

SPEECH TO THE BRUGES GROUP BY STEVEN WOOLFE



Thank you, Mr Chairman, for the Honour of speaking today at the Bruges Group Conference. It is an honour to speak at before you because the Bruges Group has stood at the vanguard of those who have rightly identified our nations membership of the European Community as being one which is detrimental to the interests of our Great Nation and is part of the longer term European Project of Control of our Nation State by the ever closer union resulting a United States of Europe.

It is also an Honour to speak here today in the Great Hall of King College London a wonderful university which has produced so many famous Alumni Lord Lister and Florence Nightingale and Desmond Tutu and indeed also Rory Bremner. Who great skills of satire would never be exhausted if let lose on the beltway of Brussels

But it is also an important University for a more profound reason. It was founded on the great British principles of defending liberty of its people and defence of the countries national interests by amongst others the 1st Duke of Wellington in 1829. Wellington as we know in 1815 led British Forces at a time when Britain's national interests were threatened by Napoleon who wanted to diminish the strength of Britain's trading capability and economic power and instil a Napoleonic model of government and business across Europe. Defeat at the Battle of Waterloo enable Britain to triumph on the world stage and began 100 years of economic freedom and prosperity.

Waterloo today is in present day Belgium where once more Britain faces economic and financial challenges from a European Community intent on destroying our Anglo Saxon model of business, our rule of law and successful enterprise and replace it with a moribund European model that will lead to lack of competition and innovation in business, higher costs and an inability to compete effectively in the world markets.

Before me I see the willing troops to defend our national interests but sadly in our Coalition government I see the eyes of surrender.

When I was asked to speak before you today, on the effect European legislation has on our financial services industry. Concerned that this is not a good time to be a banker or financial services. But the more I discussed this issue the more I realised how inter-connected our financial services industry is in our daily lives and how it sits, often unseen, in the background, providing a support for the industries and jobs we rely upon and acting as force for improving our national wealth.

Financial Services have a hidden impact on our lives it is a good force.

Financial Services are all over the country and provide jobs. Most people the image of the industry is seeing Robert Peston reporting from swanky dealing rooms in the City of London or Canary Wharf.

But this it isn't true of the industry as a whole.

The rebirth of the financial services industry also played a part in the wider economy creating jobs in banking, insurance, credit card, building societies, fund management, private equity, and many other niche service companies throughout the UK.

Edinburgh has always had a strong fund management and banking history and despite the aftermath of HBOS and RBS it still has world class companies and professionals.

Leeds and Manchester have long had established insurance and banking businesses such as Cooperative Bank, but they are also home to investment brokers, corporate finance firms and property lending businesses.

Building Societies are still major employers in Cheltenham, Gloucester, Bristol, and Birmingham.

Other towns and cities such as Chester, Stockport, Milton Keys and Bath have developed expertise in areas such as leasing and credit cards.

There are few towns and cities in the UK which do not have some link to the industry.

These are great examples of the success the British people are capable of when allowed to make their own decisions and the results are profound for the whole economy

The financial services industry now provides 1.1 million direct jobs. Many many thousands more of indirect jobs are in law, accounting, recruitment, security, building and cleaning services.

In the financial year 2009 financial services contributed £61.4 billion pounds in taxation to the UK economy. That's 12.1% of all government receipts.

How many schools, hospitals, fire and police stations, are able to be paid for because of that?

The City of London is recognised as the key financial centre in the world. It is number 1 in many markets. Where we did not have successful industry sectors before, we now dominate.

Sectors like private equity, where 75% of all European private equity business is based in the UK or hedge funds where 80% are also based here.

Our fund managers can challenge Switzerland as a place of expertise. We host the European Head offices of almost all the major investment banks. We have Lloyds Insurance Markets and some of the best worldwide names in insurance such as Prudential, Aviva and Legal and General.

British innovation, skill and entrepreneurship backed by an independent minded government choosing its own regulation and direction gave the industry the framework to succeed.



Is it any wonder that Europe is jealous and envious of our success?

It is because of our nation's ability to face up to a crisis that I am confident that the success stories of the 80s and 90s will be repeated again.

However, that is not a view shared by the European Commission.

They do not see the rationale in allowing our own national

government to take stock of the current world conditions and make our own decisions. No they know best.

They believe they can solve the problems of the past and they believe they can do so in the only the way they know how to.

By creating Directive after Directive and throwing them at the markets to digest.

WHAT DOES EUROPE INTEND TO DO AND WHY IS IT BAD

- The crisis was caused by banks and fund managers
- The crisis is an Anglo Saxon failure and failure of Capitalism
- Wasn't regulated enough

NO This isn't true

The crisis occurred in a period in history with the most heavily regulated ever Regulators didn't understand the policy decisions they made and made decisions worse.

They propose establishing a European System of Financial Supervisors which President Barroso states "will establish a more efficient, integrated and sustainable financial regulator" to prevent financial crashes in the future?

Do not be fooled by the cosy language or laudable objectives.

This is no ordinary Directive.

It creates an effective European Super Regulator, an "Uber Regulator".

It will have a European Securities Regulator based in Paris which the FSA or the Bank of England will report into.

It will have a European Pensions Regulator based in Frankfurt and a European Banking Regulator based in London.

It will have the power to recommend new pan European regulations and have all Europe's existing regulators report into them.

Barroso believes that this Uber Regulator can stop financial crisis in the future?

If the SEC, FSA and all the other world regulators combined couldn't foresee the current crisis why would we believe that another European regulator would have greater foresight?

This is also not about efficiency as we know that European Commission is a model of efficiency.

It is about control. Control of our financial services industry.

The Commission also proposes the Alternative Investment Fund Management Directive. The so called AIFM Directive.

Mention those simple four letters to city professionals and quite possibly some other four letter words may also be mentioned in the same sentence.

Again the Commission states that alternative investment funds need to be regulated more closely by Europe in order to prevent a systemic financial meltdown.

Alternative investment funds include those private equity firms and hedge funds I mentioned earlier.

This Directive gives the European Commission the right to control in certain circumstances the amounts of capital and borrowing firms can undertake, it bans European investors from investing in funds that are not domiciled in Europe or managed by Europeans whilst also banning them from marketing to Europeans,

it places rules on remuneration and give restrictions on a whole host of important business decisions.

It is a charter to send British business abroad.

Just over a decade ago the UK did not have significant market dominance in private equity and hedge funds. Today they directly employ 40000 people and provide £5.3 billion in tax to the UK exchequer.

That's 200000 Nurses, 45000 hospital consultants or 145000 teachers.

In two years the tax raised from these two industries would amount to financing the whole of the London 2012 Olympic Games. The cost of implementing this directive has been estimated at between £1.2 and £1.6 billion pounds in its first year.

This Directive is not aimed at preventing future crisis. It is an attack on British business.

It is about control. Control of our financial service industry.

They Directives are two amongst many being promulgated by the European Commission. They are issuing Directives on insurance company's capital, Directives

on the derivative markets, Directives to sanction financial services companies, Directives on remuneration, Directive upon Directive upon Directive.

COMPANIES WILL LEAVE AND DO

20% of UK companies consider relocating out of Europe because of red tape and tax

But we know it is all about control. Control of our financial services industry.

This is the first time that many have seen a recession.

The first time they have seen their friends lose their jobs along with so many others.

The first time they have seen small and famous businesses alike closing down with the devastation that brings

and the first time they have seen houses being left unsold or worst still people losing their homes.

It leaves us all cold with insecurity and fear.

But there are those, like me, who remember the devastation brought on by the recession in the 1980's. Swathes of our industrial titans and industries were laid low; millions lost their jobs and thousands their homes, whole communities destroyed by the effects of a shifting world economy. Different causes but the same effect.

However, throughout that terrible period the spirit of the British people remained.

Our redoubtable creativity, enterprise, skill and forward thinking were challenged to the full and from the ashes of that recession new industries rose up and older industries revived.

None more so than within our own financial services industry.

Business was aided by a government unhindered by restrictive European regulation and capable of laying down its own rules.

The Big Bang occurred because we wanted to free up the financial services industry as it was in our national interest.

Compare that to now where almost all our major decisions have to be run through or approved by Commissar Barnier. The industry working within the government's framework became free and more entrepreneurial.

Investments were made to a new breed of British businessman or women.

Investments were made to a sway of industries; information technology, health, bio care, oil, mining, and property development many of whom are now world leaders.

Financial services may not be the star of the Dragons Den but they were certainly a key part of UK PLC's success.

The European project is being run by a small group of people with vested interests to keep themselves in a job when all of us are worried about ours.

Where we should be concerned about creating jobs and turning our economy around we are mired in over regulation of questionable value.

There are those who say we must maintain "an intelligent scepticism about Europe." We must engage with Europe and work with them to maintain our global influence, protect jobs and national security.

Well I ask what use has that doctrine been when we clearly cannot influence Europe not to introduce Directives which damage one of our most important industries. Would the French have allowed their farming sector to be attacked in the same way or the Germans their engineering?

What use is this doctrine if our engagement results in jobs being lost in the UK, and businesses moving to competitor nations.

Europe has no interest in protecting our financial services industry.

They are interested in protecting their own jobs, fiefdoms and power.

Whilst the European Commission damages our national interests through over regulation and increasing costs we are mindful that not all Europeans support their agenda.

We are friends of Europe not its enemies.

We must trade with Europe and continue to do so. 3 million jobs in the UK and 4 million jobs in Europe depend on it.

We are also conscious that everyday the world grows smaller and more competitors enter the market place.

We no longer have to battle against just the USA, Switzerland or Europe. We face greater economic challenges from Brazil, Russia, India and China and other nations who also wish to develop their financial services industries.

This is a time when in order to succeed we need to draw upon all our nations skills, the energy of its people, the entrepreneurial spirit, drive and enthusiasm of our risk takers. We must support its creativity and inventiveness

We must free them from the burden of European Directives and the Commission.

When we do we can once again take charge of the direction we want our businesses to develop.

Above all we must champion our champions not shackle them with the weight of regulation and indifference.

We must set them free and make our own decisions to spur growth.

In 1588 Elizabeth 1 gave a speech to the troops at Tilburn as the Amada approached She said "I know I have the body of a weak and feeble woman, but I have the heart and stomach of a King, a King of England

Well ladies and gentlemen we today are the troops facing the army of European bureaucracy and indifference but our Coalition Government does not have the heart or stomach for the fight So we must make them, force them to wake up stop surrendering and give us a referendum to vote on leaving Europe.