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## **EU Basics – Your Guide to the UK Referendum on EU Membership**

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The British people should be clear about just what they will be voting on at the EU referendum this Thursday. What does it actually mean to stay in the EU? What does it mean to exit?

Concerning the second question, the dominant issue in the debate has been the question whether there will be a significant negative economic impact on the UK from exiting the EU. Prime Minister David Cameron, together with the heads of the IMF, the OECD and various EU agencies have given dire warnings that economic growth will drop, the fiscal position will deteriorate, the currency will weaken and UK exports will decline precipitously. George Osborne, the chancellor of the exchequer has threatened to cut pensions if pensioners dare to vote for exit. But what are the facts?

I have been trained in international and monetary economics at the London School of Economics and have a doctorate from the University of Oxford in economics. I have studied such issues for several decades. I have also recently tested, using advanced quantitative techniques, the question of the size of impact on GDP from entry to or exit from the EU or the eurozone. The conclusion is that this makes no difference to economic growth, and everyone who claims the opposite is not guided by the facts. The reason is that economic growth and national income are almost entirely determined by a factor that is decided at home, namely the amount of bank credit created for productive purposes. This has sadly been very small in the UK in recent decades, thus much greater economic growth is possible as soon as steps are taken to boost bank credit for productive purposes – irrespective of whether the UK stays in the EU or not (although Brexit will make it much easier to take such policy steps). We should also remember that a much smaller economy like Norway – thought more dependent on international trade – fared extremely well after its people rejected EU membership in a referendum in 1995 (which happened against the dire warnings and threats from its cross-party elites, most of its media and the united chorus of the heads of international organisations). Besides, Japan, Korea, Taiwan and China never needed EU membership to move from developing economy status to top industrialised nations within about half a century. The argument of dire economic consequences of Brexit is bogus.

As for the first question, namely what it means to stay inside the EU, we should consult the EU itself. Happily, the EU released a major official report about its key policies and what it plans to achieve in the near future in October 2015. This report was issued in the names of the “Five Presidents” of the EU. In case you had not been aware that there was even a single, let alone five presidents of the EU, these are: The unelected president of the European Central Bank, Goldman Sachs alumnus Mario Draghi, the unelected president of the European Commission, Jean-Claude Juncker, the unelected Brussels Commissar and “president of the Eurogroup”, Jeroen Dijsselbloem, the “president of the Euro Summit”, Donald Tusk,

and the president of the European Parliament, Martin Schulz. What is the message of this not negligible number of EU presidents concerning the question of where the EU is going? The title of their joint report is a give-away: “The Five President’s (sic) Report: Completing Europe’s Economic and Monetary Union“.

[https://ec.europa.eu/priorities/publications/five-presidents-report-completing-europes-economic-and-monetary-union\\_en](https://ec.europa.eu/priorities/publications/five-presidents-report-completing-europes-economic-and-monetary-union_en)

The report starts with the frank admission that “with 18 million unemployed in the euro area, a lot more needs to be done to improve economic policies” in the EU. Well said. But what exactly needs to be done?

“Europe’s Economic and Monetary Union (EMU) today is like a house that was built over decades but only partially finished. When the storm hit, its walls and roof had to be stabilised quickly. It is now high time to reinforce its foundations and turn it into what EMU was meant to be...”

“ we will need to take further steps to complete EMU.”

**The central planners in Brussels and at the ECB in Frankfurt are not unaware that under their command, a historically unprecedented economic dislocation has taken place in the EU during the past ten years, including massive asset and property bubbles, banking crises and large-scale unemployment in all the periphery countries – with over 50% youth unemployment in Greece, Spain and Portugal, as well as the lack of any serious controls of the EU external borders to prevent an influx of unparalleled numbers of illegal immigrants and economic migrants.**

However, the EU central planners are in denial about the fact that these problems have been caused entirely by their own misguided and disastrous policies. As a result, they argue that the solution to such problems can only be further concentration of powers into their hands: “We need more Europe“, as Mrs Merkel put it (source: please read these Merkel claims about the EU <http://www.euractiv.com/section/eu-priorities-2020/news/merkel-calls-for-political-union-to-save-the-euro/>) This is what they propose to implement in the coming years, by turning all EU members into one single country.

So the Five Presidents’ Report makes clear that the EU is not simply a free trade area. That project had been left behind with the 1992 Maastricht Treaty and a very different kind of Europe has become enshrined with the 2007 European Constitution (called ‘Lisbon Treaty’, since the people of Europe in several referenda rejected it. Source: please read what the author of the rejected European Constitution says: <http://www.independent.co.uk/voices/commentators/valeacutery-giscard-destaing-the-eu-treaty-is-the-same-as-the-constitution-398286.html> ). Instead, the EU is the project to abandon all national sovereignty and borders within and melt away all European nations that don’t succeed in exiting in time, into a merged, joint new single country, with one central European government, centralised European monetary policy, centralised European fiscal policy, centralised European foreign policy, and centralised European regulation, including of financial markets and banking. This United States of Europe, an undemocratic leviathan that the European peoples never wanted, is the culmination of the much repeated mantra of “ever closer union“.

This project has been implemented steadily and stealthily over several decades,

despite major and consistent policy blunders and scandals involving the central planners (e.g. in 1999 the entire European Commission – the unelected government and cabinet of the European superstate – resigned in disgrace, as it was found to have taken bribes and engaged in fraud, while the EU's own Court of Auditors has repeatedly refused to sign off the EU's official books).

The economics is clear: there is no need to be a member of the EU to thrive economically, and exiting does not have to impact UK economic growth at all. The UK can remain in the European Economic Area, as Norway has done, or simply agree on a trade deal, as Switzerland did, and enjoy free trade – the main intention of European agreements in the eyes of the public. The politics is also clear: the European superstate that has already been formed is not democratic. The so-called 'European Parliament', unique among parliaments, cannot propose any legislation at all – laws are all formulated and proposed by the unelected European Commission! As a Russian observer has commented, the European Parliament is a rubber-stamping sham, just like the Soviet parliament during the days of the Soviet Union, while the unelected government is the European Commission – the Politibureau replete with its Commissars.

Big business and big banks, as well as central bankers and the IMF, constitute the financial elite that is behind this purposeful concentration of power – giving ever more power into the hands of ever fewer people. The undemocratic nature of EU institutions has reached such an extent that I have heard a recently retired member of the ECB governing council in private confessing that his biggest worry is the undemocratic nature and extent of the ECB's powers, which have increasingly been abused for political ends. These facts have been drowned out by the constant drip of propaganda emanating from the powerful elites behind the creation of the United States of Europe.

During these years and decades of steady transfers of powers and sovereignty from nation states and their democratically elected assemblies to the unelected Brussels bureaucracy, I had always been puzzled by the apparent strong US support for all this. Whenever the 'process' of 'ever closer union' seemed to have hit an obstacle, a US president – no matter the post holder's name or party affiliation – would intervene and in no uncertain terms tell the troublesome Europeans to get their act together and speed up unification of Europe into one state. In the naivety of my youth this had struck me as surprising. Likewise, the British public has recently been told by US president Obama that dropping out of the EU was not a good idea and they had better vote to stay in.

While it is not surprising that the global elite that has benefitted from the trend towards concentration of power is getting increasingly hysterical in their attempts to cajole the British public into voting to stay inside the EU, it is less clear why the US president and his government should be so keen on the EU project. We had been told in the past by the European media that the concentration of economic and political decision-making in Europe was being engineered in order to create a counter-weight against the US dominance. This seemed to motivate some pro-EU voices. Surely the US president must have heard about that?

There is another mystery. Only yesterday, an impressive-looking leaflet was dropped into the letterbox of my Winchester home, entitled "**EU Basics – Your Guide to the Referendum**". It was issued by an organisation called the "European Movement".

The 16-page colour and high gloss booklet argues for Britain to stay in the EU. Who is this “European Movement“, and who is funding it? This little-known organisation seems financially powerful enough to drop a high-quality print booklet into every household in the entire UK.

The declassification of formerly secret records has solved both mysteries. For as it turns out, they are connected. In the words of Nottingham University academic Richard Aldrich:

“The use of covert operations for the specific promotion of European unity has attracted little scholarly attention and remains poorly understood. ... the discreet injection of over three million dollars between 1949 and 1960, mostly from US government sources, was central to efforts to drum up mass support for the Schuman Plan, the European Defence Community and a European Assembly with sovereign powers. This covert contribution never formed less than half the European Movement’s budget and, after 1952, probably two-thirds. Simultaneously they sought to undermine the staunch resistance of the British Labour government to federalist ideas.... It is also particularly striking that the same small band of senior officials, many of them from the Western [note: this means US] intelligence community, were central in supporting the three most important transnational elite groups emerging in the 1950s: **the European Movement, the Bilderberg Group and Jean Monnet’s Action Committee for a United States of Europe [ACUE]**. Finally, at a time when some British antifederalists saw a continued ‘special relationship’ with the United States as an alternative to (perhaps even a refuge from) European federalism, it is ironic that some European federalist initiatives should have been sustained with American support.“

There is much more to read in this explosive piece of scholarly research (Richard J. Aldrich (1997), OSS, CIA and European unity: The American committee on United Europe, 1948-60, *Diplomacy & Statecraft*,8(1), pp. 184-227, online at <http://www.tandfonline.com/doi/abs/10.1080/09592299708406035#.V2exrU36voo> )

UK journalist and former Brussels correspondent Ambrose Evans-Pritchard was the only journalist to report on such academic research findings, in two articles in 2000 and 2007:

“DECLASSIFIED American government documents show that the US intelligence community ran a campaign in the Fifties and Sixties to build momentum for a united Europe. ... US intelligence secretly funded the European Movement, paying over half its budget. Some of Europe’s founding fathers were on the US payroll....

“The documents confirm suspicions voiced at the time that America was working aggressively behind the scenes to push Britain into a European state. Lest we forget, the French had to be dragged kicking and screaming to the federalist signing table in the early 1950s. Eisenhower threatened to cut off Marshall aid unless Paris agreed to kiss and make up with Berlin. France’s Jean Monnet, the EU’s mastermind, was viewed as an American agent – as indeed, he was. Monnet served as Roosevelt’s fixer in Europe during the war and orchestrated the failed US effort to stop de Gaulle taking power.

“One memorandum, dated July 26, 1950, gives instructions for a campaign to promote a fully fledged European parliament. It is signed by Gen William J Donovan, head of the American wartime Office of Strategic Services, precursor of the CIA. ... Washington’s main tool for shaping the European agenda was the American Committee for a United Europe, created in 1948. **The chairman was Donovan, ostensibly a private lawyer by then. The vice-chairman was Allen Dulles, the CIA director in the Fifties.** The board included Walter Bedell Smith, the CIA’s first director, and a roster of ex-OSS figures and officials who moved in and out of the CIA. **The documents show that ACUE financed the European Movement, the most important federalist organisation in the post-war years. In 1958, for example, it provided 53.5 per cent of the movement’s funds. The European Youth Campaign, an arm of the European Movement, was wholly funded and controlled by Washington.**

**“The leaders of the European Movement – Retinger, the visionary Robert Schuman and the former Belgian prime minister Paul-Henri Spaak – were all treated as hired hands by their American sponsors. The US role was handled as a covert operation. ACUE’s funding came from the Ford and Rockefeller foundations as well as business groups with close ties to the US government.**

“The head of the Ford Foundation, ex-OSS officer Paul Hoffman, doubled as head of ACUE in the late Fifties. The State Department also played a role. A memo from the European section, dated June 11, 1965, advises the vice-president of the European Economic Community, Robert Marjolin, to pursue monetary union by stealth.

“It recommends suppressing debate until the point at which “adoption of such proposals would become virtually inescapable“.

“Fifty years after the Treaty of Rome, the architects of post-war US policy would be quite pleased, I think, if they were alive today. ...

(excerpted from: Ambrose Evans-Pritchard (2000), Euro-federalists financed by US spy chiefs, The Daily Telegraph, 19 September 2000; <http://www.telegraph.co.uk/news/worldnews/europe/1356047/Euro-federalists-financed-by-US-spy-chiefs.html> and Ambrose Evans-Pritchard (2007), [The scare of a superstate has passed, but do we want to lose the EU altogether?](http://www.telegraph.co.uk/news/worldnews/europe/1356047/Euro-federalists-financed-by-US-spy-chiefs.html) The Daily Telegraph, 7 April 2007)

No wonder Mr Evans-Pritchard has now concluded that he will vote for Brexit: <http://www.telegraph.co.uk/business/2016/06/12/brexit-vote-is-about-the-supremacy-of-parliament-and-nothing-els/>

**The revelation that the EU is the result of a major US secret service operation – effectively just yet another secret creature of deception launched by the CIA** (taking seat of honour in the hall of infamy that includes false flag operations, invasions, coup-detats, and the establishment of organisations such as Al Qaida and ISIS) solves the third mystery, namely how on earth the allegedly democratic European nations could design such an undemocratic, virtually dictatorial structure. With the EU/United States of Europe the US not only achieves its geo-strategic goals in Europe, but it has also eliminated the role of pesky national parliaments that could

on occasion get in the way of US or CIA foreign policy. And another puzzle is solved, namely why the EU had so readily agreed to a US request a few years back that US spy agencies get access to all European emails and telephone calls....

A vote to stay in the EU thus is a vote to abolish the United Kingdom as a sovereign state and merge it into the undemocratic United States of Europe which the European elites are building under US tutelage. That the European public – and, it seems, even European politicians – have little or no input in key European decisions can be seen from the increasingly aggressive NATO stance against Russia (Brussels-based NATO being the military arm of the EU, which is overtly under direct US control), and the one-sided sanctions against Russia that the US could simply order the Europeans to implement (causing significant losses in incomes and jobs in Europe, while boosting US business interests). Immigration policies are another case in point. If the US had in the past considered the largely homogeneous European populations a source of potential European resistance against its plans for Europe, then the policy to replace them with balkanised failed ‘melting pots’ also makes sense.

Norway voted in 1995 on EU membership. Leading parties were all in favour. Big business and central banks, major media outlets and the talking heads on TV were frantically bullying and cajoling the Norwegian public to vote ‘in’. The people remained steadfast and voted ‘out’. Norway did splendidly. And so much more will the UK. -- *emphasis, zero hedge* --

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