealand butter and lamb consistently sells at lower prices than CAP funded EU butter and locally bred lamb!
- Under EU CAP rules, Britain cannot be self-sufficient in milk production (85% max) and other agricultural products are dictated by EU CAP grants and set-aside. No nation should be dependent on another for its basic human right - food!
- Worse, CAP destroyed efficient family run British orchards, hop gardens, dairy herds, agricultural jobs and related engineering

- industries in favour of a French led CAP designed to favour inefficient French/Mediterranean farming families and systems.
- Very high fish prices are due to CFP as the permitted catch barely covers the operating cost of the trawler and crew.
- CFP destroyed British fishing fleets in favour of highly destructive Spanish factory trawlers. British attempts to control these destructive fishing fleets (Merchant Shipping Act 1988) saw Britain being fined by the EC in 1991 and forced to compensate EU subsidised Spanish fisherman!
- High EU-imposed 'climate change levies' on energy forces up overheads causing customers to seek cheaper imported alternatives leading to UK job losses and higher taxes to pay their benefits! (The 'climate change levy' is a political ruse to raise taxes to meet a political agenda. The draft scientific report to the IPCC on man-made climate change over the last 50 years was statistically inconclusive - and the scientists said so (UN IPCC, Hansard), but it was rewritten by those politicians and scientists with vested interests to fit their preconceived political consensus that it was 'man-made' and is thus, taxable). This has forced Germany and China to increase CO2 emissions by burning more coal, before deadlines, to meet demand for products from an exploding population growth, while British people are being taxed to the hilt, facing energy shortages to meet EU targets. Meanwhile China, India, Indonesia, Amazonia and Africa suffer ecological disaster just to satisfy 'western' consumer demands.

- Benefits?
- None!

4: Useful or unhelpful EU action to trade?

- The greatest help would be to rid the EU of idealistic politicians and abolish the EU Customs Union's control over trade by adopting a tariff free World Free Trade Area to promote global, beneficial free trade.
EFTA has 50 odd global free trade agreements - all willingly entered into. The EU has barely 33, most unwillingly entered into simply because of their introspective, self-protectionist political ambitions as they plunder 3rd world nation resources (Western African fishing grounds) and now Southern Africa for its minerals and resources in exchange for restrictive 'EU-aid' but without reciprocal access by them to the EU Customs Union - yet they enjoy EU Free Trade while Britain pays heavily for the privilege!
- By all means levy VAT/Sales tax on products - a percentage of which goes to a central European social fund such as the primary goal of the ECSC. But the 1950s derived ECSC Customs Union to rebuild war-torn Europe is long obsolete and inappropriate to the 21st century.
The world, apart from Europhiles and the EU, has moved on!
- EU Common tariffs on non-EU imports do not benefit the importing nation; they go direct to the EU. As a member of the WTO, the EU is not permitted to impose punitive import tariffs. Indeed the average WTO import tariff is between 2-4%; it is 'peanuts' compared to the retail cost and imposed VAT!
For example a Chinese made 'widget' is imported at £1 - it suffers a 2p import duty. By the time it has been marked-up by the retailer, he will sell at a price the market will bear, say £5.99 - (£1.88p profit, £1 VAT, £2.99 costs/overheads). A British-made widget, compliant with EU regs, will probably cost £2.99, but retail at £7.99 (£2.99 costs, £1.33 VAT, 68p profit). The retailer will chose cheap imports for profits regardless of import tariffs! If the UK-made widget, now free of EU burden, now only costs £2 to make, the 2% import tariff will be 4p: It will still sell at £7.99 but the retailer will make £1.63p profit!

- EU imposed tariffs on British goods, if we left, is nothing to worry about, NO jobs will be lost!
- And contrary to EU Article 34, outside the EU we will be able to proudly declare 'Back Britain - Buy British' and save British jobs! Customers like to buy local - 'Made in the EU' is meaningless and offensive. Is a Rolls Royce, albeit a lowly BMW, 'Made in Britain'... or 'Made in the EU'?

5: Harmonisation of EU laws.

- Any 'national law' contrary to EU law is unlawful - that is the sole purpose of the European Court of 'Justice'. Justice - as most people understand it - does not come into it! See 3 above re CFP.
- Commercial law should be harmonised throughout the entire world under WTO governance. Fraud, unfair contracts and degrees of reasonableness - the foundations of English Common Law - are the basis of international law.
- Cultural laws should be set by sovereign national parliaments but with respect to UN rules on human rights and expectations.
- There is no need for the EU to meddle with any national law!
- There are 3 types of EU law (about 2,000 new, per annum!):
 - Directives - which must be written into national law through Parliament 'at some time' (usually unnecessarily 'gold-plated' or, in France, watered down or ignored - state subsidies to the motor, aircraft and railway industries). EU nations are required to join the Euro; the UK and Denmark sought derogations. Sweden did not, it has no intention of joining the seriously flawed currency so has lawfully delayed the legislation indefinitely. These cannot be repealed as they are EU law.
 - Regulations standardised by the EU are 'rubber stamped' by parliament without scrutiny. They cannot be repealed
 - Statutory Instruments written by EU Civil Servants are introduced automatically into national law without any scrutiny by Parliament. These cannot be repealed.
- The EU does not respect the democratic voice of its citizens. The Maastricht and Lisbon Treaties were both lawfully rejected - they were then required to vote again and, with unlawful interference by EU politicians and EU funding, unlawfully pressured into voting 'yes'... or else! The EU Court of 'Justice' was, unsurprisingly, silent!

6: EU: right balance on international trade

- The EU does not believe in international free-trade! The EEC/EU is NOT and never has been a Free Trade Area; EFTA and NAFTA are. By its very definition the EU is a political Customs Union - an introspective, self-protectionist political supranational state.
- If the EU was interested in free trade, it would match EFTA's 50 odd free trade agreements. Instead, nations such as Canada, India, South Africa, China, and now the USA, would have long ago signed free trade agreements with the EU. But France, especially, will never allow its CAP to be lost; nor will Canada, India, South Africa, China etc allow the EU to destroy or regulate their own industries! (The EU demands control of India's pharmaceutical industry and CAP constraints on Canadian and American agriculture to the greater benefit of France).
- If the EU believes in Free Trade, Britain would be permitted to enter a free trade agreement with the USA or India, but as a member of the EU we are expressly forbidden from doing so.
- If the EU believes in Free Trade it would welcome Britain's (or any other EU nation's) withdrawal from the EU and sign a no-strings attached Free Trade agreement under Article 50 of the Lisbon Treaty. That article is designed to seriously hamper lawful withdrawal. The EU is at pains to point out that outside the EU, Britain would sink into economic oblivion and disappear from the face of the earth! Just as Greenland did when she left the EEC

and Switzerland when she thrice-elected not to join the EEA... and why does non-EU Japan thrives on exports to the EU?!

- The EU's only interest in Britain is as a 'milch-cow'. Britain imports more (and always has done) from 'The EU' than we export to it; indeed if Britain left the EU, we would be the EU's 2nd or 3rd largest export market (USA first; Eurostat data). They need Britain more than we need them. The EU cannot impose punitive tariffs and barriers to trade under WTO rules.

7: Regulating cross-border movement of goods.

- In an ideal EU world, national borders do not exist. A customs-sealed lorry loaded in one EU state destined for the UK does not require customs clearance at Dover docks.
- A 'CE' product must be accepted - unchallenged - even toxic French-made breast implants!
- We live in the real world of forged documents, adulterated food products (horse meat!), imported diseases (ash and oak tree die back etc), destructive non-native insects and crustaceans.
- Every sovereign nation must have an absolute right to control its borders and culture and to assist other countries in their sovereign rights. Interpol dates from the 1920s and works well - it has nothing to do with the EU!
- 'CE' and Shengen (especially on illegal immigrants) does not give that assurance.
- The UK, and other EU members, must have the ability to effectively regulate their borders and cultures!

8: IPS rights:

No comments

9: Trade marks, Geographic indicators etc should be respected world wide under UN or ISO regulations, not just in the EU, especially internet web-site addresses where a single name, such as Joe Bloggs Ltd, may appear as JoebloggsLtd.co.uk, but traded-off by others as JoebloggsLtd.com, .org, .eu, .de, .fr, joe-bloggs-ltd.co.uk etc. There is only one genuine Joe Bloggs Ltd

10: as 9 above

11: Future challenges

- The real challenge/constraints to free trade and free movement of goods remains EU governance and interference!
- Imposition of subsidies (CAP) to please the French at UK taxpayers expense, but woe-betide Britain if we try to unfairly protect our interests (fishing etc)
- Politically driven energy tariffs to meet flawed CO2 targets when the science is unproven. The draft scientific report to the IPCC was rewritten by politicians to fit their preconceived consensus regardless of the 'science'. EU policies now encourage Germany and China to increase CO2 emissions through fossil fuels, while British jobs (such as aluminium smelting and leather tanning) have moved to toxic, eco-unfriendly China, India, Indonesia, Amazonia....)
- Cost of implementing EU regulations forcing manufacture and jobs abroad (aluminium smelting and tanning, battery manufacture)
- EU imposed barriers to local customs (demanding metric units when local customers ask for Imperial or non-EU sized packets)
- EU regulations banning products which worked perfectly (creosote, lead-oxide paints, leaded petrol) and then replacing them with far more toxic, shorter lasting and less effective 'new improved' products (permethrin, lindane) and more toxic production processes (nickel, lithium, cadmium for electric car batteries; increase in toxic nitrous oxides from unleaded petrol), increased energy usage and ecological pollution to make these 'new improved' products. Yes, creosote, lead-oxide paints


and leaded petrol can be legally used by licence - but try getting a licence!

- The EU promotes burning of bio-fuels/wood as it is 'carbon neutral' - yet wood is 80-90% CARBON! - just as is coal as it is decayed bio-mass! Indeed, calorifically, coal/charcoal is twice as fuel efficient as wood (diesel fuel-oil is three times more efficient than bio-mass!). Burning fossil fuels does not require the felling of CO2 consuming trees to provide fuel for when wind turbines are stationary in typical deep mid-winter high pressure zones, when we need them to work the most!

The greatest challenge of all is ridding us of the political EU and its tax-payer funded subservient, self-interested and self-centred politicians, and to restoring a Sovereign Parliament at Westminster, answerable to the British people... with politicians fit and able to govern! The EU Commission swears its allegiance to the EU Project - it is not answerable to 'its' citizens.

Time for a cup of tea and a ginger nut biccy - EU permitting!

Yours faithfully,


Barry M. Jones