

Video: Is the European Union a “Colony of America”? Enforcing an “Economic Iron Curtain” with Russia: Michel Chossudovsky and James Corbett

By [Prof Michel Chossudovsky](#) and [James Corbett](#)

Global Research, September 06, 2023

[The Corbett Report](#) 21 July 2016

Region: [Europe](#), [Russia and FSU](#), [USA](#)

Theme: [Global Economy](#)

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This video produced by James Corbett was first published in July 2016 under the title: *The EU is an Imperial Project? Is Brexit a Blow to the Oligarchs?*

In order to understand the European Project in its full historical context, we must know about the origins and motivations for the formation of the EU and the forces that have shaped the EU bureaucracy into an arm of the IMF/World Bank-led Wall Street hegemon.

*Today Professor **Michel Chossudovsky** joins us to expose the EU as the imperial project that it always was, and the growing movement against EU domination as an anti-imperial movement of world historical importance.*

Transcript:

James Corbett (JC): Welcome friends. This is James Corbett of Corbettreport.com coming to you in a conversation that is being recorded on the 12th July 2016, and as we sit here in the second week of July 2016 the European Union is embarking on a new era in the wake of the BREXIT Referendum that was held last month in the United Kingdom, and the question mark covering over the European Union is causing a lot of people to scratch their heads, even about what the European Union is. Even people living under the European Union don’t necessarily know what it is, and very few of them know about the deep history going back not just to the Cold War era, but even preceding it that set the groundwork for this organisation and what it has become, so joining us today to help us sort through this and

understand better what is really happening in Europe, we are joined once again by the Director for the Centre For Research and Globalisation at globalresearch.ca, Michel Chossudovsky. Michel, thank you very much for your time today.

Michel Chossudovsky (MC): Delighted to be on the programme.

JC: Perhaps you can begin by telling us about the real origins of the European Union, not just the origins that everyone knows about – The Treaty of Rome and the Maastricht Treaty, and things of that nature – but maybe the pre-history of the European Union that situates that in the proper context for us to understand what the objective of this union is.

MC: We first have to recall that in the immediate wake of WW2 we had what we call the Marshall Plan. It was a reconstruction programme, largely initiated by the United States, and it was also a means for the United States to establish a corporate hub within Western Europe.

While the Marshall Plan was ongoing, we also had the onset of the Cold War, which consisted essentially in isolating the Soviet Union. **The ‘Iron Curtain’ was not strictly a political curtain, it was also an economic curtain, and its main objective was to prevent any kind of trade and investment relations taking place between Western Europe and the Soviet Bloc countries,** and ultimately when the European Community was created under the Rome Treaty in 1957, this was essentially a Cold War structure. It was also a US initiative, indirectly, as part of a broader hegemonic project. I think this is coming to light through recent events, though wasn’t clear at the time. **What happened is that the European space in the 1950s was essentially divided into three areas.**

One, you had the first six members of the European Community – The Europe of the Six – and then it started to expand,

then you had the **European Free Trade Agreement, which re-grouped a number of what we might call neutral countries, and these neutral countries weren’t associated with NATO:** they were Scandinavia, Switzerland, Austria, and that formed a separate trade agreement, and I should mention that the **European Community as it evolved essentially started to coincide with NATO (the North Atlantic Treaty Organisation), which was the main instrument of Cold War geopolitics which was consistently threatening Russia.**

Now it’s interesting to note that in recent developments this week [2016], the notion of **the EU and NATO more or less merging so to speak,** a melding together, is a talking point of analysis and opinion. So that is the background.

The Cold War created a situation that isolated Russia and the Soviet Union, and what happened subsequently is that the Soviet Union started to establish trade with other countries, including the Non-aligned Movement, the countries of the 3rd world which had become independent, and also in a sense encroaching on traditional colonial trading relations, because these were former colonies of the West, and then eventually what happened in the wake of the Cold War is that all these structures started to tumble.

I should mention that the Soviet Bloc countries had their own trading system which was called COMECON; it was the **Council of Mutual Economic Cooperation,** which they

developed with the countries of Eastern Europe as well as other countries like Vietnam, Cuba, and so on, and then there was also a period of trade with China.

Now, there's another important element in all this and that is going back to the early 1920s when there was a **conference in Genoa, the Genoa Conference, in which nations of Western Europe and the Soviet Union met**. The Soviet Union at the time announced its principal of **"peaceful co-existence between competing economic systems, and the notion of Socialism in one country."**

They expressed the desire to have trade with the West. Now that was never an option for Western Europe largely as a result of US influence, and I should mention that in the 1920s Russia had traded with Germany during the Weimar Republic, but it didn't have trade with the western powers, which were, of course, supporting the insurrection in Southern Russia. So, that is the background.

Now we've reached a point of evolution. **First of all, after the Cold War, we saw a large number of new countries entering the EU, and these countries were former members of the Soviet Bloc so to speak** - Poland, Romania, Bulgaria and so on - and then there were other countries, which were more on the periphery of the European economy, such as Portugal, Spain, Greece, the Republic of Ireland, which joined the EU and the evolution that took place from the late 50s/early 60s to the 90s was the Maastricht Treaty in 1992.

Now, why is the Maastricht Treaty so important?

Essentially, the Maastricht Treaty embeds a neoliberal economic policy perspective within its Articles of Agreement, but specifically it refers to monetary policy, and **it creates conditions whereby the individual member states are not allowed to use monetary instruments to mobilise internal resources and deal with internal debt operations.**

In other words, you can't finance your internal development without borrowing money from outside, and now eventually what happened was that **the Maastricht Treaty then evolved toward the Eurozone.**

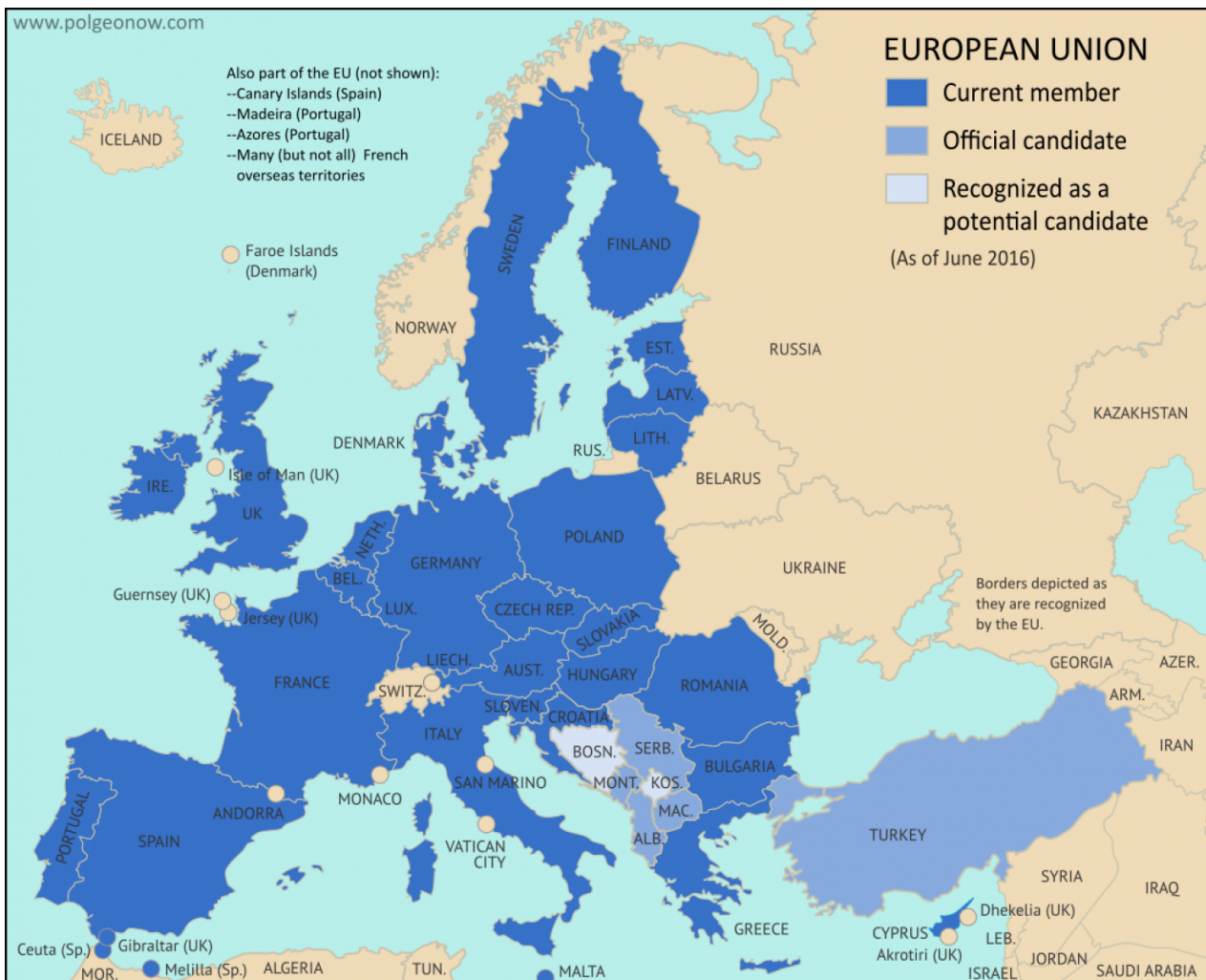
Of course not all members of the European Union are members of the Euro Zone, but the **Euro Zone essentially means you have a European Central Bank which then controls monetary policy in each of the member states and ultimately creates debt**, and that's the plight let's say of Greece, it's the plight of several countries whereby the centralised power of the European Central Bank ultimately creates conditions of economic collapse and mass indebtedness precisely because it disallows countries to use their Central Banks to mobilise resources, and also putting forth this notion of Central Bank, namely that the Central Bank operates separately from the Government, so that is a little bit the background. Today, I would say that the European Central Bank is controlled by Wall Street, and that the same thing is true for the Bank of England: both of them are led by former employees/officials of Goldman Sachs.

JC: So does this mean in this reading that the European Union is still an economic dagger aimed at the heart of Russia, essentially, that this is a form of economic warfare that drives the wedge between Europe and Russia?

MC: I would say yes, I think it does drive a wedge because the European bureaucracy, which really takes its origin with the Lisbon Treaty of 2007 – of course it existed previously – but it provides it with a legal framework, and it prevents individual countries from really having bilateral trade agreements let's say with other countries without going through the Brussels bureaucracy, and the dynamics today, particularly with the geopolitics, the threats directed against the Russian Federation, NATO's expansion, what it is essentially is to restore the iron curtain, to restore the economic iron curtain, and at the same time, it is there also to preclude the ability of the Russian Federation to enter into agreements with other countries which are outside the European space such as Brazil, many countries in Africa, and so forth, which they had during the Cold War era in the 1950s.

So essentially it is a policy to isolate Russia from an economic standpoint, and it more or less merges with NATO because NATO is the military arm of the Western Alliance, of the Atlantic Alliance, but it encompasses most of the member states of the European Union, and as a consequence now the confrontation between the West and the Russian Federation is also in the realm of trade, then there's the issue of sanctions when in fact what is now happening is that the European Union is impoverishing the member states, and I should say there's another element when I said the neo-liberal agenda is embedded in the European Union, well in effect it really embeds, so to speak, the IMF/World Bank perspective.

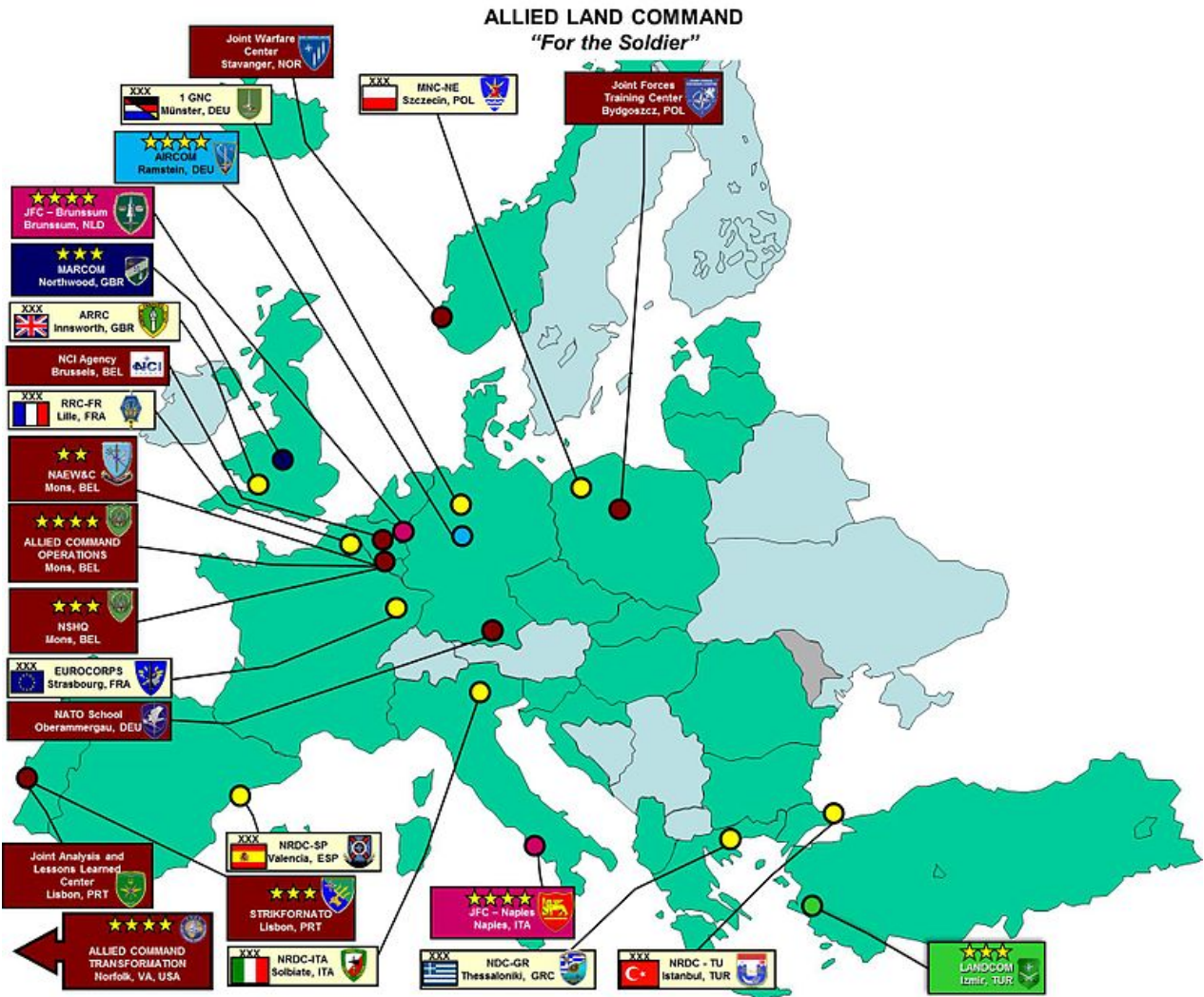
The European Union (June 2016)



NATO's eastward expansion



The Militarization of the EU. U.S Military Bases in the EU



The ‘Washington Consensus’ is embedded in the European Union’s bureaucracy and the European Commission, so that when they act in relation to individual countries, they are in effect replicating the actions of the International Monetary Fund in relation, let’s say, to 3rd World countries, except these are not 3rd World countries, and so ultimately what is happening is that the Washington Consensus of the Bretton Woods Institutions, the US Treasury, the Think Tanks - I would add of course also Wall Street - is behind all that, and ultimately what we see unfolding is the US colonisation of the European Union where ultimately this entity is indirectly part of a hegemonic project, and of course the end game is the TTIP (Transatlantic Trade & Investment Partnership). It’s the Trade and Investment Atlantic Partnership which is really contiguous to the Atlantic Alliance and military affairs and it would then merge the EU, including the former members of COMECON, into a giant trading agreement encompassing the United States - of course Canada would also be included, but there’s a separate agreement which is called SETA - and the European Union, and essentially that is an imperial project. Now, we have to see how this is going to evolve because the European countries have their own people, their own agendas and their own movements, and there’s increasing awareness of the nature of this project. So, we’ve gone from WWI Genoa Conference to the TTIP. That is the trajectory.

JC: It’s an interesting trajectory and it raises the question the BREXIT vote and the various movements in various European countries that are agitating for leaving the European Union at this moment represents in this view a type of anti-imperialist movement, an attempt to strike a blow against the imperial project, and yet it is portrayed as mindless right wing, neo-Nazi nationalists who just hate immigrants. That’s the way it’s being portrayed. Is there

a discrepancy between the consciousness of the people who are involved in this anti European movement and the actual end goal of the anti-European movement?

MC: Well, there are various political cleavages that are operating simultaneously with different agendas, different ideological perspectives, so it's very difficult to give a straightforward answer to that question. I would say on the one hand there are people within individual countries that realise that the European Union has destroyed their society and their national project. I think Greece is the most notorious example, but you might add Spain as well and Portugal possibly. People are starting to realise that the European Union is in fact a form of IMF in disguise and it's derogating their social programs and their identity as nation states.

Now, there's another perspective, and I think it's also a very valid perspective, and that's that people in Western and Eastern Europe realise their historical links and they still believe in a European project, but that European project is not going to be controlled by the Washington Consensus or the Brussels bureaucrats. It's a union of values and people, all of which in effect have common origins. I mean Britain is really created by Scandinavian tribes that invaded the Angles and then the Saxons and then the Normans, and so on, and France is really a construct as a result of the Germanic invasions – the Franks were Germanic.

So the European people have this identity, and I think it's important that both the nationalism, which is required to maintain economic and social sovereignty by the member states, which would be an exit, let's say, from the prevailing European Union, that of course is an important undertaking, and the two things are not incompatible, but at the same time is the notion that we should ultimately democratise the European Union, get rid of the bureaucrats, get rid of the Washington Consensus, and build a Western Europe which has links with other countries, with the Russian Federation, with China. and so on and so forth, and then it raises the issue of what kind of society do we really want.

Do we want global capitalism, do we want to restore some of the democracies, social democracies, which existed historically, and so on and so forth, but I think that's the way I would see it evolving at this moment, and of course the main thing is for the European people, whatever their perspective, to oppose the TTIP, because the TTIP is ultimately an instrument of conquest which will essentially transform the European member states into territories of the US imperial project.

JC: It's a very astute analysis and one that I think cuts a lot deeper and closer to the bone than a lot of the analyses that we see certainly in the mainstream media, even in a lot of the progressive press and other places that are simply reacting in a knee jerk fashion to what's going on here, rather than looking at that more holistic picture, so I thank you for bringing that perspective to the table. Michel Chossudovsky of Globalresearch.ca, thank you for your time.

MC: Thank you very much and delighted to be on the program again.

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