

# THE SOCIAL CREDITER

Volume 74 No 3

FOR POLITICAL AND ECONOMIC REALISM

May-June 1995

## Maastricht treaty may make House of Windsor flee UK

IAIN MCGREGOR on how European Union may drive the Queen to monarchist Canada

**I**N HER 1991 Christmas broadcast to the Commonwealth, Her Majesty the Queen declared: "With your prayers, and your help . . . I shall try to serve you in the years to come." Speaking in the shadow of the Maastricht treaty toward European Union, she could do no more than promise to try.

As the republican European Union with its secular oath and humanist philosophy rolls remorselessly over British sensibilities and a craven Westminster, the royal House of Windsor becomes the last bastion of national identity and freedom of conscience. Yet we cannot look to the United Kingdom for their defence—the cry is going up "Give us Europe's Barabbas", led by a trans-national media tycoon stirring the crowd.

If the Maastricht treaty's ideals are taken to their logical conclusion, Queen Elizabeth and her family will be forced to emigrate, like so many of her subjects, to a land still loyal to the Crown. The obvious choice would be Canada, given that Australia is in the grip of republican frenzy from the top.

The constitution of Canada says that the government of Canada and the Command in Chief of the Forces are vested in the Queen. She is one of three parts of the Parliament of Canada (Queen, Senate and Commons). The Canadian statute entitled the Interpretation Act defines the Crown as meaning "The Sovereign of the United Kingdom, Canada and Her other Realms and Territories, and Head of the Commonwealth." Succeeding to the throne in 1952, she assumed the separate title "Queen of Canada" by Act of Her Canadian Parliament, 1953. She became the first Sovereign to open the Parliament of Canada in 1965, presided at the centenary of Canadian Confederation in 1967 and proclaimed the revised Constitution of Canada in 1982. Canada has known only monarchy—even the tribal peoples observed a basic kingship.

It needs monarchy, for the tensions

of province and federal government, the Queen is above both and beholden to neither. Indeed, constitutional monarchy alone is capable of integrating judicial, legislative and executive functions of government. Whatever the vicissitudes of federal and provincial politics, only the Crown is a constant.

"I want the Crown to be seen as a symbol of national sovereignty belonging to all," said the Queen in Toronto in 1973. "It is not only a link between Commonwealth nations, but between Canadian citizens of every national origin and ancestry."

Among the strains that can be identified in her own background, that of the heir to the throne and his heir are: Albanian, Arab, Armenian, Bulgarian, Croatian, Czech, Danish, Dutch, English, French, Georgian, German, Greek, Hungarian, Irish, Italian, Jewish, Lithuanian, Mongol, Norman, Norwegian, Persian, Polish, Portuguese, Romanian, Russian, Scottish, Serbian, Spanish, Swedish, Swiss, Tartar, Ukrainian and Welsh. Listing these, *The Monarchist League of Canada* observes:

"It was the Crown, in fact, which fostered the first multicultural immigration to Canada—that of the Loyalists."

Canadian historian Jacques Monet is quoted:

"... a king is a king, not because he is rich and powerful, not because he is a successful politician, not because he belongs to a particular creed or to a national group. He is King because he is born. And in choosing to leave the selection of their head of state to the most common denominator in the world—the accident of birth—Canadians implicitly proclaim their faith in human equality; their hope for the triumph of nature over political manoeuvre, over social and financial interest; for the victory of the human person."

Every new Canadian citizen swears allegiance to the Queen as their first and lifelong tie to the country. She gives Royal Assent to all laws, having the right to be

consulted, to encourage and to warn as a check upon excessive Prime Ministerial power. She represents values beyond politics, relating to justice and conduct—the kind that offers more fundamental civil liberties than any written rule could enforce. The fruit can be plenteous. As *The Monarchist League of Canada* puts it:

"By sharing our Monarch with 16 other countries, Canadians participate in a global civilization that encompasses peoples of widely varying conditions from around the world."

Vincent Massey is quoted on the monarchy:

"a kind of society where, by a special personal symbolism, the community seeks to remind itself of its oneness and of its corporate will to see and cherish excellence wherever it may be found."

This cannot obtain where there is an elected President, such as in the USA or France, when the head of state emerges from a heated campaign replete with political considerations. On such a frankly partisan basis, the first family cannot be the head of the family. Indeed, there can be

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### THE SOCIAL CREDITER

This journal expresses and supports the policy of the Social Credit Secretariat, founded in 1933 by Clifford Hugh Douglas. The Social Credit Secretariat is non-party and non-class, neither connected with nor supporting any political party.

#### SUBSCRIPTIONS

Annual rates: UK inland £10.00; overseas surface mail £12.00; overseas air mail £15.00; Australia \$14.00; New Zealand \$15.00; New Zealand airmail \$16.00.

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The Social Crediter is printed & published by:  
KRP Publications Ltd, 170 Portobello High Street,  
Edinburgh, Scotland EH15 1EX.

[In Australasia, subscription and business enquiries should be addressed to 3 Beresford Drive, Samford, Queensland 4520.]  
UK telephone enquiries to: 0131 657 4740.

Books and booklets on the subject of Social Credit are available from Bloomfield Books, 26 Meadow Lane, Sudbury, Suffolk, England CO10 6TD. In Australia, from The Social Credit School of Studies, 3 Beresford Drive, Samford, Queensland 4520.

# The European single cur City of London and busi

The City of London is already at the financial top table and doesn't need monetary union, argues F

**A**fter many years in and around the Square Mile I have found that there is a fairly reliable way of predicting the views of City people on Europe. Anyone who has lively hopes of government business will be an official Eurosupporter—not, you are given to understand, based on his own experience (indeed privately he admits to distinct reservations), but for broad geopolitical reasons.

But anyone who actually runs part of the City factory—a broker, say, or a banker, or trader, or underwriter, or corporate financier—is likely to be a Eurosceptic, or at most an agnostic. “City spokesmen” are generally chairmen of companies with much to lose from offending the government, and with only a minimum of nudging from high quarters can be persuaded at crucial moments to assert publicly that the City dwells in a state of constant anxiety lest Britain's European relationships fall into disrepair. Down in the engine-room the chairman's statement is greeted with cheerful cynicism.

A less parochial place than the City could hardly be imagined. It is the home of the international bond and capital markets. Within two minutes' walk from my office in Lombard Street over 500 foreign banks make the world's foreign exchange and money markets. Its commodity markets are the pricing hub for metals, grains, energy and soft commodities from any corner of the globe. The Baltic Exchange arranges two-thirds of the world's shipping contracts. Lloyd's is principally engaged in overseas business. To open the Financial Times is to see a cascade of news from Latin America, the Far East, the USA and Europe. The sophisticated new screen markets in shares, futures, options and derivatives are more active in London than anywhere else in the world, except perhaps Wall Street.

The City therefore speaks on international finance with an authority which no

other country approaches. Its view of the EC is predominantly sceptical. But even that overstates the significance of Europe to the City. There are, of course, many individual Continental organisations which are important to its practitioners, alongside other players in North America, Japan, Britain, South East Asia, Australasia and Latin America. But the EC *as such* is an irrelevance—except perhaps to the extent that its regulations and directives add to the City's costs and tend to stifle innovation (though so far these are more in the nature of an irritant than a serious impediment to trade).

## NOT AFFECTED

**C**ITY PEOPLE know that their prospects of doing business are not affected by Britain's relations with the European Union. Who, after all, are the principal figures in financial markets? To be sure, there are some European houses, for example Deutsche Bank and such British merchant banks as Warburgs, Flemings and Schroders. But in the major transactions non-EC names like Goldman Sachs, Morgan Stanley, Swiss Bank Corporation, UBS and Credit Suisse First Boston crop up with equal frequency, usually through their London offices. The domestic bankers scarcely grumble, for international finance knows no boundaries; its only guiding star is the ability on the day to deliver capital and services competitively.

And at least the business is done here, not elsewhere. The City is a unique network of skills, contacts, capital and communications which happens to have its nerve centre in London, just as London happens to sit within the borders of the EC. But there is no intrinsic reason why that nerve centre should not have been in New York or indeed any city where a sufficient array of supporting services can be marshalled, the language is English, and the Rule of Law is unquestioned.

If engineering and manufacturing lie at the heart of the German and Japanese success stories, trading lies at the heart of Britain's (and it *is* a success story, despite the hiccup of the '60s and '70s). To be well attuned to market realities is to have a refreshing perspective on the issues of the day. No broker in London doubted that the victory of the speculators over the Bank of England, which drove the pound out of the Exchange Rate Mechanism, would lead to the improvement in Britain's economic affairs which did in fact subsequently occur. Equally no foreign exchange trader forgets that the No vote in the Swiss referendum on EC membership led to an instant rise in the Franc and the Swiss Bourses. Financial markets are often accused of irresponsible short-termism, especially when they move in ways which are unwelcome to the authorities. But there is this much to be said for them: they are wholly free of humbug. A trading desk with billions at risk is judged by one measure only—whether it calls the market right.

## BUNDESBANK ANALYSIS

**T**HE OFFICIAL European body which leads in refusing to talk fashionable nonsense about Europe is the Bundesbank (though the Bank of England has been coming up on the rails unnoticed, at a startling pace). Buba can afford its candour. Standing far above the German government in public esteem, it has no need to curry favour. Its analysis of EMU has two central planks. First, that monetary union implies economic, and therefore political, union; and second, that the Bundesbank itself is the only institution that can be trusted to manage a single European currency in a consistently non-inflationary manner. In other words, the Ecu must be the Mark under a different name. These uncomfortable thoughts describe the real world in terms which are equally compatible with Scepticism and Federalism—but

# currency: what the press really think

RODNEY LEACH: the brokers and bankers are really Eurosceptics

entirely incompatible with the Foreign Office speak which passes for analysis among the woolly-minded. What the Bundesbank is telling us is that we stand on the far bank of the Rubicon. Cross it, and we take a giant step towards a United States of Europe whose economic policy will be shaped by Germany. The Bundesbank does not advise us whether to cross or stay put; it merely articulates the consequences.

## TIMING IRRELEVANT

A FREQUENTLY heard line of argument which runs in the UK but finds little credence elsewhere is that EMU is a question of timing. *When the Maastricht convergence criteria are met, but only then, we may join a European currency.* The fallacy here is to mistake convergence for a milestone on a road, once passed always passed. In reality compliance with the Maastricht criteria will come and go, even for the most stable economies. Thus the arguments for and against EMU must always be arguments of principle. Countries closely linked to Germany will have their own agenda—and rightly so. But if on balance EMU would do Britain more harm than good, by depriving us of our most flexible adjustment weapons (interest and exchange rates) and so obliging us to resort in times of need to migration, subsidies, wage cuts or unemployment; then temporary compliance with a set of statistical norms becomes irrelevant. Indeed, it is hard to avoid the conclusion that the convergence criteria are a bait laid by convinced federalists. The mouse takes it, and the single currency trap snaps shut, for ever, behind it.

British support for the Single Market owes its origins to Adam Smith. But British Eurofederalism has more recent roots—the desire to continue sitting at the top table; the belief that large blocs are likely to be more successful than small

economies; and the dismal conviction that Britain is played out.

## ECONOMIC BLOCS A RELIC

SUCH OPINIONS have only a tenuous foothold in the City. For the City already sits at the top financial table—indeed, it is the top table. And being an island unto itself, a sort of European freeport, the City knows better than most that economic blocs are a relic of the days of high tariffs, with little to contribute to the post-modern world of service industries and open markets. As for defeatism, the City is far too successful to buy the notion that failure is around the corner unless we put ourselves in the hands of others. Much of this has been said before, and the City is not the sole voice to which our political leadership should listen. We seem, however, to have entered a period of megaphone negotiation between political factions, typified by articles trumpeting alleged City espousal of propositions which command little genuine support in the financial community. What is now needed is a quite different style, in which attempts to get at the truth about monetary union—about its intended mechanics, its unintended consequences and above all about alternative ways to manage the adjustment process—replace attempts to line up headlines.

Is that too much to ask as Britain approaches one of the most crucial decisions of its long history?

*Rodney Leach is a director of Jardine Matheson, Trafalgar House and other multinational companies with an aggregate market value of approximately £20 billion. His views on Europe expressed here are personal and do not necessarily represent the views of the companies with which he is associated.*

*Reprinted from the March 1995 edition of "The European Journal".*

# Looking for the exit

by PETER DUL, chairman  
of the Anti-Common Market  
League

AS LONG AGO as 1967, the late playwright John Osborne observed: "The illusion of direct European power has become a necessity to a breed of men who are cold for lack of a place in the old Empire sun... this man admires the concept of the Common Market because it represents Authority to him." Now MPs like Mr Hugh Dykes think nothing of the loss of "pretend ritual forms of Sovereignty". He asserts that the idea that issuing currency is some sort of "sacred act" is a "silly old-fashioned notion which comes from the blatherings of Enoch Powell".

World trade has flourished since the War between countries with variable and (since the 1970s) mostly floating currencies. Since by far the larger part of Britain's trade and investment is and will continue to be conducted outside the core of the EC, it makes no sense for the UK to join a single currency.

No country's economy is the same as another's so that adjustable (floating) exchange rates and control over domestic interest rates are necessary to adjust to differing growth rates and efficiency. When Britain joined the ERM we suffered high interest rates at a time of recession just because Germany needed them for her re-unification. The result was a £50 billion budget deficit and the loss of a million jobs and increased taxation to pay for this. Joining a single currency would be like joining the ERM only more so!

## RIGHT TO CHANGE

IN ADDITION, monetary union will create political union with the destruction of parliamentary democracy—our right to live under our own laws and taxes and our right to change them by electing a different government (ie sovereignty)—and instead to become a province of a latter-day lookalike of the Ottoman Empire. In other words, rule by unaccountable bureaucratic imperialism and unelected central bankers. There is no means whereby a European Parliament (sic) continued overleaf, column 3

## Maastricht may make monarchy flee

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that most blatant of contradictions, a president in a political minority such as pertains with Clinton and Mitterrand. Such a situation was recognized and averted in 1978, when the ten Canadian premiers stated:

"Provinces agree that the system of democratic parliamentary government requires an ultimate authority to ensure its responsible nature and to safeguard against abuses of power. That ultimate power must not be an instrument of the federal Cabinet."

This, however, is the position denied by European Union. Its authority comes from an ideal, formulated by an elite of post-war power-brokers. Its actual operation is in the hands of civil servants, mainly locally-ousted politicians, called the European Commission. This bureaucratic tyranny by non-elected and electorally-rejected functionaries is overseen by the Council of Ministers, a trans-national Cabinet of transitory career politicians dominated by the financially strong. There is, therefore, no focus of ultimate respect, only fear. In the past, those members of European Union with monarchies rejoiced in their heritage. Today, the United Kingdom apart, crowned heads are seen as symbols of popular regional identity. Their roles have been relegated to pomp and ceremony and, conversely, rigorous down-playing of that so that they can be seen as "human like the rest of us". They have no purpose other than ritualistic. The House of Windsor, by decree of the Maastricht treaty, is set to be placed in the same category with Queen Elizabeth, just another tax-paying citizen of European Union, yea though recognized to have a particular niche in society.

This, then, is the crux of the matter. The Queen is either part of Parliament—Sovereign, Lords and Commons—or she is merely in charge of "royal occasions". In Canada, she remains firmly in the former. If the Maastricht treaty is carried out in reality, then by default the UK has already allowed its head of state to go. The Coronation Oath, so solemnly entered into, is now regarded as a piece of pious verbiage, lost in the splendour of garb and tourist trappery.

It is only now a matter of time and weariness before the Queen must find her vocation untenable and her residence therefore abroad.

There will be no judge to stop her emigrating. The British courts will refer any action to the European Courts, politically committed by their foundational creed to further the cause of European Union. The result is a foregone conclusion. 

# A Europe of Nations

A pamphlet published by the European Research Group reviewed by HELEN SZAMUELY

**THIS PAMPHLET'S media coverage tended to concentrate on the superficial aspects: the foreword provided by the Prime Minister; the fact that senior Conservative figures were involved, and its rejection of the idea of a single currency. But *A Europe of Nations* goes further than that.**

It is a sustained series of proposals for a very serious reform of the EC/EU. If the suggested reforms were put into effect, the European Union would become a Europe-wide free trade area with possibilities of some countries within and without the Union forming closer associations for specific purposes. Were this to take place, the new European Union would indeed be able to live "in freedom and friendship" with the rest of the world.

As the group, and its chairman, Michael Spicer MP, point out: it is not enough to say nothing but "no" to all federalist proposals, even if only because such a position can be put in a very bad light. The most radical idea is the creation of a series of voluntary communities, making the Union infinitely flexible. Also outlined are necessary changes in the various treaties; in effect, not just the Maastricht treaty but the Treaty of Rome itself would have to be renegotiated.

### REPEAL 1973 ACT?

**A** NUMBER of people in Britain would say: why bother? Let us simply repeal the European Communities Act of 1973 and all subsequent amendments. But can we simply ignore what is going on across the Channel and not play a genuinely "positive" role in developments there? Such a role would mean introducing changes to the Treaty of Rome, opening the EC to other countries in Europe, and the necessary destruction of the European Union *as a state*. In other words, Europe must one again move in a European direction, a continent of diversity and pluralism. Liberty, democracy and economic growth can exist only in these circumstances.

Certainly the pamphlet needs more discussion of the Common Fisheries Policy and of the Convergence Funds, both being inconsistent with the proposed system. Clearly, not every member of the group would have the same interest in abolishing these as the United Kingdom has. The Common Foreign and Security Policy needs more scrutiny—the main objection to it is not that it ends up doing nothing, but that it has so far always ended up doing the wrong thing. 

The pamphlet, "*A Europe of Nations*", is available from *The European Research Group, G24 Norman Shaw North, House of Commons, London SW1A 0AA. Telephone: 0171-219 3491.*

## Looking for the exit

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could provide a democratic check over these overweening bureaucrats—neither could it defend the UK's interest if the UK were in dispute with the majority of EC members over a matter of fundamental importance to the UK. Clearly there is no discernible benefit to the UK from membership and EMU will destroy our democracy and (very many of) our jobs. There is therefore only one sane course of action for the UK. As Christopher Booker said at a recent Bruges meeting, "If you find yourself in a lunatic asylum you look for the exit!" 

### RECOMMENDED READING

C H Douglas	The Development of World Dominion Economic Democracy The Monopoly of Credit The Policy of a Philosophy Social Credit
Eric de Maré	A Matter of Life or Debt
Bryan W Monahan	An Introduction to Social Credit Why I am a Social Creditor
Thomas Robertson	Human Ecology
Social Credit Secretariat	Elements of Social Credit