



THE 37TH ST GEORGE'S HOUSE ANNUAL LECTURE

ST GEORGE'S CHAPEL
WINDSOR CASTLE

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BY

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" There is no answer without the wisdom of understanding"

Fellow Homo Sapiens,

If you have not already done so I urge you to pause and reflect on the calm, beauty and spirit that this Chapel conveys and the fact that today is the 6th June, the 70th Anniversary of D-Day.

This complex world of ours demands and deserves far greater reflection and understanding if we are to attempt to find answers and solutions; for without the wisdom of understanding we will fail.

St George's House is part of the College of St George, founded in 1348 by Edward III, and St George's Chapel is the spiritual home of the highest order of chivalry, the Order of the Garter. It was the present Warden of St George's House with his clear academic mind who describes the work of St George's House as 'Nurturing Wisdom.' There are no two words that can better describe the ethos of the House.

In 1966 His Royal Highness The Duke of Edinburgh and the then Dean of Windsor, the late Robin Woods founded St George's House. The Council of St George's House has benefited from unstinting support and commitment from The Duke of Edinburgh and the Knights of the Garter who rotate as members of Council. They, with the other Council members, drawn from all beliefs, church, state, academia, the arts and commerce have contributed to a vision that has benefited the world at large. These factors in themselves differentiate St George's House from any other institution in the world.

The vision of the House is becoming ever more important at a time when we live in a world created by man's intellect which has outwitted that very intellect in our ability to address the many problems we face today.

We cannot hope to have the answers to overwhelming problems unless we allocate time to understand. Wisdom!

Wisdom is the ability to think and act using knowledge, experience, understanding, common sense and insight. It involves an understanding of people, things, events, situations and the willingness as well as the ability to apply perception, judgement and action with the understanding of what might be the optimal course of action. To find the truth, coupled with an optimum judgement, as to what action should be taken in order to deliver the correct outcome.

The importance of this to our world was understood by the Founders and all those who, over the years, have served on the Council of St George's House, the many who gave financial support, speakers and participants. The Warden will be sending you a record of some of those who have made the work of the House possible. I hope all of you will consider how you might contribute to our future.

When we look at today's world we might take issue with Carolus Linnaeus who decided that the dominating feature of humans was wisdom, and therefore decided to name us Homo Sapiens to differentiate us from the rest of the animal kingdom. Perhaps he did not take into account ego, greed and ignorance of the human race.

Buddha understood how these failings would override wisdom. Intellect without wisdom is what our world today reflects. Wisdom is one of the seven gifts of the Holy Spirit according to Anglican, Catholic and Lutheran beliefs. Confucius suggested that the noblest way of acquiring wisdom was through reflection. In Islam, wisdom is deemed one of the greatest gifts humankind can enjoy. In Judaism a wise person is one who can foresee the consequences of their decisions.

Nicholas Maxwell, a contemporary philosopher, suggested that academia alter its focus from the acquisition of knowledge to seeking and promoting wisdom. A highly important observation. Possibly you cannot achieve one without the other, to understand the problems of mankind.

The Quran so aptly states, "Have they not travelled in the land, and have they hearts wherewith to feel and ears wherewith to hear?"

Clearly the majority of politicians, civil servants and those in positions of authority through the ages have failed in the single most important basis for any decision in life.

In our contemporary world I might name four examples of those who have not failed mankind in their 'wisdom of understanding'; Pope Francis, Dr Jane Goodall, President FW de Klerk and Ayatollah Sistani, two of whom have given the Annual Lecture at St George's House.

The speed of change in every sphere of life, combined with an ever further reaching arm of world powers, extremists and commerce in a world of high technology suggests that without adequate reflection and interaction between the different components we cannot hope to begin finding an answer to the problems of the world today.

It is understandable that many individuals in positions of power and consequence are so overburdened with their task or by their egos that they ignore their most important duty - time and space to reflect and understand.

Exceptions are those blessed with an overriding power of basic common sense and belief. President Ronald Reagan was an example.

The Founders and all those who have participated in and supported the work of St George's House had 'the wisdom of understanding' of just how important the work of St George's House is in society and the world at large.

We have a duty to reflect how we most effectively 'Nurture Wisdom' given the unique institution that we are; through the choice of issues for debate; choice of participants; and how we secure the financial support, without which St George's House cannot function.

Last year Dr Jane Goodall gave the Annual Lecture entitled "Reasons for Hope." She paid the greatest compliment to the work of the House by making herself available to give our Annual Lecture, given that she travels 300 days a year.

She is an example to us all of what a single person with 'the wisdom to understand' can achieve. She created Roots & Shoots where young people throughout the world will experience caring for others, nature and understanding, surely the most fundamental requirements for any young person. How can we incorporate these principles into our education system? They are not there today. Jane Goodall's Roots & Shoots sows the seeds of wisdom from which a better world will emerge.

Before Jane Goodall gave her Lecture we asked her how St George's House could contribute. We agreed in principle to a plan to have a series of consultations at St George's House with Roots & Shoots, allowing participants from around the world to meet for the first time; an opportunity for young people of different cultures to meet, reflect and learn from one another.

One of the great supporters of the work of the House present at the Lecture and hearing of this plan, immediately agreed in principle to assist with the funding of such an endeavour. As a result the first Roots & Shoots consultation will take place in August this year. Not only that, through the vision of three benefactors we have secured the total funding for these consultations for the next three years.

It has given us food for thought about what more we can do in the future and where our focus should be. A consultation at St George's House on how we can harness the enormous resources of able, willing young people unemployed around Europe has been suggested.

It was Bishop Michael Mann who invited me to my first Consultation soon after he had become Dean of Windsor in the late 1970's.

At that time I had stepped down as a director of Robert Fleming and was on a self-imposed gardening leave, time to reflect, and not having any idea what would be next in my life.

I had travelled the world and had had the benefit of observing and interacting with the peoples of the United States of America, the Middle East, Europe and the Far East.

It was clearly a privilege to be invited to a consultation at St George's House, Windsor Castle. The title was: "Changing Standards in Society." A defining moment in my life. It was a remarkable opportunity to observe, learn, understand and reflect on the opinion and perception of others through personal interaction, over three days, in a unique environment.

There never will be a substitute to interacting with humans face to face. We have failed to grasp this in our world of mobile phones, computers and high technology.

Bishop Michael Mann who had a background of Army, Africa and Church understood and made me understand just how important the work of St George's House was. His role as Chaplain to The Monarch of course took precedence but otherwise he devoted most of this time to the work of the House.

Trades Union leaders - isolated from the rest of society - Knights of the Garter, captains of industry, politicians, media, the Armed Forces and academia, members of The Royal Family and leaders of the faiths met and got to know each other.

The Dean's wife Jill bore the brunt of the never-ending task of welcoming this constant flow of visitors to the Deanery. I know of no other member of the Church of England who achieved what Michael Mann did in encouraging a better understanding of key issues by those in positions of influence. The work of St George's House was his Mission.

Having been involved with the House for close to 40 years, as participant, advisor and Council Member, I suspect that but a few fully understand just how far reaching the work of the House has been in Britain and the world today. It gave me an insight which I could not have obtained elsewhere.

After one consultation on Leadership, the Chairman of one of the world's leading companies remarked that after the two-and-a half days at Windsor his thinking on a number of issues had changed. There has not been a single consultation where this has not been the case for many of the participants. That is what St George's House is about.

Perhaps the best way for you to understand and for me to demonstrate how St George's House affected my life is to give you some concrete examples of my experience together with my personal observations.

At the first consultation I attended there were discussions over dinner concerning the need to do more to help finance British exporters. This resulted in many further discussions after the consultation which resulted in the formation of the British Export Finance Advisory Council which in due course launched an Export Finance Company with an initial facility of 100million US Dollars to help British exporters.

A member of that Council was the then Senior Partner of Price Waterhouse, UK, Michael Coates. When he became Chairman of the world firm of Price Waterhouse, he had the wisdom to understand the need for outside, objective thinking to deal with major strategic issues such as the international debt crisis of the 1980's. A new entity of all the Price Waterhouse partnerships around the world was formed which he asked me to chair.

The debt crisis of the 1980's had been waiting to happen. At a large banking conference in 1975 in London at which all the major international banks were present, and at which the late Sir Alan Walters and I were present, the banks were warned about the dangers of their lending policies, which at the time were funding the deficits of countries.

Michael Daltry of the Bank for International Settlements had discussed a mechanism whereby the total lending of banks could be coordinated to create a clearer picture of

the indebtedness of these countries. It fell on deaf ears. Financial institutions were making too much money. They had totally failed to understand the most basic fundamentals of borrowing short and lending long.

The great bankers of their time such as Walter Wriston of City Bank and David Rockefeller of the Chase Bank prided themselves on the role of the banks in the recycling of petrodollars.

We saw the consequences in the 1980's when banks such as the Bank of America nearly went under and was for sale. Others suffered worse fates.

The rise of interest rates resulted in countries having to reschedule their debt time and time again. Nobody has ever properly understood the consequence of that highly irresponsible lending to the infrastructure of those countries. Countries and banks had also failed to anticipate the rise of interest rates. We have seen recently that nothing was learnt from those disastrous policies of that time.

Chairmen, Chief Executives and Boards clearly have not been in a position and do not consider it to be their responsibility to reflect on the consequences of their actions and policies. Financial results and ego are the driving forces. They put at risk then, and again recently, the foundation of a free market economy, a sound financial system.

Credit card companies who encourage a culture of buying now and paying later are developing a problem which will have serious consequences in the future. It is nothing but a glorified form of usury and creates a culture in society as damaging as any.

Auditors too have failed to understand the long-term consequences of the risks taken in the financial sector. It took Enron for them to understand that they needed to separate Audit and Consulting to avoid conflicts of interest obvious from the start. These totally flawed policies of financial institutions combined with flawed economic policies of the EC are perhaps the two most clearest causes of why we are where we are today.

There is no better example of US banks acting without understanding or consideration of the consequences than when they took an ethical view on their lending policies, creating the South African debt crisis. In the final days of Apartheid in the mid-1980's the Chase Manhattan Bank and its outside director the Rev. Sullivan decided not to renew their short-term lending to South Africa because of Apartheid. All the other US banks immediately adopted the same policy. South Africa's borrowing at the time was all short-term and it created a crisis from which they hoped the South African government would fall.

Leading European banks, however, understood that this would have disastrous consequences for South Africa and the financial community at large. The US banks refused even to consider meetings with South African officials.

An independent mediator was required and Dr Fritz Leutwiler, the former Chairman of the Swiss National Bank and the Bank for International Settlements agreed to take on this task. He asked Price Waterhouse to develop a strategy and mastermind it for him from London.

At the time almost everybody advised Dr Leutwiler and I not to accept this important task. I decided to discuss the matter with the Dean of Windsor who knew Africa well and he was of the same opinion. Everything to lose and nothing to gain.

However, attending Evensong in St George's Chapel gave me time to reflect and I emerged to inform Michael Mann that my decision was made. Personal consequences were irrelevant. The future of a continent was at stake.

The Warden asked me recently how I had come up with the strategy. There is a simple answer. Understanding the mentality of the banks, the situation in South Africa, Dr Fritz Leutwiler, and what was at stake was the basis for finding a solution.

Let the banks put forward their proposal, which we knew would be turned down flat by South Africa. Let South Africa put forward their proposals, which we knew the banks would turn down. We would then put forward Dr Leutwiler's proposal on a take it or leave it basis. But it would be based on sound economic reality, unlike the rescheduling of countries' debt which had taken place and which had to be rescheduled time and time again. We would have to make sure that all would understand the consequences if they did not accept Dr Leutwiler's proposal.

We proceeded with this strategy. South Africa refused the banks proposal and the banks refused South Africa's proposal. Dr Leutwiler submitted his proposal.

Two bankers, one from Morgan Guarantee and one from National Westminster, were the only two out of hundreds of banks who refused, in both cases for personal reasons as it turned out

We called the Chairmen of both banks and told them in no uncertain terms that their institutions would be responsible for chaos in South Africa if they did not sign up immediately.

Two great men in South Africa, Harry Oppenheimer and Anton Rupert, were concerned with die-hards in South Africa who were ready to put up the shutters to the rest of the world, again without understanding the consequences. We were persuaded to meet with them in South Africa and to make sure that they too understood the consequences of taking such an approach.

Many tried to derail the efforts of Dr Leutwiler but an agreement was reached within months.

It was then that Prime Minister Margaret Thatcher persuaded Chancellor Kohl to send Dr Leutwiler on their behalf, on a top secret mission to inform President Botha that his time was up and he needed to stand down to allow others to bring about the change required. President Botha was told in no uncertain terms by Dr Leutwiler that unless he did so, Britain and Germany would no longer support South Africa. President Botha never recovered from that message. It totally undermined his confidence.

This provided the basis for Mr FW de Klerk to take over as President, a devout Christian who had the moral courage and belief to do what needed to be done and the 'wisdom of understanding'.

He is present this evening and may choose to reflect briefly on the small contribution made to the future of his great country because of the work of St George's House.

The early interfaith work at St George's House brought together leading Jesuits, Rabbis, Bishops, Muslim clerics, and Cardinals together with lay participants. For the first time they could be heard and understood by each other. For the first time they shared meals together. Most attended Evensong. This was almost 30 years ago, a remarkable and important development.

As a result of that consultation I became involved with Iraq, through Dr Ahmad Chalabi who was present; a scion of one of the great Shia families of Iraq committed to the wellbeing of his country. Dr Chalabi is a man of great ability and integrity. His wisdom and insight in understanding the dynamics of the Middle East has been far more accurate than any other.

While some of my involvement with Iraq has been covered by the media, it was yet another interesting lesson in the total disconnect of the West and the Middle East in their understanding of each other and their perception of each other.

Sometime after Iraq's liberation from Saddam Hussein, a meeting on Iraq was held at St George's House. Participants, including US, British and Iraqi government officials commented on what a help it had been to them. Perhaps for the first time they had time to understand some of the views of others.

The Middle East has for too long been an area where the West has simply failed in its 'wisdom to understand'. Therefore they have no answer as witnessed by the consequences of the United States of America removing Moussadegh, arguably resulting in the airport hostage situation.

The Americans' resulting perception of the Shia world is highly disturbing. Likewise the lack of understanding of the aspirations of young Palestinians and their plight - a world of no hope; the arbitrary decision by the West on who can and can't have nuclear weapons; the hypocrisy of which UN resolutions are enforced and which are not.

This lack of understanding puts the security of the world at risk and is a grand folly the likes of which we have not seen before.

I have viewed the frightening speed with which the influence of America and Britain has steadily declined in many parts of the world since Margaret Thatcher and Ronald Reagan. America, Britain, and Europe have failed in their 'wisdom to understand' and come up with a strategy and policy on how to address our new world. The basic fundamentals have never changed.

The Europe fiasco is yet another example of the same underlying problem.

After the Berlin Wall came down, a great thinker, former politician and Secretary General to the Council of Europe, the late Sir Peter Smithers suggested that this was the moment to go back to the drawing board and decide from scratch what new institutions were required to deal with a new world. Starting with Nato and the EEC but because nobody had time to consider and reflect almost the opposite was done.

Expand NATO's outreach, proceed with dated institutions, forge ahead with single currencies; doomed from day one. It was done so by politicians who were stuck in the past and new politicians concerned more about their personal future than the consequences to the peoples of Europe.

Many at the time understood that to have a single currency without a single economic policy cannot be achieved without a single government and would result in the very problems we have just witnessed.

Be it social unrest with an increase of extreme left and extreme right or antagonising Russia. So far none of the fundamental issues have either been discussed or addressed.

Millions of young people who have no work see no future and will be a lost generation unless we do something. We have to address this problem.

The matters I have referred to demonstrate beyond any doubt that those in positions of authority, be it government, politicians or financial institutions fail to understand the obvious cause and effect of their policies through the lack of independent thinking and reflection and analysis. They live isolated in high pressure cookers! In their chauffeur driven cars they do not even have the benefit of interaction with the man on the street.

A conversation with a taxi driver or a hotel employee, wherever they are in the world, would give many a better insight of the problems that need to be addressed than the papers produced by officials and read just before a key meeting.

Few have the moral courage to say what needs to be said when it needs to be said, even when they know; and too often they do not want to know. They are concerned with an immediate solution to the problem, failing to deal with the fundamental underlying problems.

Whatever people might think and say about Mr Snowden, of one thing there can be no doubt; he showed moral courage to do what he did, understanding that there was no other way to act while fully understanding the consequences.

There are men of wisdom who understand and are more than willing to contribute to debate and discussion.

In the field of economics I will name the late Sir Alan Walters. Prime Minister Margaret Thatcher understood just how able he was. Her Ministers did not. He alone was responsible for the economic success resulting from the first Budget of her tenure as Prime Minister. She took his advice and forced the Chancellor of the Exchequer to rewrite the Budget at the very last moment. She lost the loyalty of her Chancellors as a result of this wisdom and Britain lost one of the world's great economists.

Ministers and civil servants do not like people with independent minds. It starts with the selection of MPs, chosen not because of ability and experience but because they toe the line. Candidates with independent minds are more often than not rejected out of hand.

Given that some of the greatest problems in today's world result from the actions of politicians and financial institutions, St George's House needs to reflect and consider the type of consultations that can be structured to start debate and thinking on these issues by analysis of the cause of problems and the consequences of policies and action. It is required in almost every sphere in society today. We simply cannot continue having financial institutions putting at risk the economic well-being and stability of the world. We witnessed it in the 1980's and we did so again recently. Is tough regulation the only answer? Most probably it is.

Time is running out unless we address these most fundamental of issues. Karl Marx, whose ideas didn't and don't work, will be chuckling in his grave observing the world today for our system has failed in many respects.

The hardship and poverty faced by so many in the United States, Europe and the Middle East, let alone in the rest of the world will bring about social unrest and violence.

Stimulating economies with more money may be a short-term solution for governments but it is not a solution to the problem. Fundamentals need to be addressed. "For we see not with our eyes nor hear with our ears".

It will take a great deal more than what St George's House can achieve but nobody should under-estimate what can be achieved. We need to consider how we can bring together individuals and institutions to develop and create an interactive movement towards debate, understanding and reflection on the fundamentals, based on the ethos and vision of St George's House.

The planned consultations with Roots & Shoots, which empowers young people of all ages to make a difference in their communities in over 130 countries, can be one of the most significant developments for the future work of St George's House. For it is the generation that will shape our world.

How can we ensure that our world's educational system adopts the same principle as Roots & Shoots? An understanding society, a caring society and a society where people know that they each can make a difference.

It defies all logic that many schools in Europe no longer include sports and the importance of art, nature and beauty, subjects almost lost in the educational systems. For that reason I am delighted that we have present today two important representatives from the arts; Mr Ian Rank-Broadley, a great sculptor responsible for the War Memorial in Staffordshire. He equals Rodin in the way his sculpture portrays the tragedy of human misery as Rodin did with the Burghers of Calais; and Mr Hal Messel, silversmith, whose Tree below this lectern portrays an understanding of the beauty of craftsmanship in the tradition of those responsible for this great Chapel.

The fact that many of these skills may be lost to our society in years to come is another area of great concern.

From the reflections and observations on our world today we have to ask ourselves the question: Why is it that through the ages the importance of wisdom has been neglected by so many?

A disconnect of those in power to reality and understanding of each other and the situation we are in.

Max Hasting's recent book, *Catastrophe*, on the First World War is a shocking and a sad reflection on all those in power at the time. Here again the most important message is clear.

Probably close to one hundred and ten thousand people of influence have participated in consultations since the House was founded, recognising the importance of its work and helping them better understand the views of others.

But how many have applied the basic principle of the ethos of St George's House to their world and life? Nobody should leave St George's House without understanding that that, in fact, is the most important message.

The Warden should consider how we ensure that this can be achieved.

When Mr Greenspan once said that fundamentals had changed, I thought it must have been a mistake. Fundamentals do not change as the Wall Street fiasco demonstrated.

The world is changing ever faster, problems become even greater but it is a world where people sit behind screens and where human interaction becomes less and less; the immediate need for specialisation for children with no time for sports, the arts or nature will only increase the inability to understand and creates a world where knowledge is derived from the written word of others.

I attended a meeting with some of the most capable computer experts in Wall Street. They were incapable of having a proper discussion or debate, even on a matter of algorithmic designs, which was outside their existing knowledge. They clearly could only interact with a screen. We know too much and understand too little.

Before we address our educational system we should first decide on what are the most important fundamentals in life every child should be taught. They were known in the past but have been forgotten. Home and Church may have taught them in the past. Only if there is understanding and agreement on some of these fundamental issues can we hope to develop an educational system that would be appropriate today.

Institutions such as the World Bank, the UN, the EEC, or NATO to name but a few should be independently and impartially and objectively reviewed as to their existence, scope and effectiveness. Many are answerable to nobody such as FIFA.

How do we deal with corruption without which the peoples of whole continents would be better off? Far easier than most people think but it can only be addressed if it is divorced from political agendas.

For as long as Governments, such as the United States, support corrupt Heads of State because the State Department approves of their political policies, nothing will change.

Is it really the case that able people in the world of finance will run a company at their utmost ability only if they have obscene rewards? Barings and Morgan Grenfell would have survived if they had put stability and duty above greed.

How do we create a sensible system where big investors don't force results without real concern as to the long-term wellbeing and success of a company?

They too need to consider and reflect and every board should question and consider such issues.

We are concerned about the lack of respect for authority but it should surprise none of us when the young of today see corruption everywhere, from MPs down. All these issues should be addressed through independent thought and just a little wisdom in search of objective solutions. Much simpler than most believe.

Since my first consultation almost 40 years ago I have been committed to the work of St George's House. Its work is of the utmost importance.

I have witnessed first-hand how it has affected those who attend and the benefits to society at large. St George's House can do a great deal more and at present is only limited by the scarce financial resources available.

I have perhaps given no answers but hope I leave you with many questions.

Unless you leave with the 'wisdom of understanding' of how important the work St George's House is I will have failed in my task.

But if I have succeeded, please consider how you, or through you, we can ensure that the work and ethos of the House can continue in its important task.

God bless you all and may He give us the wisdom to understand.