

## [The Coalition has its head firmly in the EU sand](#) [1]

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Have you noticed how explicit the Coalition has been about restricting new Whitehall regulations but not a word about EU regulation? Yet, in terms of the burden on business, the EU has reduced the profitability of British business far more than Whitehall ? see the Burdens Barometer of the British Chambers of Commerce.

Last year the government turned over the regulation of the financial services industry to Brussels without a squeak of protest from Tories or Lib Dems. All the smoke and thunder about the FSA is irrelevant. Neither the FSA nor the Bank of England will be regulating the City; they will be merely supervising how it conforms to the new Brussels regulations. And they are matters for majority voting. Never mind London dominates the EU financial services market; the UK has just one of 27 votes.

Today there are no less than 30 new EU Directives in the pipeline, many of them covering financial services and the Foreign Office has no clue as to how the UK should address them. Before the election, the Tories were anxious to keep Europe off the air as it had proved divisive in the past. Now the Coalition is reluctant to frame an EU regulatory policy in case it might alienate the Lib Dems. So we have no policy at all and the Foreign Office do not know what to do.

At the same time, the European Parliament is pushing for more authority and the Council and Commission are agreeing to more ?co-decisions? in which ?Parliament does not merely give its opinion: it shares legislative power equally with the Council?.

In short, we have created a complete mess for ourselves and it will not be solved until the Government takes its head out of the EU sand.

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