

The Political Economy of Global Government

Excerpt from "The Global Economic Crisis: The Great Depression of the XXI Century"

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Capitalism has always changed and morphed; it has adapted to changes in the world and has forced the world to adapt to its changes. Capitalism has never, and never will be, entirely consistent in its structure and institutions. The global economic crisis has sped up developments that have been underway for a long time, specifically within the last century. In the midst of a global crisis, these changes, which have been slow and evolutionary, are being rapidly sped up and accelerated.

Introduction

The global political economy is being transformed into a global government structure at the crossroads of a major financial crisis. However, far from the assumptions of many students of Capitalism and the global political economy, these changes are not natural and inevitable; these changes are planned, organized, socialized and institutionalized. The process towards creating a global government is not a new one; several institutions and organizations throughout the world have slowly been directing the world down this path.

This chapter examines the process of constructing a global government, with a particular focus on the major organizations that have and are currently shaping this transformation. What is being undertaken is the deconstruction of the global economy and national polity in order to rebuild the global political economy into a singular governance structure. Thus, destruction becomes a form of creation; the global economic crisis must be viewed in this context.

The Council on Foreign Relations

Nearing the end of the 19th century, American bankers and industrialists, specifically J.P. Morgan, were gaining close connections with major European banking interests. On the European side, specifically in Britain, the elite was largely involved in the Scramble for Africa at this time. Infamous among them was Cecil Rhodes, who made his fortune in diamond and gold mining in Africa, monopolizing the gold mines with financial help from Lord Rothschild.[1] Interestingly, “Rhodes could not have won his near-monopoly over South African diamond production without the assistance of his friends in the City of London: in particular, the Rothschild bank, at that time the biggest concentration of financial capital in the world.”[2] As historian Niall Ferguson explained, “It is usually assumed that Rhodes owned De Beers, but this was not the case. Nathaniel de Rothschild was a bigger shareholder than Rhodes himself; indeed, by 1899 the Rothschilds’ stake was twice that of Rhodes.”[3]

Cecil Rhodes was also known for his radical views regarding America, particularly in that he would “talk with total seriousness of ‘the ultimate recovery of the United States of America as an integral part of the British Empire’.”[4] Rhodes saw himself not simply as a moneymaker, but even more so as an “empire builder.” As historian Carroll Quigley explained, in 1891, three British elites met with the intent to create a secret society. The three men were Cecil Rhodes, William T. Stead, a prominent journalist of the day, and Reginald Baliol Brett, a “friend and confidant of Queen Victoria, and later to be the most influential adviser of King Edward VII and King George V.” Within this secret society, “real power was to be exercised by the leader, and a ‘Junta of Three.’ The leader was to be Rhodes, and the Junta was to be Stead, Brett, and Alfred Milner.”[5]

In 1901, Rhodes chose Milner as his successor within the society, of which the purpose was:

The extension of British rule throughout the world, the perfecting of a system of emigration from the United Kingdom and of colonization by British subjects of all lands wherein the means of livelihood are attainable by energy, labor, and enterprise... [with] the ultimate recovery of the United States of America as an integral part of a British Empire, the consolidation of the whole Empire, the inauguration of a system of Colonial Representation in the Imperial Parliament which may tend to weld together the disjointed members of the Empire, and finally the foundation of so great a power as to hereafter render wars impossible and promote the best interests of humanity.[6]

Essentially, it outlined a British-led cosmopolitical world order, one global system of governance under British hegemony. Among key players within this group were the Rothschilds and other leading banking interests.[7]

The creation of the Federal Reserve in the United States in 1913, cemented the connection between European and American banking interests, as the Fed created a very distinct alliance between New York and London bankers.[8]

In the midst of World War I, a group of American scholars were tasked with briefing “Woodrow Wilson about options for the postwar world once the Kaiser and imperial Germany fell to defeat.” This group was called, “The Inquiry.” The group advised Wilson mostly through his trusted aide, Col. Edward M. House, who was Wilson’s “unofficial envoy to Europe during the period between the outbreak of World War I in 1914 and the intervention by the United States in 1917,” and was the prime driving force in the Wilson administration behind the establishment of the Federal Reserve System.[9]

“The Inquiry” laid the foundations for the creation of the Council on Foreign Relations (CFR), the most powerful think tank in the U.S., and “the scholars of the Inquiry helped draw the borders of post World War I central Europe.” On May 30, 1919, a group of scholars and diplomats from Britain and the U.S. met at the Hotel Majestic, where they “proposed a permanent Anglo-American Institute of International Affairs, with one branch in London, the other in New York.” When the scholars returned from Paris, they were welcomed by New York lawyers and financiers, and together they formed the Council on Foreign Relations in 1921. The “British diplomats returning from Paris had made great headway in founding their Royal Institute of International Affairs.” The Anglo-American Institute envisioned in Paris, with two branches and combined membership was not feasible, so both the British and American branches retained national membership, however, they would cooperate closely with one another.[10] They were referred to, and still are, as “Sister Institutes.”[11]

The Milner Group, the secret society formed by Cecil Rhodes, “dominated the British delegation to the Peace Conference of 1919; it had a great deal to do with the formation and management of the League of Nations and of the system of mandates; it founded the Royal Institute of International Affairs in 1919 and still controls it.”[12] There were other groups founded in many countries representing the same interests of the secret Milner Group, and they came to be known as the Round Table Groups, preeminent among them were the Royal Institute of International Affairs (Chatham House), the Council on Foreign Relations in the United States, and parallel groups in Canada, Australia, New Zealand, South Africa and India.[13] This had the effect of establishing a socializing institution for the elites of each nation, from which they would exert political, economic, academic and social influence.

The CFR, established less than ten years after the creation of the Federal Reserve, worked to promote an internationalist agenda on behalf of the international banking elite. It was to alter America’s conceptualization of its place within the world from an isolationist industrial nation to an engine of empire working for international banking and corporate interests. Where the Fed took control of money and debt, the CFR took control of the ideological foundations of such an empire, encompassing the corporate, banking, political, foreign policy, military, media and academic elite of the nation into a generally cohesive overall world view. By altering one’s ideology to that of promoting such an internationalist agenda, the big money that was behind it would ensure one’s rise through government, industry, academia and media. The other major think tanks and policy institutions in the United States are also represented at the CFR.

Before America even entered World War II in late 1941, the Council began a “strictly confidential” project called the War and Peace Studies, in which top CFR members collaborated with the U.S. State Department in determining U.S. policy, and the project was entirely financed by the Rockefeller Foundation.[14] The post-War world was already being designed by members of the Council who would then go into government in order to make those designs into a reality.

The policy of “containment” towards the Soviet Union that would define American foreign policy for nearly half a century was envisaged in a 1947 edition of *Foreign Affairs*, the academic journal of the Council on Foreign Relations. So too were the ideological foundations for the Marshall Plan and NATO envisaged at the Council on Foreign Relations, with members of the Council recruited to enact, implement and lead these institutions.[15] The Council also played a role in the establishment and promotion of the United Nations,[16] which was subsequently built on land bought from John D. Rockefeller, Jr.[17]

In 1944, representatives of the 44 Allied nations met for the Bretton Woods conference (the United Nations Monetary and Financial Conference) in New Hampshire, in an effort to reorganize and regulate the international financial and monetary order following the war. The UK was represented by John Maynard Keynes; the American contingent was represented by Harry Dexter White, an American economist and senior U.S. Treasury department official. It was out of this conference that the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), now part of the World Bank, and the General Agreement on Tariffs and Trade (GATT), now institutionalized in the World Trade Organization (WTO), originated. They were designed to be the institutionalized economic foundations of exerting American hegemony across the globe; they were, in essence, engines of economic empire.

In 1947, President Harry Truman signed the National Security Act, which created the position of Secretary of Defense overseeing the entire military establishment, and the Joint Chiefs of Staff; it created the CIA modeled on its war time incarnation of the Office of Strategic Services (OSS); the Act also created the National Security Council, headed by a National Security Adviser, designed to give the President further advice on foreign affairs issues separate from the State Department. Essentially, the Act created the basis for the national security state apparatus for empire building.

The founding of the CIA was urged by the War and Peace Studies Project of the Council on Foreign Relations in the early 1940s. The architects of the CIA, designing the shape and organization of the Agency, as well as its functions were all Wall Street lawyers, largely made up of members of the Council on Foreign Relations. The Deputy Directors of the CIA for the first two decades were all “from the same New York legal and financial circles.”[18]

The Bilderberg Group

In 1954, the Bilderberg Group was founded in the Netherlands, holding secretive meetings once a year, drawing roughly 130 of the political-financial-military-academic-media elites from North America and Western Europe as “an informal network of influential people who could consult each other privately and confidentially.”[19] Regular participants included the CEOs of some of the largest corporations in the world, oil companies such as Royal Dutch Shell, British Petroleum, and Total SA, as well as various European monarchs, international bankers such as David Rockefeller, major politicians, presidents, prime ministers and central bankers of the world.[20]

Joseph Retinger, the founder of the Bilderberg Group, was also one of the original architects of the European Common Market and a leading intellectual champion of European integration. In 1946, he told the Royal Institute of International Affairs (the British counterpart and sister organization of the Council on Foreign Relations), that Europe needed to create a federal union and for European countries to “relinquish part of their sovereignty.” Retinger was a founder of the European Movement (EM), a lobbying

organization dedicated to creating a federal Europe. Retinger secured financial support for the European Movement from powerful U.S. financial interests such as the Council on Foreign Relations and the Rockefellers.[21] However, it is hard to distinguish between the CFR and the Rockefellers, as, especially following World War II, the CFR's main finances came from the Carnegie Corporation, Ford Foundation and most especially, the Rockefeller Foundation.[22]

The Bilderberg Group acts as a "secretive global think-tank," with an original intent to "to link governments and economies in Europe and North America amid the Cold War." [23] One of the Bilderberg Group's main goals was unifying Europe into a European Union. Apart from Retinger, the founder of the Bilderberg Group and the European Movement, another ideological founder of European integration was Jean Monnet, who founded the Action Committee for a United States of Europe, an organization dedicated to promoting European integration, and he was also the major promoter and first president of the European Coal and Steel Community (ECSC), the precursor to the European Common Market.[24]

Declassified documents (released in 2001) revealed that "the U.S. intelligence community ran a campaign in the Fifties and Sixties to build momentum for a united Europe. It funded and directed the European federalist movement." [25] Furthermore:

America was working aggressively behind the scenes to push Britain into a European state. 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...

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.[26]

The European Coal and Steel Community was formed in 1951, and signed by France, West Germany, Italy, Belgium, Luxembourg and the Netherlands. Newly released documents from the 1955 Bilderberg meeting show that a main topic of discussion was "European Unity":

The discussion affirmed complete support for the idea of integration and unification from the representatives of all the six nations of the Coal and Steel Community present at the conference...

A European speaker expressed concern about the need to achieve a common currency, and indicated that in his view this necessarily implied the creation of a central political authority...

A United States participant confirmed that the United States had not weakened in its

enthusiastic support for the idea of integration, although there was considerable diffidence in America as to how this enthusiasm should be manifested. Another United States participant urged his European friends to go ahead with the unification of Europe with less emphasis upon ideological considerations and, above all, to be practical and work fast.[27]

Thus, at the 1955 Bilderberg Group meeting, they set as a primary agenda, the creation of a European common market.[28]

In 1957, two years later, the Treaty of Rome was signed, which created the European Economic Community (EEC), also known as the European Community. Over the decades, various other treaties were signed, and more countries joined the European Community. In 1992, the Maastricht Treaty was signed, which created the European Union and led to the creation of the Euro. The European Monetary Institute was created in 1994, the European Central Bank was founded in 1998, and the Euro was launched in 1999. Etienne Davignon, Chairman of the Bilderberg Group and former EU Commissioner, revealed in March of 2009 that the Euro was debated and planned at Bilderberg conferences.[29]

To read the rest of this chapter, [click here](#).

Notes

[1] Carroll Quigley, *Tragedy and Hope: A History of the World in Our Time*, New York, The Macmillan Company, 1966, p. 130.

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[3] *Ibid.*, p. 186-187.

[4] *Ibid.*, p. 190

[5] Carroll Quigley, *The Anglo-American Establishment*, GSG & Associates, 1981, p. 3.

[6] *Ibid.*, p. 33.

[7] *Ibid.*, p. 34.

[8] William Engdahl, *A Century of War: Anglo-American Oil Politics and the New World Order*, London, Pluto Press, 2004, p. 51.

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[12] Carroll Quigley, *The Anglo-American Establishment*, op. cit., p. 5.

[13] Carroll Quigley, *Tragedy and Hope: A History of the World in Our Time*, op. cit., p.

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[21] Ibid., p. 161-162.

[22] CFR, "The First Transformation", CFR History, http://www.cfr.org/about/history/cfr/first_transformation.html.

[23] Glen McGregor, "Secretive Power Brokers Meeting Coming to Ottawa?", Ottawa Citizen, [http://www.canada.com/topics/news/world/story.html?id=ff614eb8-02cc-41a3-a42d-30642def1421](http://www.canada.com/topics/news/world/story.html?id=ff614eb8-02cc-41a3-a42d-30642def1421&k=62840) &k=62840, 24 May 2006.

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[27] Bilderberg Group, "Garmisch-Partenkirchen Conference", The Bilderberg Group, p. 7, <http://wikileaks.org/leak/bilderberg-meetings-report-1955.pdf>, 23-25 September 1955.

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The Global

Economic Crisis



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