

Copy of Letter sent to Stephen Timms, MP

Financial Secretary, Treasury Chambers, Parliament Street, LONDON SW1P  
3AG.

Attention of Mr. Stephen Timms MP

7th March 2001

Dear Mr. Timms,

Thank you for your letter dated 19th February.

Whereas is it helpful that the Treasury are willing to consider amendments to the levy, to minimise damage, I can only repeat that any such amendments would need to be made "site specific" to cater for the diverse nature of our industry and local geology. Due to the amount of expensive bureaucracy that would be required I presume that this is out of the question? Britain has already become notorious for imposing costly and superfluous bureaucracy and to impose a highly complex regime on such a basic commodity as stone would only serve to strengthen the perception that we do not understand the basic tenets of commerce.

As I have already stated, our industry is now frozen, caught in the headlights of this impending juggernaut and real commercial damage is already occurring. Quarrying is a long term business and decisions have to be taken today to ensure production capability 2 – 3 or more years down the line. If you consider that most quarry companies' margin is more like 25p per tonne it is not difficult to realise what the net effect of a £1.60 tax is likely to be !

We have consistently avoided making this a highly political issue, recognising that this would only serve to make it more difficult for the Government to review its position. However the evidence quoted for additional "environmental" taxation, on our industry, is so heavily biased and superficial that there is growing scepticism within Westminster, Holyrood and Stormont about the credentials of this levy. The issue transcends the political divide and we have the support of MPs from all parties and a broad spread of the media.

We have retained a well known firm of solicitors who advise us that Aggregate Tax can be challenged under various aspects of EC law, including the European Convention on Human Rights. Although we wished to avoid protracted litigation, papers have now been lodged with a leading London QC. Our lawyers are optimistic about the outcome but I would stress that we have no wish to engage our biggest customer, the Government, in a damaging court process.

We are deeply disappointed that Government is not yet willing to accept the overwhelming volume of evidence that this tax is a gross mistake which will cause senseless damage to the environment and economy alike. There is absolutely no scientific justification for this draconian action or possible gain. Furthermore, Government's continued reference to the highly controversial research by London Economics is not at all constructive. This report has received justified criticism from all quarters. As you may be aware, we commissioned Wardell Armstrong, a highly respected firm of minerals consultants who carry out work for the Crown Office, to review the LE report, and they found many contradictions. In addition, we have since discovered that the DETR themselves commissioned University College, London to carry out a review which was also negative.

We have now had this unwarranted threat hanging over our heads for 4 years and the issues have been explored almost ad nauseam. It has become transparently obvious that the only remaining support for this tax rests with extreme environmentalists and a number of recycling companies who can already see the pound signs. Recycling already plays its part and is normally driven by factors such as the cost of transport and landfill tax. The quarry industry does not have a problem with this and in fact it is quarry companies who carry out the majority of this work. If Aggregate Tax is brought in, it will not mean that more material will be recycled, all that will in fact happen is that the price of recycled materials will also increase correspondingly.

What little remains of the independent UK quarry industry is absolutely determined that it will do everything possible to counteract the threat posed by Aggregate Tax. Although we took the view that we had, first of all, to correct the lack of Government knowledge of our industry, caused by the failure to communicate effectively with our sponsoring department, all the facts are now very much on the table. If, as you say, Government is still intent on introducing this destructive levy, come what may, we will undoubtedly be forced into more dramatic action.

Mistakes have undoubtedly been made, but it is surely now up to Government to act in a detached, professional manner and in the best interests of the country as a whole.

Yours sincerely,

Robert Durward. Director.