

# Correspondence between Brian Woodward and Tim Farron MP re the TTIP (Transatlantic Trade and Investment Partnership)

(in reverse chronological order, i.e. most recent at top)

This document is stored within Henry Adams' dragonfly1 website, linked to from his [web-page on the subject of "Free Trade Agreements"](#), which gives further information including assistance to those who want to write to Tim Farron expressing their concerns and recommendations.

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## 6feb14 Tim Farron to Brian Woodward:

From: tim@timfarron.co.uk  
To: prsbw@hotmail.com  
Subject: TTIP: Your ref Wood118/32/ag 16 January 2014  
Date: Thu, 6 Feb 2014 08:41:06 +0000

Mr. Brian Woodward  
1 Cooperthwaite  
Windermere Road  
KENDAL, CUMBRIA  
LA9 5EZ

Our Ref: Wood118/32/ag

6 February 2014

Dear Brian

Thank you very much for your further email with regard to the Transatlantic Trade Deal.

I'm sorry that you felt that I hadn't engaged with your arguments properly. It's hard to comment fully because the Transatlantic Trade and Investment Partnership (TTIP) is still in the early stages of negotiation. However just as the benefits of the single market within Europe vastly outweigh the costs, I think the benefits of a free trade agreement with the largest economy in the world would have significant benefits for our country. Major employers in our area like Gilkes, Cropper and Lakeland Ltd would stand to make major gains, if they were able to market their products in the US (as they already do) on an equal footing with US companies. This would help to create more well paid jobs in our area.

I disagree that the horse meat scandal arose because of lax regulation. Our strong regulation is the reason this scandal was exposed in the first place! The problem arose due to a lack of scrutiny of companies internal supply chains. We should rightly hold these companies to the high standards we expect (and have legislated for) and this is now happening.

I don't think that the TTIP will create a new set of global rules. However it's definitely worthwhile to aim to set a gold standard others can aspire to. The correct forum for global trade negotiations remains the World Trade Organisation and TTIP does not supplant the Doha round of negotiations. Their ongoing failure to find resolution is frustrating as the current iniquities in global trade are one of the prime causes of global poverty. If TTIP can act as a spur for these talks to make progress, that is surely a good thing.

I understand your concern about the use of Investor to State Dispute Settlements and I share some of those concerns. However I think that there are certain cases under which they are valid. There is a balance to be struck. However I don't agree with the hyperbolic pronouncements of EDM 795, that's why I won't be signing it. Again, I'm sorry if you thought I was being dismissive in my earlier email. My reasoning is that I want to approach this with an open mind, however it's hard to make pronouncements and judgements on something which has not even been fully announced! There is a long way to go before negotiations are finalised and the agreement will then be subject to legislative scrutiny by EU member states and the European Parliament. This is very far from being a done deal and I find that many of the arguments being made against it both extremist and presumptuous when we have not yet seen the final negotiated deal. Just as I don't accept the briefing I shared with you as being the full story, I don't accept the claims that this will lead to a corporate take over as being fully kosher either.

I hope you won't be too offended if I point you towards the EU's own Q&A on this subject, which I hope will also help to clarify certain matters: <http://ec.europa.eu/trade/policy/in-focus/ttip/questions-and-answers/>

Whilst I share some of your concerns, I believe the prize of a free trade agreement with the United State of America is absolutely worth seeking. Thanks again for taking the time to write to me.

With best wishes

Yours sincerely

**TIM FARRON MP**

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## 2feb14 Brian Woodward to Tim Farron:

**From:** Brian Woodward <[prsbw@hotmail.com](mailto:prsbw@hotmail.com)>  
**Sent:** 02 February 2014 22:35  
**To:** Tim Farron MP  
**Subject:** TTIP: Your ref Wood118/32/ag 16 January 2014

Dear Mr Farron

Thank you for your reply of Jan 16th in relation to my request that you to sign EDM 795 which you have clearly rejected.

Given that the proposed Transatlantic Trade and Investment Partnership (TTIP) will allow large corporations to sue individual governments, including our own, for loss of revenue, I asked if you thought it was healthy for this country and the EU to sign up to such an agreement. From your reply I gather that you are quite happy to see this happen, which to my mind is an abdication of your responsibility to constituents locally and the UK at large. Clearly you are very happy to put the interests of large multinational corporations, based largely in the US, above those your own country.

These unelected organisations appear to be the new global super power which many politicians, including yourself, seem to worship and fear. Their prime aim is to maximise shareholder profit and in order to do this they simply take out more than they put in. It's not rocket science, they are not charitable organisations! The increased profitability of these companies is in stark contrast to the enormous and ever increasing debts of US and EU sovereign governments who are falling over themselves to cut corporate taxes. It is no coincidence that some of the largest indebted countries in the EU are those with the lowest rates of corporate taxation.

I don't know if you were involved in producing the cut and paste briefing that was sent to me but it was an appalling document full of inconsistencies and sleights-of-hand which did not really answer my question.

Much of the document was aimed at EU sceptics trying to persuade them that being in the EU was good for this country. I did not raise this issue and I object to being treated as a right wing Tory/UKIP bigot who wants to pull out of the EU.

In your "**Top Lines**", you say that TTIP "**could**" bring benefits of **£10bn** to the UK economy each year, equivalent to £400 per household. Later on in your "**Potential benefits of TTIP**" you say TIPP is "**estimated**" to increase UK national income by **£4-£10bn** so the benefit, if any, is likely to be lower than your headline estimate of £10bn. Other than benefiting investors in the stock market it is unlikely that any benefit from TTIP would be evenly distributed across the population as a whole. What it will do is exacerbate the wealth gap between the rich and the poorer sections of our society.

I have followed your links to the origin of these figures, some of which come from a document by Sarah Ludford MEP. One source of her information appears to be a letter to the Independent newspaper from business leaders such as Richard Branson who are pleading for the UK to stay in the EU. I don't regard opinions expressed in letter to a newspaper by vested interests as being rigorous financial fact. This is compounded by Baroness Ludford saying that the economic benefit could be "**tens if not hundreds of €billions annually**". So suddenly we have gone from a benefit of **£4bn** to **hundreds of**

**€billions annually.** These figures seem to be flights of fancy that are not supported by hard data.

Most of this data has been produced by the Centre for Economic Policy Reform which is not an entirely independent organisation as it is funded by large financial institutions who were responsible for a major part of the financial crisis we are in.

In the "**Background**" section of your reply you say that there have been "increasing calls from both side of the Atlantic to launch a free trade agreement", but you don't say who these calls are coming from. I would be interested to know who is making these calls but I suspect they are from large corporations or lobbyists acting on their behalf. All too often the lobbying industry, which seems to be embedded into the decision-making process in the EU, is pulling the strings and this is certainly something that urgently needs to be reformed. Given that the Lib Dem "Gagging Law" does nothing to seriously address this problem in the UK, I am not holding my breath that you can bring about positive changes at the EU level.

If TTIP is approved it will yield power to large corporations who will be demanding further tax cuts and other concessions in the interests of corporate profitability. These concessions, together with lax controls over the financial sector, have been a major factor leading to the US having a national debt of about \$17trillion, and the EU a total debt of about €11 trillion. Expecting the US, in debt to the tune of \$17bn, to help us out of our financial crisis, is living in cloud cuckoo land.

You ask "**what will TTIP look like?**" and state a case for further liberalisation, mutual recognition of standards, and harmonising of existing rules. In reality this will lead to a race to the bottom as far as health and safety issues, workers rights, and job security are concerned. We have already seen this in the UK with the horse meat scandal and the creation of wonderful jobs that are low paid, part time and with zero hours contracts. These jobs are becoming the norm for the poorest sections of our society. In many cases the large companies who benefit from your tax cuts, and who use tax havens to avoid paying tax, are now using part time jobs to avoid paying national insurance contributions so as to boost their profits. If this is what you want on a global scale I think you have a duty to let your constituents know.

You then go on to say that the EU and the USA will try to use the TTIP negotiations to create a **new set of global rules!** If global rules are going to be introduced the last thing we want is to go back to our arrogant colonial past when we imposed our will on the rest of the world. Any negotiations at the global level should involve all countries and not just the EU and the USA.

For someone who is espousing cuts in red tape and regulations so as to free up business enterprise, I find it puzzling that you want to introduce new global rules. You are probably aware that there is increasing concern that the new global TTIP rules will be used as a

backdoor to try and reintroduce the failed attempts to control the internet that were soundly rejected when the Anti-Counterfeiting Trade Agreement was rejected back in 2012. Are these the rules you are talking about?

In the section of your response "**Potential benefits of TTIP**" the initial paragraph is irrelevant as it does not mention any benefit. The first bullet point is simply a repetition of what has been said before, quoting an estimated potential benefit of between £4 -£10bn per year. The second bullet point is also irrelevant as it is simply a statement of what is happening now.

The third bullet point in this section is the interesting one and it would have been helpful if you used the same currency for your calculations but I can live with this.

Earlier you state that bilateral trade between the EU and the US totalled £129bn in 2011. You then say that a study produced by the Centre for Economic Policy Reform (CEPR) estimates that EU exports to the US **could** rise by 28% earning an **extra** €187bn every year! Now I'm not the world best mathematician, but even if all of the bilateral trade of £129bn was going one way from the EU to the US 28% of this would only give an **extra** amount of £36bn per year to the EU which is certainly not €187bn. I can only assume that whoever came up with these figures must have been to one of Michael Gove's deregulated academies that employ unqualified teachers.

The sinister part of this CEPR report is that "**80% of the overall potential wealth gains of a trade deal will come from cutting costs imposed by bureaucracy and regulations, as well as from liberalising trade in services and public procurement**". This will lead to thousands of people losing their jobs in the public sector and a massive increase in subcontracting by the likes of G4S and SERCO who will maximise profits at the expense of quality of service and employment conditions. No doubt these companies will re-employ some of the people who have been sacked and put them on poorer contracts with no job security. Are these the private sector jobs that the LibDems wish to "create" and how does this match your claim that the LibDems want to focus on putting more money in people's pockets?

Finally you also say the TTIP agreement will **on average** offer an extra €545 in disposable income to a family of four. Two points need emphasising here. One is that €545 is unlikely to compensate someone who has lost their job or who has been re-employed on a lower salary, and secondly it is unlikely that this money will be evenly distributed across the population as a whole, many will lose out while those at the top will walk away with millions as has happened on an increasing scale since deregulation took off under your watch.

I look forward to your response.

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# 16jan14 Tim Farron to Brian Woodward:

From: tim@timfarron.co.uk  
To: prsbw@hotmail.com  
Subject: RE: Early Day Motion 793  
Date: Thu, 16 Jan 2014 11:46:20 +0000

Mr. Brian Woodward  
1 Cooperthwaite  
Windermere Road  
KENDAL, CUMBRIA  
LA9 5EZ

Our Ref: Wood118/32/ag

16 January 2014

Dear Brian

Thank you very much for your email with regard to the Transatlantic Trade Deal. I have just discovered this in a batch of emails to which I did not reply in the rush before Christmas. I sincerely apologise for the delay.

I have been investigating these allegations for some time on behalf of other constituents. This has prompted the briefing below which delivers cogent arguments for the benefits to outweigh the disadvantages.

With best wishes

Yours sincerely

**TIM FARRON MP**

## Top Lines

- The Transatlantic Trade and Investment Partnership (TTIP) is a once in a generation opportunity for the UK – it **could bring benefits of £10 billion a year** to the British economy and builds on our already vast trade and investment links with the USA. This is the equivalent of almost £400 per household.
- The EU and the US combined account for over half the global economy – this would be the biggest free trade agreement in history. After the EU, the US is the biggest source of investment in the UK and US firms support an estimated one million British jobs<sup>[1]</sup>.
- TTIP shows the value of our membership of the European Union and the key role our EU membership plays in creating a **stronger economy and producing British jobs**.
- **The EU is the world's trade superpower.** Collectively it has a population of 500 million, is the world's largest economy, the largest exporter, largest importer and the largest investor<sup>[2]</sup>. This economic weight gives the EU serious clout in trade talks and

the UK gets a better deal than if we negotiated alone as a country of 60 million. Our EU membership is the best way to increase trade with the rest of the world.

- TTIP shows that the UK should concentrate on **reform** of the EU, not the Tory repatriation agenda. We should not waste our political capital and alienate our partners by calling for pick and mix Europe. Instead, we should be **forming alliances with like-minded governments** and MEPs to push a job creating reform agenda such as TTIP and other free trade agreements.

## Background

- Despite being the founders of the global trading system, the EU and USA have had a fractured trading history, punctuated by recurring trade wars. These include high-profile disputes such as the [Boeing/Airbus dispute](#) at the World Trade Organisation (WTO), the 'Bar and Grills exception' regarding music licensing, the USA's scanning obligations for shipping containers, 'Buy America' provisions and the [EU's Emission Trading Scheme for airlines](#).
- With the collapse of the Doha negotiations, the rise of the BRICS (Brazil, Russia, India, China, South Africa), particularly China, and the onset of the worst global recession since the 1930s, there have been increasing calls on both sides of the Atlantic to overcome previous issues and move towards launching free trade negotiations.
- On 14 June 2013, the Trade Foreign Affairs Council agreed to launch negotiations for TTIP<sup>[3]</sup> and the first round of negotiations was held between 8 and 12 July.
- The European Commission has expressed hopes to fast track the negotiations and get a deal by the end of 2014 but, given previous experience in other trade negotiations, it is more likely to take 4-6 years to negotiate.

## What have Liberal Democrats said about this previously?

- Liberal Democrats want to focus on jobs and growth, putting more money into people's pockets – rather than endless navel-gazing about our relationship with the EU.
- Lib Dem MEPs strongly support the TTIP and the spokesperson on trade, Catherine Bearder MEP has called for a speedy conclusion of negotiations in order to strengthen the European economy and bring new private sector jobs to the UK<sup>[4]</sup>.

## What will TTIP look like?

TTIP will address the following aspects of the transatlantic trading relationship:

### Market Access:

- TTIP will try to remove direct barriers to trade such as import tariffs, business restrictions on service industries and the liberalisation of investment rules.

## Regulatory Barriers

- TTIP will try to remove unnecessary 'behind the border' barriers such as protectionist or unnecessary regulatory barriers. This will involve solutions such as mutual recognition of standards, the development of joint standards and harmonisation of existing rules.

## Creation of new global rules

- The EU and USA will try to use the TTIP negotiations to create joint rules where none currently exist in the international trading system such as competition and state-owned enterprises, raw materials and energy, small- and medium-sized enterprises and transparency. If joint positions can be established, these could form a new global standard.

## Potential benefits of TTIP

- The potential benefits of an agreement are huge. The USA is the UK's second largest trading partner and two way trade totalled £129 billion in 2011 (12.7% of total UK trade)<sup>[5]</sup>. American companies have investments of over £200 billion in the UK (27% of total foreign investment in 2010)<sup>[6]</sup>.
- An independent report prepared for the Department of Business, Innovation and Skills stated that "*TTIP is estimated to yield an increase in UK national income of between **£4-10 billion annually, or up to £100 billion over a ten-year period** (which corresponds to a 0.14-0.35 per cent increase in GDP levels)*".
- Each day goods and services of almost € 2 billion are traded bilaterally between the EU and the USA. Together, the European Union and the United States account for about half of the world GDP (47%) and one third of global trade flows<sup>[7]</sup>.
- A study produced for the European Commission estimates that "*EU exports to the USA could rise by 28%, earning its exporters of goods and services **an extra €187bn every year**. Consumers will benefit too: on average, the agreement will offer an extra €545 in disposable income each year for a family of four living in the EU"*<sup>[8]</sup>.

## Benefits of negotiating as the EU

- The Commission refused to conclude the Singapore free trade negotiations until they granted EU financial services substantial access to their market, a key British demand<sup>[9]</sup>.
- Other EU countries accepted a deal, the brainchild of the UK, which allows unilateral trade preferences for Pakistan following the disastrous flooding there<sup>[10]</sup>.
- We are already feeling the benefits of the EU-South Korea FTA which entered into force in July 2011 and led to a doubling of British exports to South Korea<sup>[11]</sup>.

- If we leave the EU, we will lose all of these trade agreements<sup>[12]</sup>. The UK will have to renegotiate all these agreements but only if those countries want to renegotiate and, if they do, they may not want to renegotiate on the same terms.

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[1] <http://www.libdemvoice.org/baroness-sarah-ludford-mep-writes-an-eu-trade-deal-would-be-good-for-europe-and-for-britain-34623.html>

Tearing down such barriers could boost joint economic output by tens if not hundreds of €billions annually. <http://www.independent.co.uk/news/uk/politics/british-business-we-need-to-stay-in-the-european-union--or-risk-losing-up-to-92bn-a-year-8622925.html>

[2] <http://trade.ec.europa.eu/doclib/html/122532.htm>

[3] <http://trade.ec.europa.eu/doclib/press/index.cfm?id=917>

greater compatibility between our respective regulations. In other words, by reducing red-tape and lowering consumer prices, a future trade deal with the United States would put almost an additional €545 per year on average in the pockets of a European family.

As regards audiovisual services, what is really at stake in this sector is the digital revolution of the media environment. But there is currently no EU legislation on digital media. The European Commission has recently invited all interested parties to comment on a Green Paper on this issue.

[4] <http://libdemmeeps.com/?p=1006>

[5] <http://www.parliament.uk/briefing-papers/SN06211.pdf> - pp7-8

[6] <http://www.parliament.uk/briefing-papers/SN01828> - p6

[7] <http://trade.ec.europa.eu/doclib/press/index.cfm?id=869>

[8] <http://trade.ec.europa.eu/doclib/press/index.cfm?id=877>

[9] [http://europa.eu/rapid/press-release\\_IP-12-1380\\_en.htm](http://europa.eu/rapid/press-release_IP-12-1380_en.htm)

[10] <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmeuleg/86-xxix/8609.htm> or <http://www.pakistantoday.com.pk/2012/09/16/news/national/eu-parliament-approves-autonomous-trade-preferences-for-pakistan/>

[11] <http://www.libdemvoice.org/fiona-hall-writes-eu-exit-would-jeopardise-britains-global-trade-31346.html>

[12] <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+WQ+E-2012-008158+0+DOC+XML+V0//EN&language=EN>

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## 8dec13 Brian Woodward to Tim Farron:

**From:** Brian Woodward [<mailto:prsbw@hotmail.com>]

**Sent:** 08 December 2013 22:19

**To:** Tim Farron  
**Subject:** Early Day Motion 793

Dear Tim

I'm writing to ask if you will sign **Early Day Motion 793** which is aimed at stopping the Transatlantic Trade and Investment Partnership (TTIP).

At the well attended "Gagging Law" meeting that was held recently in Kendal, you were quite adamant that lobbying by large corporations and powerful wealthy individuals had the ability to undermine our democratic system and limit the activities of good local MPs. These powerful interests are clearly in a position to manipulate senior politicians, senior civil servants, and our lawmaking process. In many cases this lobbying by wealthy interests has resulted in introduction of laws that put the interests of these companies and rich individuals before the interests of the country as a whole, which makes a mockery of our democratic system. Our complicated tax legislation system which seems to be riddled with complex loopholes that are exploited by the same large accountancy firms, who were often involved in drafting these laws, is a classic example of laws that don't act for the benefit of the majority.

In many cases the laws that govern the activities of big business have had their origins at the level of the EU Parliament where the scale of the lobbying process is eye watering. A recent example of this is the proposed legislation incorporated into the TTIP. If the TTIP is ratified it will allow large corporations, which have vast sums of money at their disposal, to sue governments for loss of profits and this is a dangerous step to take. We already have a situation where local councils are afraid to oppose planning applications that are put in by large multinational companies because they cannot afford to pay the legal costs should they lose their case and to have this happening at the national level is something that I believe you should oppose at all costs. In view of this I am asking you add your support to EDM 793 which is aimed at stopping the the introduction of the TTIP.

Thank you

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