Currency act

The Currency Act The Currency Act In the hypothetical event that the United Kingdom passes a Currency Act in 2006 with the stipulation that it could not be repealed without referendum, it stands to reason that the government would be obligated to hold a vote before switching from the pound sterling to the euro. If this were not the case, however, and the government passed a new Currency Act to bring in the euro in 2007 by gaining the Queen's approval, then technically speaking the Statute is not legal and therefore is not binding. This technicality would likely prove no difficultly in establishing the euro once the government and a certain percentage of the British population were set to do so, however.

The government could decide to sidestep the initial referendum because of its own notion that such votes are not legally binding; in this respect it would be correct (Mendelsohn and Parkin 47-51). The fact remains, however, that the original Currency Act held that the pound sterling could not be changed as the official currency of Great Britain until a referendum had been held. By bypassing this element of the original Act, the British government could be held accountable for the changed currency in any way prosecutors saw fit. The change from the pound sterling into the weaker euro could mean that any number of businesses would face monetary challenges in the way of investment, wages and ultimately in profit; if the right people with the means to bring the issue up did so, the government would have to admit it simply ignored the referendum aspect of the original Currency Act.

Despite the fact that an amendment or repeal to the Currency Act is, in effect, illegal without referendum, the establishment of the euro as the official currency of Great Britain would not be too difficult a feat if the government was decided on a course of action. This is particularly true because of the European Monetary Institute. The Institute has two main objectives, one of which is to make the necessary changes and upgrades to European banking systems for the oncoming implementation of the euro in replacement of all other currencies within the EU (Ungerer 292-298). Since the United Kingdom joined the European Union in 1973 (then called the European Community), it has adopted EU law and as such is actually obligated to make the necessary preparations for the removal of the pound sterling and the implementation of the euro like all other EU nations.

Neither UK nor EU law states that referendums must be legally binding, however they remain an integral part of the governing process with specific reference to the European Union. Each country in turn within the EU has held referendums on whether to accept or refuse the drafted EU constitution (Steuninberg 136), and like in the hypothetical Currency Act situation the individual governments may do as they please concerning the results. While this technicality will help the Act stay afloat and achieve its goals, the government still may be held accountable for its disregard of the original Currency Act stipulations.

Reference List

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