The British Empire's European Union

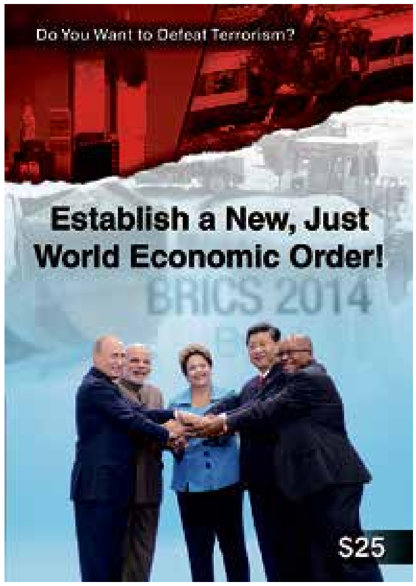
A Monstrosity Created by the City of London

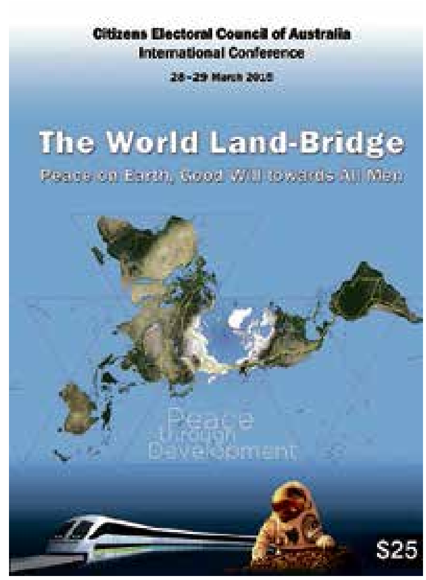
and Wall Street

Also featured

London Is *Still* Running the European Union
The Bail-in Scheme to Steal Deposits and Pensions

Citizens Electoral Council of Australia





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The British Empire's European Union

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Left: The City of London Lord Mayor's Show, 2006. Photo: Creative Commons/ David Iliff

Center: Italian woman whose savings were wiped out in a "bail-in" protests in Florence, 13 Dec. 2015. Photo: Laura Lezza/Getty Images

Right: Wall Street traders. Photo: Alamy Stock Photo

Glossary of Abbreviations

ACUE	American Committee for a United Europe
ACUSE	Action Committee for the United States of Europe
ADI	Authorised Deposit-taking Institution
AMTC	Allied Maritime Transport Council
APRA	Australian Prudential Regulation Authority
CEC	Citizens Electoral Council of Australia
BEIC	British East India Company
BIS	Bank for International Settlements
BRICS	Brazil, Russia, India, China and South Africa
BRRD	Bank Recovery and Resolution Directive
BSC	British Supply Council
CCF	Congress for Cultural Freedom
CDO	Collateralised Debt Obligation
CFLN	French National Liberation Committee
CFR	Council on Foreign Relations
CMU	European Capital Markets Union
COI	Office of the Coordinator of Information
CPS	Centre for Policy Studies (UK)
EC	European Commission; in the past, European Community
ECA	Economic Cooperation Administration
ECB	European Central Bank
ECF	European Cultural Foundation
ECSC	European Coal and Steel Community
EDC	European Defence Community
EEC	European Economic Community (Common Market)
EFTA	European Free Trade Association
EIR	Executive Intelligence Review
EMU	European Monetary Union
ERT	European Reform Treaty (Lisbon Treaty)
Euratom	European Atomic Energy Community
FCS	Financial Claims Scheme (Australia)
FDIC	Federal Deposit Insurance Corporation (U.S.)
FSB	Financial Stability Board
FSCS	Financial Services Compensation Scheme (UK)
FSF	Financial Stability Forum
GFC	Global Financial Crisis
G-SIFI	Global Systemically Important Financial Institutions
HBC	Hudson's Bay Company
HSBC	Hong Shang Banking Corporation
IEA	Institute of Economic Affairs
IMF	International Monetary Fund
IRSG	International Regulatory Strategy Group
JMAS	Jean Monnet American Sources
JMDS	Jean Monnet Duchêne Sources
KfW	Kreditanstalt für Wiederaufbau (Reconstruction Finance Corporation)
LTRO	Long-Term Refinancing Operation
MBS	Mortgage-backed securities
MPS	Mont Pelerin Society
NHS	National Health Service (UK)
OSS	Office of Strategic Services
OEEC	Organisation for European Economic Cooperation (today's OECD)
PCF	Communist Party of France
QE	Quantitative easing
RIIA	Royal Institute of International Affairs (Chatham House)
SAEC	Supreme Allied Economic Council
SEA	Single European Act of 1986
SIFI	Systemically Important Financial Institutions
SME	Synarchist Movement of Empire
SWNCC	State-War-Navy Coordinating Committee
TBTF	Too Big To Fail
TCC	Temporary Council Committee
TCE	Treaty Establishing a Constitution for Europe
TTIP	Transatlantic Trade and Investment Partnership
UNRRA	United Nations Relief and Rehabilitation Administration
WEF	World Economic Forum

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Letter of Transmittal

Dear Reader,

On 23 June 2016 the nations of the United Kingdom will conduct a historic vote on whether to remain in the European Union, or to leave. My political party, the Citizens Electoral Council (CEC) of Australia, is passionately concerned with this issue, both for global strategic reasons and because we have dear friends and even cousins throughout the UK. After all, modern Australia was established as a naval outpost of the British Empire.

We also remember, however, that those sent out in the First Fleet of 1788 to populate this colony included a great proportion of Irish, English, Scottish and other political prisoners, people who had been animated by the republican fervour emanating from the young United States, which in 1781 had won independence by defeating the largest empire the world had ever seen. Our pre-eminent republican leader of the next century was a Scottish emigrant, the Reverend John Dunmore Lang (1799-1878), who upon reaching these shores campaigned relentlessly for *Freedom and Independence for the Golden Lands of Australia*, as his 1852 book was titled—for a total break with the tyrannical British empire. Lang's spiritual descendants founded our Australian Labor Party, which even adopted the American spelling "Labor" to signify their dreams for our nation. Australia's history since 1788 has been marked by this battle of republican forces for the General Welfare, against our local oligarchy, who still today are lackeys for the Crown and the City of London, as was evidenced in the Queen's sacking of our Labor Prime Minister Gough Whitlam in 1975 **(p. 50)**.

Thus, inspired by that struggle for sovereignty based upon a conviction of the worth and dignity of every single human being, and the right of each to political freedom and a rising standard of living, we strongly encourage our British cousins to fire another "shot heard 'round the world" by voting "Leave!" We are confident that in so doing, voters in the UK will have the support of most Australians, as well as finding allies among the peoples of continental Europe who now chafe under the EU's brutal economic austerity; in the United States, where living standards are being suppressed by the same type of bankers' dictatorship as in the EU; and, of course, among the BRICS countries (Brazil, Russia, India, China and South Africa), which have begun to chart a course towards a world of economic cooperation and harmony, especially with the idea of mutual interest, called the "win-win" approach, embodied in the Silk Road Economic Belt and Maritime Silk Road development programs of Chinese President Xi Jinping.

But the nations of the UK will not attain freedom and betterment merely by leaving the EU. Liberation will come only when they end the power of the forces that created the EU in the first place: the Crown and the City of London, aided greatly by Wall Street, particularly during the EU's formative years.

Craig Isherwood
CEC National Secretary

A word about Wall Street is in order here, in view of widespread misconceptions about American domination over Europe. The problem the EU represents today is not that it was an American project. It was, and still is, most of all a British project, or, more precisely, a City of London project. When U.S. President Barack Obama weighed in on 22 April for "Remain", saying during his London visit that EU membership "leverages UK power" and "magnifies" British influence, that was the voice of Obama's sponsors on Wall Street, which has always been a junior partner of the City of London. The New York financial centre at Wall Street in Manhattan was built up by City of London agents from the late 18th century on, as an outpost for subverting the newly-won freedom of the United States. Aaron Burr, the founder of the Bank of Manhattan, Wall Street's first institution, was the assassin of Alexander Hamilton, who as President George Washington's Secretary of the Treasury had established the First National Bank of the United States as the anchor of the new nation's economic development and sovereignty. Burr fled to England after the murder, finding refuge at the house of British East India Company propagandist Jeremy Bentham. The further history of the alliance between City of London and Wall Street interests is chronicled by Anton Chaitkin, *Treason in America* (Washington: EIR, 1985). The late Georgetown University Professor Carroll Quigley's books *Tragedy and Hope* and *The Anglo-American Establishment*, cited in this pamphlet **(p. 10, 15, 45)**, recount the 20th-century coalescence of the City of London-Wall Street alliance for the world dominion of an Anglo-American financial oligarchy, through political institutions such as the Round Table and the Royal Institute of International Affairs (Chatham House), and the latter's American branch office, the New York Council on Foreign Relations.

Under the current City of London/Wall Street global financial system, which hinges on gigantic volumes of purely monetary transactions and is ever more debt-ridden and bankrupt, after tranche upon tranche of bail-outs ("quantitative easing"), no population—whether in the UK, continental Europe or elsewhere—can escape vicious austerity and the breakdown of modern industrial society. That is why we disagree with those who would vote "Remain", in the vain hope of saving some British jobs within the current finance-dominated system. Chancellor of the Exchequer George Osborne said at Davos in January 2016, that safeguarding Britain's *financial interests* was "the most significant part of our discussions with our colleagues" during renegotiation of the UK's terms of membership in the EU. "Prime Minister David Cameron is seeking strict rules to stop eurozone nations discriminating against the City of London as a key part of his renegotiation package", reported *The Telegraph* on 28 January.

We think that the sleight of hand by which the interests of the UK population are equated with those of the City of London is unacceptable. The financial sector is not an "industry", but a parasite upon the nation and the population. Sovereign governments must put the entire global financial system through bankruptcy reorganisation, stop sacrificing the people's welfare and the nation's development in order to feed the insatiable post-1971 Moloch of financial speculation, and institute a new, just world economic order based on cooperation for genuine development.[1]

The British Roots and London Control of the EU

This pamphlet contains three major articles on the creation and present activity of the European Union. The first traces how it was the Anglo-American partisans of empire who brought the EU into being, from roots in the international cartels of the World War I era, through the ascendancy of international finance and supranational governance after the death of U.S. President Franklin D. Roosevelt in 1945. A physically weakened British Empire set out to reconstitute itself as what would later be termed, in a 1995 Chatham House discussion paper, an "informal financial empire".[2] FDR's vision of a post-colonial world of economic cooperation and development was overthrown by London's close associates in the Wall Street cabal, who ran U.S. policy in the Truman era and launched the Cold War instead. In Europe their collaborator was the life-long London agent Jean Monnet.

The single-Europe project came to fruition as the European Union, with the Maastricht agreements of 1992, only after a broader transformation of international finance, which was engineered by the City of London and Wall Street. Our second article, "Into the Present: London *Still* Runs the EU", highlights the role of leading City figures, notably Siegmund Warburg, in forming the new, globalised money system, and profiles several individuals representing the City of London-EU symbiosis of today. We discuss the take-down of Italy's industry as a particular case of the demolition of national interests by a City of London-linked clique.

The third article, a March 2016 CEC Media Release, looks in depth at a major current looting scheme of the City of London and Wall Street—the Bank of England-designed policy of "bail-in", or rescue for "too big to fail" banks at the expense of their creditors and depositors. It includes an exposé of the City's sponsorship of the plethora of monetarist think tanks that designed the so-called Thatcher revolution in economic policy, featuring deregulation and the privatisation of public assets on a huge scale, and continue to churn out the most radical schemes for bail-in, austerity, and other looting policies.

The British domination of the EU as a virtual puppet state is hardly a secret. Veteran *Telegraph* reporter and intelligence community figure Ambrose Evans-Pritchard, who was based in Brussels in 1999-2004, observed in his 10 March 2016 column, "The eye-opener of my five years at the coal face in Brussels was to discover the pivotal role played by the UK in the EU machinery. The *Frankfurter Allgemeine Zeitung* even ran a front-page story calling Brussels a 'branch office of Whitehall', with British officials strutting the streets like an occupying force."

The City's flagship magazine, *The Economist*, not only campaigns for "Remain", but proudly touts the EU as the feudal-style *empire* that it is. *Economist* editor Edward Lucas wrote, under the headline "The EU empire's a mess but we must stick by it", in *The Times* of 30 December 2015, "Despite its inherent lack of democracy and its structural weaknesses, this enormous ship cannot be allowed to capsize. Imperial Europe is taking shape before our eyes."

But the *essence* of the EU process was captured by *Wall Street Journal* commentator on Europe Simon Nixon in an 18 February 2016 column: "The greatest irony is that it took the creation of the EU single market and the euro itself to restore the City to its former glory after its 70-year hiatus."

An official of the City of London Corporation's promotional and organising arm TheCityUK (now chaired by Barclays Bank Chairman John McFarlane, who was preceded in that post by another Barclays man, Sir Gerry Grimstone, formerly Margaret Thatcher's privatisation

1. I urge you to visit www.cecaust.com.au and download three CEC pamphlets: *Glass-Steagall Now!* (2014), *Do You Want To Defeat Terrorism? Establish a New, Just World Economic Order!* (2014), and *The World Land-Bridge: Peace on Earth, Good Will towards All Men* (proceedings of the March 2015 CEC International Conference). They provide essential ideas and information on a new, anti-speculation and pro-development paradigm, including the worldwide movement for Glass-Steagall banking separation, and the BRICS process and the potential for other nations to cooperate with it.

2. Katherine West, "Economic Opportunities for Britain and the Commonwealth (RIIA Discussion Paper)" (Royal Institute of International Affairs, 1995).

czar) proclaims, "The City is the beating heart of Europe's economy. Over 75% of European capital markets and investment banking is transacted in the UK". Mark Boleat, Policy Chairman for the City of London Corporation since 2012, boasted in a September 2014 speech in Lithuania, "The UK accounts for 41 per cent of global foreign exchange trading. More U.S. dollars are traded in the UK than in the United States, and more euros than in the Eurozone. And London is now the leading western centre for [the Chinese currency] renminbi trading". London is also the world centre of derivatives trading, as the City of London Corporation bragged in a 2010 paper, only two years after those same derivatives had triggered the 2008 financial crisis.

The systemic flaws that caused the 2007-08 crisis have not been corrected. The speculative bubble is bigger than ever, continuing the dominance of finance over the real economy. The Transatlantic financial sector is bankrupt, but the schemes to keep it afloat, on which the City of London thrives, are ever more exotic and murderous, as our article on bail-in reveals.

It was British diplomats who muscled the G20 finance ministers after their February 2016 meeting in Shanghai to warn that a Brexit would be a "shock to the global economy", as the *Guardian* reported 29 February. The City of London Corporation leads the charge for Britain to remain in the EU, while such City/Wall Street banks as Goldman Sachs and JPMorgan Chase, the world's first and second largest investment banks, and other City-based top-20 such institutions, like HSBC, pour funds into the "Remain" campaign. Former Goldman Sachs executive and current Bank of England Governor Mark Carney, in early March testimony to the Treasury Committee in Parliament, called leaving the EU "the biggest domestic risk to financial stability".

The Crown and the EU

Where does the Crown stand on Brexit? The question is not a trivial one, as we have witnessed time and again on other issues, from "bail-in" to Scottish independence to the shameful al-Yamamah deal with the terrorism-promoting Saudi Royal family. Rupert Murdoch has recently tried to portray the Queen as favouring Brexit, but the evidence of her own 24 June 2015 state banquet speech in Berlin says otherwise. After recalling that the "United Kingdom has always been closely involved in its continent" (Europe), she said in terms at least as definitive as her "think very carefully" admonition on the eve of the Scottish referendum, "[We] know that we must work hard to maintain the benefits of the post-war world. We know that division in Europe is dangerous and that we must guard against it in the West as well as in the East of our continent."

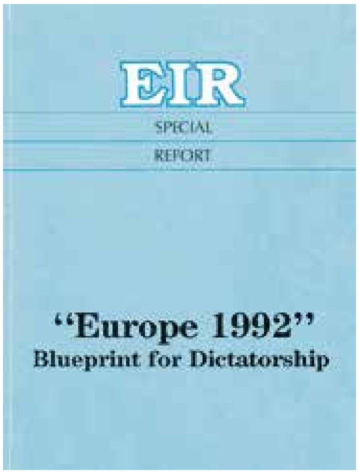
Whatever tactical position the Queen may take now, it is indisputable that the power of the Crown was used to push the UK into first the Common Market and then the EU. PM Edward Heath wielded the Royal Prerogative in 1972 to defeat tremendous opposition to Britain's joining the Common Market. PM Margaret Thatcher's Minister for Europe Lynda Chalker used it to sign the Single European Act in 1986 without Parliamentary approval, while PM John Major indicated that the prerogative would have been invoked again in 1993, if necessary, to overcome his own Conservative Party's hatred of the single-Europe Maastricht Treaty, the cornerstone of the modern European Union.

It is also relevant that the Crown is a major financial power in its own right, and that the finances of the Queen's Duchy of Lancaster are formally overseen by a Cabinet-level official, customarily one with close links to the City of London. Under PM Heath in the early 1970s, three successive officials in charge of negotiating the UK's accession to the Common Market simultaneously held office as chancellor of the Duchy of Lancaster: Anthony Barber (subsequently chancellor of the Exchequer, later chairman of Standard Chartered Bank), Geoffrey Rippon (famous as an "Atlanticist", chairing the European-Atlantic Group), and John Davies (BP executive and a director of the private-banking Hill Samuel Group). That tradition continues today with Chancellor of the Duchy of Lancaster Oliver Letwin, a former NM Rothschild banker and second-generation devotee of the "Austrian school" of free-market economics who as secretary of the Cabinet Office is frequently called Cameron's "chief policy advisor". Letwin's fawning admiration for the "magnificent personal attributes" of the Queen were displayed in a column he wrote for the *Western Gazette* of 27 July 2014.

That Crown-City nexus also came into public view in 2008 when James Leigh-Pemberton, late of S.G. Warburg and long-time senior executive at Credit Suisse in the UK, oversaw the bailout of London's megabanks. James Leigh-Pemberton is a financial advisor to Prince Charles, having served as Receiver-General of Charles's Duchy of Cornwall since 2000—a position also held by a member of his family in the 19th century. Like City of London Policy Chairman Boleat, Leigh-Pemberton, whose career has been in investment banking and "private banking" (personalised financial services for the very wealthy), is active on behalf of so-called capital markets convergence, or regulatory unification, to give the megabanks greater freedom of action, not only between the UK and the rest of the EU, but throughout the Transatlantic sector, between the EU and the United States.

A New World War?

For more than a quarter-century, the CEC's colleagues in the international Schiller Institute and *Executive Intelligence Review* magazine have warned that the kind of bankers' dictatorship taking shape as the core of the European Union was fraught not only with hardship for the peoples of Europe, but with the danger of war, because of the financial oligarchy's propensity to provoke showdowns with nations that refuse to capitulate to its world domination. The EIR Special Report *"Europe 1992": Blueprint for Dictatorship*, published in 1988, already then pointed to the special role of the City of London in shaping the EU.



This 1988 EIR Special Report highlighted the special role of the City of London in shaping the European Union, which was then being formed.

Indeed, arch-imperialist Sir Winston Churchill's post-war "single Europe" campaign was interlinked with the launch of the Cold War. Churchill convened his European Movement at a meeting in Paris in May 1948, two years after his famous Iron Curtain speech of March 1946, delivered in Fulton, Missouri with U.S. President Harry S Truman at his side. There, Churchill had called for world government ("the continuous rise of world organisation") through "the fraternal association of the English-speaking peoples. This means a special relationship between the British Commonwealth and Empire and the United States." It would be fundamentally a military alliance, he said, with supranational armed forces, a monopoly on nuclear weapons, and a determination to force the Soviet Union to accept its dictates.

Sir Arthur Salter, a leading figure of the Anglo-American Round Tables and one of Jean Monnet's closest collaborators for several decades **(p. 16-21)**, had set forth the same perspective in a 1938 memorandum, writing that a world government must be established, even if it took "world destruction" to achieve this goal: "I believe indeed with [Round Table chief] Lord Lothian, and H.G. Wells and others that ultimately some form of world federation, with the abandonment of national sovereignty, is the only permanent and sure method of avoiding wars. But I have always thought that the most practical way towards that was by the gradual surrender and subordination of sovereign rights through successive treaties and settlement of disputes, etc., under the League [of Nations] system. The alternative would seem to be a speculative gamble on the seizure of power, after world destruction, by a group of people endowed with the impossible combination of those qualities which bring men to the top at a time of chaos and those which would enable them then to construct a free system of government on federal principles (like Wells's idealised airmen)."[3]

The two processes—creation of a "united Europe" as a stepping-stone to world government, and showdown with Russia—are still at the core of Anglo-American imperial policy today. Echoing the *Drang nach Osten* of Nazi Germany, NATO drives relentlessly towards the borders of Russia, violating promises made to its leaders in 1990. New generations of nuclear weapons are slated for Europe, in the framework of changes in doctrine providing for their first use. In support of such confrontation, Prince Charles smears Russian President Vladimir Putin as "doing just about the same as Hitler". Chatham House, of which the Queen is patron, while her Private Secretary Sir Christopher Geidt sits on the Advisory Board, plugs in a March 2016 report for the inevitability of a military showdown with Russia.

If you, the citizens of the United Kingdom, vote for Brexit on 23 June, you will not only do yourselves an enormous favour and perhaps also ignite the disintegration of the fascist European Union, but you may well also help avert a thermonuclear World War III. Then you must move quickly to the real work: adopt Glass-Steagall banking separation **(p. 53-4)** as the urgent first step towards establishing credit-creation for economic development to benefit nations and people in the UK, the Commonwealth and beyond, free from the dictates of the intertwined political and financial oligarchies.

Sincerely,

Craig Isherwood
National Secretary
Citizens Electoral Council of Australia
20 May 2016

3. J. Arthur Salter, "Notes on foreign policy", 8 March 1938, in Sydney Aster, ed., *Appeasement and All Souls: A Portrait With Documents, 1937-1939* (London: Cambridge University Press for the Royal Historical Society, 2004).

The British Empire's European Union

By Allen Douglas

The following dossier was compiled in early 2008[1] as part of the LaRouche movement's attempt to stop the consolidation of the genocidal European Union under what was soon to be adopted as the Lisbon Treaty. It remains timely because it documents the process by which, following World War II, the British Empire, acting through its City of London/Wall Street financial oligarchy, *step by step created the EU in order to further imperial schemes for world rule.*

Today's EU was denounced by Portuguese Socialist Party leader and two-time presidential candidate Manuel Alegre, in a 26 March 2013 article in *Jornal i*, as having already created one giant Nazi-style "concentration camp", particularly for the nations of southern Europe; and by Italy's former economics minister Giulio Tremonti in his 2012 book *Uscita di Sicurezza* (*Emergency Exit*) as constituting the rule of "financial fascism": "What to date has been seen in Europe and in certain states is only the beginning of that which, if we don't recognise it, if we don't resist, will take shape in a growing transfer of power outside of the scope of republican democracy, into an unwritten—indeed, it no longer even needs to be written—*Ermächtigungsgesetz*. The law for full emergency powers inspired by Carl Schmitt, and with this the emergency—I repeat—of a new form of fascism: financial fascism, white fascism."

This new form of fascism is a direct heir of the fascist regimes of Hitler, Mussolini, Petain's Vichy France, Franco, et al. If it is to be defeated, its present and intended victims must know the history of its creation, and thereby the face of their enemy.

Introduction

American economist Lyndon H. LaRouche, Jr. warned in a 10 October 2007 webcast, that if mankind is not to plunge into a generations-long New Dark Age, the United States must revive its unique constitutional heritage of a "public credit" system, and wield it to defeat the mortal enemy of all mankind—the City of London-centred British Empire, a Venetian-modelled, medieval-style "dictatorship of international finance".[2] A USA freed of the British-run Bush/Cheney and Obama plague and returned to the American System of its Founding Fathers, and of Presidents Lincoln and Franklin Delano Roosevelt, could rally a Four-Power Alliance of itself, Russia, China and India, to "break the power of the British Empire" by initiating a New Bretton Woods international monetary system. Each government in such a system would secure its national sovereignty through control of its own national credit.

But, many have asked, "What about Europe?" What is the role of the 28-member European Union, with its almost half a billion people—more than the United States and Russia combined—and an economy larger than either? LaRouche gave the short answer in that webcast: "Every part of Central and Western Europe is actually an oligarchical system, in which there is a higher power than government. That higher power is central banking. Central banking is private central banking, … [which] controls the governments." Thus, Europe today groans under the dictatorship of the European Central Bank and the euro currency, established by the 1992 Maastricht Treaty on European Union, with its strict proscription against sovereign national credit-creation for productive investment.[3] A growing number of EU member countries are losing population, while youth unemployment has soared throughout the bloc. The ability of the region's economies to sustain their people is impaired by the bankers' dictatorship enshrined in the EU institutions **(Figs. 1-4, p. 8)**.

This dictatorial regime did not begin in 1992, nor even with the 1957 Treaty of Rome that established the precursor institutions to today's EU. Its proximate roots reach back to the Anglo-French Entente Cordiale of the World War I era, but the bankers' one-Europe scheme really took off following the untimely death of President Roosevelt on 12 April 1945. His successor, President Harry S Truman, ripped up FDR's nation-building policies for the post-war world **(p. 11)**, substituting a continuation, in new guise, of the British Empire system of colonialism, usury and endless wars.

It is the continuing, disastrous legacy of the "Truman era", from which Europeans, as well as Americans, must free themselves. Looking into the policies and institutions which Anglo-American leaders foisted upon a prostrate, war-torn Europe then, can help Europeans—and ordinary Britons—free themselves from the tyranny of the EU today. The history of the Truman era in Europe demonstrates the British authorship of the Maastricht package, though the British, like the Venetians before them, often deploy other nationalities to do their dirty work.

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1. Some details have been updated to 2016.

2. Lyndon LaRouche, "Save the American Republic from the British Empire!", *EIR*, Oct. 19, 2007.

3. The European Constitution, a draconian update of the Maastricht Treaty, was put forward in 2005, but rejected that year in French and Dutch national referenda, while polls showed overwhelming opposition to it throughout Europe. Yet, at the October 2007 Lisbon summit, EU leaders agreed simply to rename the constitution as the European Reform Treaty, and sign it in December 2007. In February 2008 France ratified the Lisbon Treaty, after Parliament had amended the French Constitution to allow ratification without a referendum. It took effect in December 2009.

1. The New British Empire

The universally acknowledged father of today's EU was Jean Monnet (1888-1979). Nominally French, Monnet was a life-long agent of the City of London, in particular of the Lazard Frères investment bank at the centre of the Cecil Rhodes-descended British Round Table. The European Constitution and its repackaged version, the Lisbon Treaty, continue that tradition of *British* authorship of a "united Europe". It was drafted by Britain's Lord Kerr of Kinlochard, former UK ambassador to the EU (1990-95) and permanent under-secretary at the British Foreign Office and head of the Diplomatic Service (1997-2002), who was secretary general of the EU's Convention on the Future of Europe in 2002-03.The Convention's nominal president, former French President and one-worldist aristocrat Valéry Giscard d'Estaing, stated that 95 per cent of Kerr's text was still present in the Lisbon treaty.

Kerr is also a power in the City of London financial centre. As a director of Shell Transport & Trading, he oversaw its 2005 merger with Royal Dutch Petroleum to form Royal Dutch Shell, of which Kerr was then deputy chairman until 2012. He has been a director of both Rio Tinto (in which Queen Elizabeth II has been a major private stockholder) and the world-girdling, century-old Scottish American Investment Trust ("Saints").[4] He was a director of the powerful Rhodes Trust (1997-2010). Kerr is also active in the organisations this dossier calls "The Oligarchy's World Government Gang" **(p. 13)**, being an executive committee member of the Trilateral Commission and on the steering committee of the Bilderberg Group.

The British have openly bragged about the EU's role as a satrapy of the British Empire. The City's flagship *Economist* magazine has proclaimed two pillars of this new British *imperium* to be 1) globalisation ("Britannia Redux", 3 Feb. 2007), and 2) the ever-expanding EU, whose euro already accounted for 25 per cent of world foreign currency reserves ("The European Union: Europe's mid-life crisis", 17 Mar. 2007). Britain has shaped the world, boasted the former article, through "deindustrialisation";

4. Saints was founded by financier Robert Fleming 1873 as part of his Robert Fleming & Co. merchant banking empire, later becoming a "trust of trusts". Its original mission was to seize control of U.S. railroads and to help bankrupt Jay Cooke, who had been a key financier of President Lincoln and the Union against the British-sponsored Confederacy during the Civil War.

Fig. 1. Net population growth rates, 2012

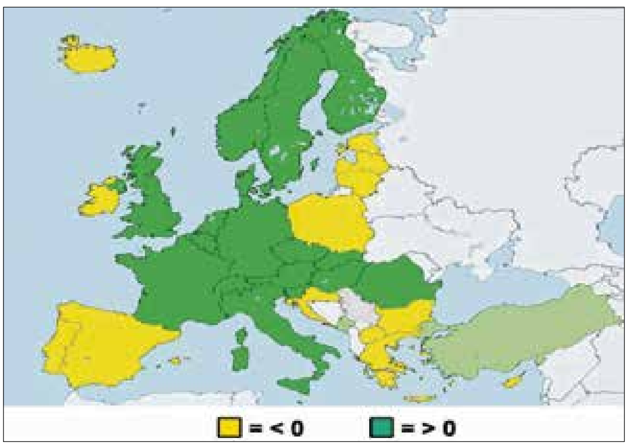


Fig. 2. European marriage rates, 2003 vs. 2012

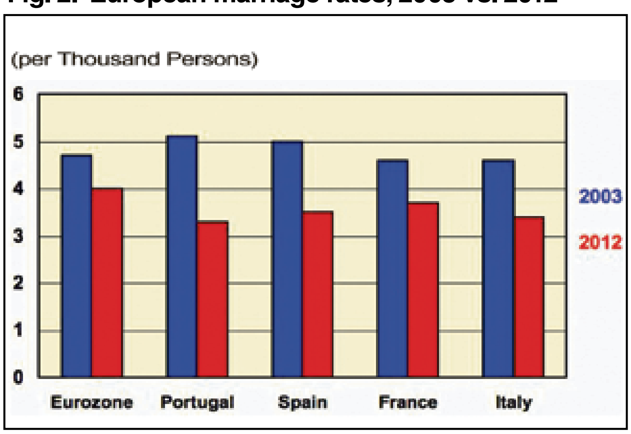


Fig. 3. Youth unemployment in Europe, 2008

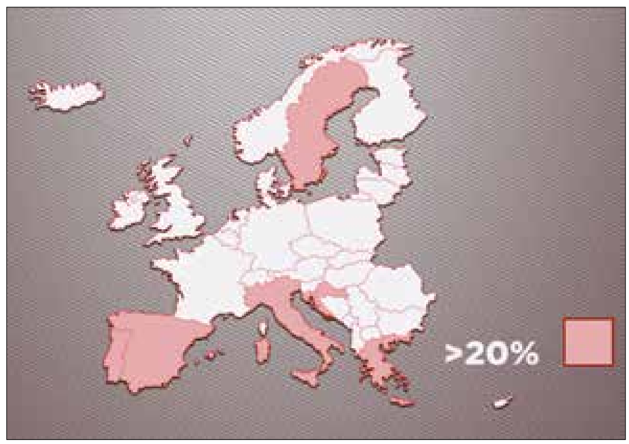
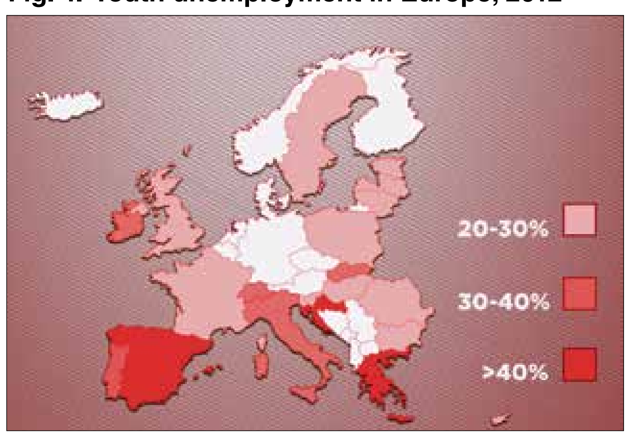


Fig. 4. Youth unemployment in Europe, 2012



Graphs and maps: *EIR*

and through control of "aid for Africa" (in the context of the manipulation of wars, so as to control the continent's raw materials reserves); the debate on climate change; "European enlargement"; and the imposition of free trade (globalisation)—all of which complement the power wielded by London, "the world's most important international financial centre".[5]

The cover of the 17 March 2007 issue of *The Economist*, London's premier financial magazine.

Accordingly, the October 2007 Lisbon summit agreed to push ahead with "globalisation", "ambitious climate change and renewable energy targets", and more "unified financial markets". The euro overtook the dollar as the main currency in the London-centred international bond market.

Other leading Britons have heralded the rise of the EU. The foreign policy wunderkind of New Labour, Mark Leonard, in 2005 authored a manifesto entitled *Why Europe Will Run the 21st Century*. British diplomat Sir Robert Cooper, an advisor on security to both Blair and Romano Prodi (as European Commission president), openly boasted that the new EU constitutes a "new imperialism". And St Antony's College, Oxford's Jan Zielonka, author of the 2006 book *Europe as Empire*, has toured the world to promote the EU as "truly imperialist" and a "neo-medieval empire", which will expand almost indefinitely. Even the present facade of "parliamentary democracy" in Europe will have to disappear, Zielonka exults, since "parliamentary representation can hardly work in a neo-medieval setting".

LaRouche, on 10 October 2007, summed up today's British Empire and its central banking-run continental European colonies: "That's an empire. That's the empire, the medieval empire, of the crusaders and the Venetians, the usurers. That's been the British Empire since February of 1763 when we [the soon-to-be USA] broke from the British on that issue."

5. *The Economist* knows whereof it speaks: key personnel in its Economist Intelligence Unit (EIU) worked since the 1950s to help create the EU in the first place. One of them, John Pinder, longtime head of the Federal Trust (a spin-off of the Federal Union founded by the Round Table in 1938), wrote the hysterical, book-length 1963 diatribe, "Europe against de Gaulle", in terror that the French President's pro-sovereignty "Europe of the Fatherlands" might replace Britain's "united Europe" schemes.

2. The Truman Era in Europe

The British imperial faction and its Wall Street allies used the Truman Administation to launch the Cold War, which broke up the U.S.-Russian wartime alliance and kept the world on the brink of nuclear warfare for decades, as it still is today.

The Economist's 17 March 2007 EU anniversary package included a piece of futurology titled "The European Union at 100", which depicted a British-led EU vanquishing both the United States and Russia, following a U.S. financial collapse and an EU-instigated U.S.-Russian nuclear confrontation over Ukraine.[6]

To understand the Anglo-American oligarchy's current strategic thinking, and its creation of and current plans for the EU, we must look back to the end of World War II, when British puppet Truman replaced Roosevelt as President of the United States.

With a beaming President Harry S Truman at his side, British ex-Prime Minister Winston Churchill proclaimed the original Cold War in his 5 March 1946 Iron Curtain speech in Fulton, Missouri. The "crux" of the matter, Churchill thundered, was that the Soviet Union must be confronted by a "special relationship between the British Commonwealth and Empire and the United States"—primarily a *military* relationship that would establish supranational armed forces and oversee the "continuous rise of world organisation" (Churchill envisioned the United Nations as a world government) by keeping the atomic bomb "monopolised" by the United States, Great Britain, and Canada for as long as possible.

Later that year, Lord Bertrand Russell demanded that if the Soviet Union—the ally which had lost over 27,000,000 of its citizens fighting Hitler—would not capitulate, then the Soviets should be bombed with nuclear weapons before they could develop their own. The Churchill and Russell declarations were followed by Truman's 12 March 1947 announcement, to a shocked U.S. Congress, of his British-instigated, rabidly anti-Soviet "Truman Doctrine"—a "virtual declaration of World War III", as a British visitor described it.

The Cold War: Britain Reshapes Post-war Europe

The British wielded the Cold War against Europe and the United States, as much as against Russia. The United States was to be reconquered, as Cecil Rhodes had called for at the turn of the 19th to 20th century, when he used his wealth to help launch the Anglo-American Round Table organisation. Next, a unitary UK-U.S. government was to be merged with a United States of Europe, for the promotion of which Churchill founded The

6. Indicative was the paper prepared by then-President of the European Commission President José Barroso for the 26 October 2007 EU-Russia summit. He argued that the EU must adopt a more aggressive posture towards Russia, which could well become an "enemy".

FDR's Post-Colonial Vision Challenged Churchill

Within a year of President Franklin Roosevelt's death in April 1945, his political allies saw that FDR's vision of a post-war world without empires was in jeopardy. One of them was his son Elliott Roosevelt, who had been his father's aide at all but one of the Big Three conferences during World War II. Elliott quickly brought out a memoir titled As He Saw It *(New York: Duell, Sloan and Pearce, 1946), which included this eyewitness account of the struggle that unfolded between FDR and Winston Churchill, during negotiations for the Atlantic Charter at the naval base of Argentia in Newfoundland in March 1941. By the time the book appeared, Wall Street figures more sympathetic to the Empire model had seized the reins of U.S. policy. (Original punctuation has been preserved.)*

Churchill shifted in his armchair. "The British Empire trade agreements" he began heavily, "are—"

Father broke in. "Yes. Those Empire trade agreements are a case in point. It's because of them that the people of India and Africa, of all the colonial Near East and Far East, are still as backward as they are."

Churchill's neck reddened and he crouched forward. "Mr. President, England does not propose for a moment to lose its favored position among the British Dominions. The trade that has made England great shall continue, and under conditions prescribed by England's ministers."

"You see", said Father slowly, "it is along in here somewhere that there is likely to be some disagreement between you, Winston, and me.

"I am firmly of the belief that if we are to arrive at a stable peace it must involve the development of backward countries. Backward peoples. How can this be done? It can't be done, obviously, by eighteenth-century methods. Now—"

"Who's talking eighteenth-century methods?"

"Whichever of your ministers recommends a policy which takes wealth in raw materials out of a colonial country, but which returns nothing to the people of that country in consideration. *Twentieth*-century methods involve bringing industry to these colonies. Twentieth-century methods include increasing the wealth of a people by increasing their standard of living, by educating them, by bringing them sanitation—by making sure that they get a return for the raw wealth of their community."

Around the room, all of us were leaning forward attentively. Hopkins was grinning. Commander Thompson, Churchill's aide, was looking glum and alarmed. The P.M. himself was beginning to look apoplectic.

"You mentioned India", he growled.

"Yes. I can't believe that we can fight a war against fascist slavery, and at the same time not work to free people all over the world from a backward colonial policy."

"What about the Philippines?"

"I'm glad you mentioned them. They get their independence, you know, in 1946. And they've gotten modern sanitation, modern education; their rate of illiteracy has gone steadily down…."

"There can be no tampering with the Empire's economic agreements."

"They're artificial…"

"They're the foundation of our greatness." …

It was an argument that could have no resolution between these two men. …

Churchill had got up to walk about the room. Talking, gesticulating, at length he paused in front of Father, was silent for a moment, looking at him, and then brandished a stubby forefinger under Father's nose.

"Mr. President", he cried, "I believe you are trying to do away with the British Empire. Every idea you entertain about the structure of the postwar world demonstrates it. But in spite of that"—and his forefinger waved—"in spite of that, we know that you constitute our only hope. And"— his voice sank dramatically—"you know that we know it. You know that we know that without America, the Empire won't stand."

Churchill admitted, in that moment, that he knew the peace could only be won according to precepts which the United States of America would lay down. And in saying what he did, he was acknowledging that British colonial policy would be a dead duck, and British attempts to dominate world trade would be a dead duck, and British ambitions to play off the U.S.S.R. against the U.S.A. would be a dead duck.

Or would have been, if Father had lived.

Hague-based European Movement in 1948. This Anglo-American-European entity would rule a world returned to feudalism.[7] It was to be a world run at the top by a tyrannical "dictatorship", in the words of long-time Round Table intelligence chief Arnold Toynbee.[8]

This intention mid-wifed a series of institutions:

• the pro-British, anti-German French Commissariat Général du Plan (General Planning Commission), established in 1945;

• the Marshall Plan, beginning in 1948, which was

7. Carroll Quigley, *Tragedy and Hope: A History of the World in Our Time* (New York: Macmillan, 1966), p. 1287. Writing the history of the Round Table, whose aims he shared, Quigley summed up the British strategists' vision as "the disintegration of the modern, unified sovereign state and the redistribution of its powers to multilevel hierarchical structures remotely resembling the structure of the Holy Roman Empire in the late medieval period."

8. Arnold J. Toynbee, *Surviving the Future* (London and New York: Oxford, 1971), p. 112-4.

written not by U.S. Secretary of State General George Marshall, a patriot, but by an anglophile Wall Street cabal at the State Department, led by the rabidly anti-Soviet, one-worldist George Kennan. It was shaped so as to bar the USSR from the reconstruction process in Europe; throttle the U.S. heavy-industry powerhouse in favour of "consumerism"; and foster a single "common currency" for all of Europe. Contrary to its later image, the Anglo-Americans had to ram the Marshall Plan down the throats of the Europeans, due to its anti-sovereignty, "single Europe" direction. The Anglo-Americans had wanted Monnet himself to head the Marshall Plan's European coordinating body, the Organisation for European Economic Co-operation (OEEC, today's OECD), but had to settle for his intimate Robert Marjolin.

• the European Coal and Steel Community (ECSC), founded in 1951 to harness European re-industrialisation to the requirements of the Cold War, and serve as a seed crystal for European unification by creating a European "metals and minerals super-state", as one of Monnet's biographers put it;

• Euratom and the Common Market, established under the Treaties of Rome of 1956-57 (the "European Community") and their progeny: the "single Europe" Maastricht dictatorship of 1992, the European Central Bank and euro of 1999, and today's European Reform Treaty (Lisbon Treaty).

These projects were designed as economic cartels, buttressed by military alliances—first NATO, established in 1949 to "keep the Americans in, the Germans down, and the Soviets out", in Lord Ismay's adage, followed by the 1952-54 attempt to establish a European Defence Community (EDC),[9] which would have inaugurated a more dictatorial "unified Europe" than even that of today's Maastricht and European Central Bank.

Britain's Jean Monnet

Perhaps no single individual more exemplifies these schemes than the international financier Jean Monnet, a protagonist of each of them. A leader of the French "Synarchy" for most of the 20th century, Monnet was the founding father of today's EU. The EU itself, the 17 March 2007 *Economist* and numerous other publications in the EU's 50th anniversary year, 2007, rightly proclaimed him so.

9. The EDC project failed. De Gaulle ridiculed the transparent motives behind Monnet's effort to establish the EDC in the name of "defence against the Soviets": "Above an army, there has to be a government", de Gaulle explained with disdain. "That doesn't matter! Manufacture one, also stateless [just like the "stateless" supranational army], a convenient technocracy, which we shall christen 'Defence Community'." He called it "this artificial monster, this robot, this Frankenstein, which is called a 'community' to fool people." A mobilisation led by de Gaulle and the French Communist Party narrowly defeated the EDC in the French Parliament.

U.S. President Harry S Truman and British ex-Prime Minister Winston Churchill in Fulton, Missouri, 6 March 1946. Churchill had given his famous "Iron Curtain" speech the previous day. Photo: U.S. National Archives.

The Synarchy, a freemasonry-centred, anti-nation-state international apparatus, had been extensively investigated by U.S. and French FDR-era national intelligence agencies. A French military intelligence document of July 1941 on the "Synarchist Movement of Empire" (SME) described it as follows: "The Synarchist movement is an international movement born after the Versailles Treaty, which was financed and directed by certain financial groups belonging to the top international banking community. Its aim is essentially to overthrow in every country, where they exist, the parliamentary regimes which are considered insufficiently devoted to the interests of these groups and therefore, too difficult to control. … SME proposes therefore to replace them by regimes more docile and more easily manoeuvrable. Power would be concentrated in the hands of the CEOs of industry and in designated representatives of chosen banking groups for each country."[10]

10. The cited document is one of dozens of similar descriptions examined by *EIR* researchers in U.S. government archives of the State Department, Army Intelligence and Naval Intelligence, the Office of the Coordinator of Information (COI) and its successor, the Office of Strategic Services (OSS); and in the archives of French investigator Roger Menevée at the University of California at Los Angeles (UCLA). Likewise, in his official history of the Roosevelt Administration's dealings with Vichy France, *Our Vichy Gamble* (Shoe String Press, 1947), OSS veteran and Harvard professor William L. Langer supplemented his own exhaustive archival research with interviews of top American officials, including OSS head Gen. William Donovan and President Roosevelt himself. Langer wrote of the Vichy government, dominated by officials and agents of the Lazard subsidiary Banque Worms which ran the wartime pro-Nazi Vichy regime in France, "These people were as good fascists as any in Europe. … Many of them had long had extensive and intimate business relations with German interests and were still dreaming of Europe on fascist principles by an international brotherhood of financiers and industrialists." *Children of Satan* (Washington: Lyndon LaRouche Political Action Committee, 2004), documents the continuity of the 1930s and wartime synarchists into the circles of then-Vice President Dick Cheney and related "neoconservatives", who

Bust of EU founder Jean Monnet.
Photo: Wikimedia Commons/Palais de la Paix, Den Haag.

From the outset of his political career during World War I, Monnet, by his own account, intended to eliminate nation-states in favour of a federated Europe with a common currency and a ruling central bank. His closest British connection was the Lazard Bank; he was the protégé of Lord Robert Brand, a Lazard executive for 50 years.[11]

When FDR organised the British under Churchill to finally fight the Hitler whom the British imperialists themselves, together with their Wall Street allies, had created, it was clear that the enormous U.S. industrial capability could ensure the Allies' ultimate victory. These were the circumstances—"when Roosevelt was winning", as LaRouche put it in a discussion with colleagues—under which Monnet put a different face forward, and crafted his reputation as an advisor to FDR.

Lord Brand chaired the British Supply Council in North America during World War II. He dispatched Monnet to Washington as the BSC's vice president (1940-43), to ingratiate himself with the winning side and to lobby FDR for the fastest possible war build-up to aid a beleaguered Britain. Yet the U.S. associates of this "advisor to FDR" were the cream of the Morgan-centred establishment, who were some of Roosevelt's most dedicated enemies. Among them were J.P. Morgan partners Thomas Lamont and Dwight Morrow, the Dulles brothers, John J. McCloy, Averell Harriman, Dean Acheson, the C. Douglas Dillons (father and son), and Dean Rusk.

Monnet's career runs like a red dye through Anglo-Dutch schemes for world domination, beginning with the formation of international cartels during World War I; through such Round Table projects as the League of Nations (Monnet was its deputy secretary-general) and the rise of Hitler; and into the post-war world, where the eventual creation of the "single Europe" of Maastricht was the culmination of Monnet's scheme for a unified Europe, dominated by the City of London and the French Synarchy.

Among his many disciples are two of the most notorious synarchists of the late 20th century: George W. Ball, the now-deceased international chairman of Lehman Brothers and former U.S. under secretary of State, and Felix Rohatyn, long-time Lazard partner, and advisor to the CEO of Lehman Brothers from 2006 until its demise. Ball proclaimed himself "one of many amanuenses" of Monnet, in whose home Ball often stayed. He continued Monnet's theme of economics determining politics, in his calls throughout the 1960s and 1970s for global corporations to supersede "the political boundaries of nation-states", which Ball considered "too narrow and constricted". Rohatyn, long the virtual proprietor of the U.S. Democratic Party, has "preferred to think of himself ... in the mould of his hero, Jean Monnet", though modestly demurring, "I don't flatter myself into thinking I'm Jean Monnet."[12]

Monnet's career also sheds light on the Dutch side of the Anglo-Dutch oligarchy: throughout his post-war "one Europe" schemes, his right-hand man was Max Kohnstamm, former private secretary to the Dutch Queen Wilhelmina (mother-in-law of the ex-Nazi and Bilderberg Club founder Prince Bernhard), godfather to the Dutch Royal Prince Constantijn, and long-time European head of the Trilateral Commission.

Monnet vs. De Gaulle and Adenauer

French President Charles de Gaulle and German Chancellor Konrad Adenauer stunned the world on 22 January 1963, when they proclaimed their Treaty of Franco-German Cooperation. Europe would indeed be united, the two statesmen announced, but through the collaboration of sovereign nation-states led by France and Germany, rather than the Anglo-Dutch and French synarchist plans for a "single Europe". The treaty was a Westphalian statement of principles, setting forth an agenda of frequent consultations on economic, security and foreign policy matters, as well as—in a "decisive role"—youth.

Coming just three months after the terrifying Cuban Missiles Crisis, when several years of Cold War tension around Berlin and other issues escalated to the brink of nuclear hot war between the United States and the Soviet Union, the de Gaulle-Adenauer alliance raised hopes for an improvement of the world situation: that a revived Europe of the Fatherlands could become a force for stability and cooperation, rather than the continent's being an arena for

were plotting a "worldwide U.S. imperium" following the fall of the Berlin Wall in October 1989. Such a formation would actually be run from London. French President François Mitterrand, according to his aide Jacques Attali, was devoted during his two terms to the cause of a "united Europe", threatening German Chancellor Helmut Kohl with war, should Germany not agree to the EU and the euro as a condition of German reunification. Mitterrand had been close to the Synarchy's leaders during the 1930s, as a decorated official of the Vichy regime, and in the post-war era.

11. Brand handled Monnet's personal finances. After the death of Lord Lothian in 1940, Brand headed the Anglo-American Round Tables, which, in the words of historian Quigley, ran "from the Morgan Bank in New York to a group of international financiers in London led by Lazard Brothers".

12. William D. Cohan, *The Last Tycoons: The Secret History of Lazard Frères & Co.* (New York: Random House, 2007), p. 6-8.

President Charles de Gaulle of France and West German Chancellor Konrad Adenauer in 1958.
Photo: Wikimedia Commons/German Federal Archives.

the manipulated conflicts of the Cold War.

The Anglo-Dutch oligarchy exploded in wrath. Truman's former Secretary of State, Cold War architect Dean Acheson, drafted a memo entitled, "January Debacle—need for prevention of a Gaullist Europe",[13] while "Monnet felt that de Gaulle wanted in reality to sabotage European integration with the treaty",[14] and campaigned against its ratification, especially in the German Parliament! Within months, Adenauer was driven from office in a British-orchestrated coup, and several assassination attempts were launched against de Gaulle, some of them from within NATO headquarters in Brussels.[15]

13. Extensive documentary material on Jean Monnet and his career has become available online in recent years through the European University Institute: Historical Archives of the European Union, based in Florence, Italy. Included are summaries of the collection compiled by Monnet's long-time collaborator François Duchêne, who thoroughly searched the private papers of most of Monnet's other contacts, held in collections in the United States, Britain, and continental Europe. The EUI divides its Duchêne collection into two sections, international sources called Jean Monnet Duchêne Sources (JMDS), and Jean Monnet American Sources (JMAS), which will be cited here accordingly. The 1963 Acheson memo is JMDS-116.

14. Bálint Szele, "'The European Lobby': The Action Committee for the United States of Europe", European Integration Research and Development Institute, Kodolányi János University College.

15. French intelligence reports about the provenance of these attacks were no doubt a contributing factor in President de Gaulle's decision to pull France out of NATO in 1965. The same synarchist apparatus had assassinated U.S. President John F. Kennedy on 22 November 1963. See Allen Douglas, "Italy's Black Prince: Terror War Against the Nation-State", *EIR*, Feb. 4, 2005. The British-directed ouster of Chancellor Adenauer within weeks of signing the Élysée Treaty is discussed in Hans-Peter Schwartz, *Konrad Adenauer: A German Politician and Statesman*, (Berghann Books, 1995): "At the beginning of February 1963, Adenauer feared a British plot to topple him. On 4 February, the French ambassador, Roland de Margerie, gave him an unusual warning. Edward Heath, the chief British negotiator in Brussels, had made it quite clear to various

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The Oligarchy's World Government Gang

The activities and associates of Monnet, whom his disciple Ernst H. van der Beugel called the *"auctor intellectualis"* of a "united Europe", overlapped especially three organisations of the Anglo-Dutch oligarchy: the **Congress for Cultural Freedom**, the **Bilderberg Club**, and the **Trilateral Commission**. Many members of these entities, in turn, had been among the 1,000 Europeans from 16 countries, present at The Hague in May 1948 when Winston Churchill founded the European Movement.

The Congress for Cultural Freedom

Raymond Aron. He headed a Modernisation Commission, attached to Monnet's Commissariat du Plan. According to Peter Coleman, historian of the Congress for Cultural Freedom (CCF), the "most influential" member of its Executive Committee, established in Berlin in 1950, was Aron, "a towering figure in twentieth-century intellectual life".

Denis de Rougement. President of the CCF Executive Committee, he proclaimed, "The old concept of 'national sovereignty' was obsolete and dangerous. A world order had to be set up, and Europe could serve as a model for it"—a New Middle Ages resembling the Burgundian Empire of the 10th century. De Rougement founded the European Cultural Foundation (ECF) in 1954, with financing from Shell, Unilever, Olivetti, and Agnelli. The ECF's first chairman was Monnet's co-conspirator, Robert Schuman of the "Schuman Plan". He was succeeded by the late Prince Bernhard of the Netherlands, founder of the Bilderberg Club. The ECF was headed for 24 years (until 2007) by Bernhard's daughter Princess Margriet, who was succeeded by her niece Princess Laurentien. The ECF sponsored Plan Europe 2000, a seminal work in preparing for Europe 1992—the Maastricht agreements.

Altiero Spinelli. A CCF leader and Monnet intimate, he co-drafted the treaty for the European Defence Community.

André Malraux. Along with Bertrand Russell, George Orwell, Arthur Koestler, and Sidney Hook, Malraux was a key figure in the founding of the CCF. Already in 1941, he had called for a "federal Europe excluding the USSR".

The Ford Foundation. The integration of the CCF and the Marshall Plan, and the latter's evolution into Monnet's united Europe schemes, is illustrated by the activities of the Ford Foundation, the main financial sponsor of the CCF. Ford had been a small, regional foundation from 1936 until 1951, when it received billions of dollars in stock endowments from Henry and Edsel Ford, making it overnight the largest foundation in the world. Its first chief executive after 1951 was Paul Hoffman, who had previously headed the U.S. Economic Cooperation Administration (ECA), which oversaw the Marshall Plan. ECA President Hoffman had lectured the Organisation for European Economic Cooperation's Council, in October 1949, that the ECA/OEEC goal was "nothing less than the integration of the Western European economy". At the time, an ECA study called for a "single European currency". The "vicious cycle of nationalism", declared Hoffman, must be defeated through unified "fiscal and currency policies". The ECA under Hoffman ran covert activities, including clandestine funding of the so-called free trade unions, which formed Monnet's political base.

Much of the Marshall Plan apparatus packed up and moved to the Ford Foundation along with Hoffman, including two top aides to Averell Harriman in the Marshall Plan, Milton Katz and Bernard Gladieux. Marshall Plan author George Kennan became head of Ford's East European Fund, a CIA proprietary working with émigrés from the losing side in the Russian Revolutions. The next two presidents of Ford were Richard Bissell, also from the ECA, and veteran one-worldist and old Monnet crony John J. McCloy, former World Bank head and high commissioner in West Germany.

The Bilderberg Club

Following the collapse of Monnet's European Defefence Community scheme in 1954, the Bilderberg Club was established under the patronage of Prince Bernhard, to continue the work of "European integration". The one-worldist insider, former U.S. Ambassador to West Germany George McGhee observed, "the Treaty of Rome which brought the Common Market into being was nurtured at the Bilderberg meetings", an observation seconded by Bernhard's biographer Alden Hatch.

Two other founding Bilderbergers were Józef Retinger and Paul Rijkens. Retinger had handled the preparatory work for the 1948 founding of Churchill's European Movement (reportedly with the quiet assistance of Monnet himself). That year Retinger, Churchill and Paul-Henri Spaak came to the United States to help set up the American Committee for a United Europe (ACUE), run by Allen Dulles. ACUE's secretary was George S. Franklin, later the executive director of the Trilateral Commission. ACUE funded the European Movement, as well as Monnet's Action Committee for a United States of Europe. Retinger became founding secretary of the Bilderbergers. Paul Rijkens was president of the Anglo-Dutch firm Unilever, whose investment banker was Lazard.

Noting that Monnet's EDC scheme had collapsed in 1954 due to Gaullist opposition, Fiat chief and Lazard intimate Gianni Agnelli identified the purpose of the new society: "European integration is our goal and where the politicians have failed, we industrialists hope to succeed." Prince Bernhard complained: "Here comes our greatest difficulty. For the governments of the free nations are elected by the people, and if they do something the people don't like they are thrown out. It is difficult to re-educate the people who have been brought up on nationalism to the idea of relinquishing part of their sovereignty to a supranational body."

After Retinger's death in 1960, former Marshall Plan official van der Beugel became the Bilderberg Club's secretary. Monnet's alter egos Pierre Uri and Robert Marjolin were both active in the Club. The U.S. end of the Bilderbergers was organised by Charles D. Jackson, an executive of Henry Luce's Time-Life empire and special assistant to the President for psychological warfare in the early 1950s. Jackson also helped to organise the CCF.

The Trilateral Commission

Two of Monnet's closest collaborators, Max Kohnstamm and Georges Berthoin, became European chairmen of the Trilateral Commission, founded in 1973. Their activities demonstrate the designs of Monnet's Anglo-Dutch controllers and their French Synarchist associates. Kohnstamm had been Monnet's private secretary at the European Coal and Steel Community.

In 1984 Jacques Delors was preparing to take up his post as head of the European Economic Community. His career had begun at the end of World War II as a member of Club Citoyens 60, associated with Monnet's Planning Commission. Now allegedly searching for the "Big Idea" to pursue as EEC leader, he consulted Kohnstamm. Delors's biographer Charles Grant reports, "That autumn, in Brussels, Delors had met a group of officials and industrialists brought together by Max Kohnstamm, who had been Monnet's chief assistant. After Monnet's death in 1979, Kohnstamm had become one of the guardians of the sacred name of federalism. The Kohnstamm group advised Delors to make the internal market his priority and to lay down a timetable for eight years (the life of Two Commissions) for its achievement." Delors did as instructed, aided by French President François Mitterrand. A life-long Synarchist, Mitterrand as of 1934 had been a member of the fascist Cagoule, created by synarchist Eugène Deloncle and financed by Eugène Schueller, the head of the cosmetics giant, L'Oréal, for which Mitterrand later worked. From 1985 to 1995, when Delors was president of the European Commission and Mitterrand was in his second Presidential term (1988-1995), Mitterrand worked intensely on supranationalism, particularly the European Monetary Union (EMU), which led directly to the euro and the European Central Bank. Mitterrand's counsellor Jacques Attali reported that implementing and going beyond the EMU "became his obsession."

Britain's Lord Kerr of Kinlochard, drafter of the European Constitution/Treaty, is a member of the Trilateral Commission's executive committee.

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Though out of power from 1945 until he resumed the Presidency of France in 1958 during the Algeria crisis, de Gaulle had fought Monnet's "single Europe" schemes tooth-and-nail, including his European Coal and Steel Community, his proposed European Defence Community, and his Treaties of Rome. De Gaulle repeatedly denounced Monnet as not only a "synarchist", but the "Inspirateur" (Inspirer) of the Synarchy.[16] Upon taking office in 1958, de Gaulle declared, "This is no longer the era in which M. Monnet can command."

3. Monnet and the Roots of Globalisation

Monnet was born in Cognac, France, in a prominent family of vintners. The family's deep ties to London, where Monnet spent 1904-06 on behalf of the family firm, garnered for the company the role of sole supplier of cognac for Canada's mighty Hudson's Bay Company (HBC). The HBC's two top executives were Lazard men, and two of the most influential financiers of the 20th century: HBC chairman Lord Robert Kindersley also chaired Lazard London, while his number two at HBC, Brand, was Lazard's managing director. Monnet's relationship with them became the launch pad for his career, of which Brand was to remain a sponsor for decades.

Kindersley was with Lazard from 1905 until his death in 1954; a director of the Bank of England from 1914 to 1946; and an architect, along with Brand, of the 1924 Dawes Plan for Germany. Brand was born into the cream of the British oligarchy: his father, Viscount Brand, was the 24th Baron Dacre. The Brands were intermarried with several families of the "Cecil bloc", the most powerful oligarchical complex in Britain, and two of his brothers were aides to the King.[17] Brand was the financial advisor to Lord Robert Cecil, reigning head of the Cecil bloc and chairman of the Supreme Allied Economic Council (SAEC) formed with the Treaty of Versailles in 1919. Brand would become Britain's top "America controller" from the time of his 1941-46 posting in Washington. He and John Maynard Keynes negotiated the huge U.S. loan of $3.5 billion in 1946 to bail Britain out of bankruptcy.

During World War I, Brand and Kindersley brought Monnet to London, initially representing France's Civil Provisioning Service, then expanding his activity into wartime Anglo-French joint "purchasing commissions", which would light the way to projected post-war cartels in food, shipping, armaments, etc. In turn, Monnet awarded their HBC the exclusive contract for importing war materiel to France from Canada, whose Imperial Munitions Board had been created by Brand. When France couldn't pay for the supplies Monnet ordered, he "appealed to his friends of the Hudson's Bay Company. They agreed to lend the Bank of France a billion in gold to pay for Canadian wheat."[18]

EFTA [European Free Trade Association] representatives a few days before, that the U.S. government would trigger off, with British support, a government crisis in Bonn within fourteen days, if ratification legislation for the Franco-German treaty were set in motion." As often, the British hand wore an American glove.

16. A second repository of unique archival material on Monnet is UCLA's Menevée Collection. French researcher Roger Menevée compiled documentation of Monnet's role as the spider in the web of the French Synarchy, particularly in a series of reports bylined by French investigator Robert Husson, titled "Monnet/Lazard Synarchy." A circa 1954 report by "a French Investigative Agency" is titled "The Lazard-Paris Bank and the Monnet-Lazard Team". Pierre Beaudry of *EIR* translated parts of that document, as well as other extensive portions of the Menevée Collection, from the original French into English; they are included in his 223-page unpublished memorandum "Synarchy Movement of Empire" (June 2005). Published articles by Beaudry and others based on the Menevée collection may be found at http://www.larouchepub.com.

17. Carroll Quigley, *The Anglo-American Establishment: From Rhodes to Cliveden* (New York: Books in Focus, 1981). Quigley observed that the Cecil bloc "has been all-pervasive in British life since 1886". It was the power of this Cecil-centred group that launched the Round Table of Cecil Rhodes, Lord Milner, et al., which included families such as the "Lyttleton (Viscounts Cobham), Wyndham (Barons Leconfield), Grosvenor (Dukes of Westminster), Balfour, Wemyss, Palmer (Earls of Selborne and Viscounts Wolmer), Cavendish (Dukes of Devonshire and Marquesses of Hartington), and Gathorne-Hardy (Earls of Cranbrook)."

The stunning power of the Cecil bloc dates from its being sponsored, beginning in the 16th century, by the financier oligarchy of Venice, an Anglo-Venetian alliance that never ended. In the modern era, joint projects of this Anglo-Venetian alliance have included the 19th century Propaganda Uno (P-1) freemasonic lodge of Lord Palmerston and Giuseppe Mazzini, and its 20th Century terror-sponsoring sequel, the P-2 lodge; the "New Dark Ages" commitment of the Round Tables, brought back to England from Venice by John Ruskin *circa* 1870; the British empire's "new imperialism", with its emphasis on ideology and indirect rule, à la Venice, also preached by Ruskin; the launching of World War I by means of the Balkan Wars, which were organised by British freemasonry and the Venetian group around Venice's Giuseppe Volpi (the same who brought Mussolini to power); and even the EU and its euro. Paralleling Monnet's efforts, Venice's Count Richard Coudenhove-Kalergi built his Pan-European Union for a "single Europe" throughout much of the first half of the 20th Century. And then there is former International Monetary Fund chief economist Robert Mundell, acclaimed as the "father of the euro": his career has been sponsored by the Siena Group, a project of the Monte dei Paschi di Siena bank of the Venetian Chigi family. The Chigi had financed Venetian bribery and mercenary operations to defeat the early-16th century League of Cambrai, which might otherwise have wiped the evil of Venice from the face of the Earth. Chigi family members were alive and active in the bank until at least the 1960s. Mundell has long frequented Siena, and his papers are published by the Siena bank.

In a 30 April 2006 address, Lyndon LaRouche explained the nature of the modern financial oligarchy: "You have colonies, colonies of a Venetian tradition, of financial oligarchies, using instruments such as central banking systems, to control governments as subject. Now, the fight in the Americas has always been against that. This is the old Venetian tradition, but since the middle of the 17th Century, the dominant force in oligarchy has shifted from Venice, without actually leaving Venice, but shifted to the Anglo-Dutch liberal aristocracy, the financial aristocracy."

18. Merry and Serge Bromberger, *Jean Monnet and the United States of Europe* (New York: Coward-McCann, 1969), p. 16.

For his services, the HBC provided Monnet a personal loan, which was later written off.

World War I occasioned the formation of the London-centred commodities cartels in their 20th century structure. In the process of cartelisation, the consolidation of economic control, Monnet and his sponsors saw the future *political* outlines of Europe as they wanted it to be.

Monnet's international rise began with selling cognac to the Hudson's Bay Company, whose executives Lord Robert Kindersley and Lord Robert Brand were also top managers at the investment bank Lazard Frères. These relationships lasted more than half a century.

At the war's outset, each nation fighting the Germans bought its own flour, meat, sugar, and other supplies. So, recounted Monnet, in order to "prevent competition from driving up prices", the British established the joint purchasing commissions. The first was the Wheat Executive, set up in 1916 by Monnet and J.A. (Arthur) Salter, a civil servant of the British Department of Transport and a Round Tabler, who later sat with Monnet on the Cecil/Brand SAEC. Salter went on to become general secretary of the Reparations Commission (1919-22), and then the director of the Economic and Finance Section of the League of Nations, until 1931. "In my mind", gloated Monnet, "the Wheat Executive was to be the prototype for a series of inter-allied institutions assuring common management of essential wares. ... All of a sudden, the notion of national interest was superseded ... by that of common interest."[19]

Other executives were established to handle oils, grain, fats, sugar, meat, nitrate, and, for transport, the Allied Maritime Transport Council (AMTC). Of the AMTC Monnet later wrote, "the Transport Executive opened a new dimension: it would control all ships, allied and neutral, their specifications, their movement, their loading. Such a permanent inventory was only made possible by the powerful intelligence network run by Salter. Gradually the new executive was to lead to the centralising of all supply programs. ... For the first time ever, there would be an instrument for knowing and acting in the big upon the economies of several nations, forcing them to trade hitherto secret information. It was warranted to imagine—and we certainly did—that this system would remain indispensable during the reconstruction period, and, having thus proved its value, would then serve as the regulator of international life."

19. Jean Monnet, *Memoirs*, English ed. (London: Collins, 1978). Unless otherwise noted, accounts and direct quotations from Monnet about his cartel-building during World War I, and later activities, are drawn from the *Memoirs*.

Monnet was not bashful about the political implications of this form of organisation: "During 1917-18, it is no exaggeration to say that the supplies for the armies and the civilian population could only be secured thanks to a system endowed with *quasi-dictatorial powers*." (Emphasis added.)

By war's end in November 1918, "the transportation pool had become ... the nerve centre of the whole war economy. It was able to be that of the post-war economy." Under U.S. President Wilson and his anglophile controller Col. E.M. House, the U.S. government had joined the various executives. French Commerce Minister Étienne Clémentel told Wilson, "This formula of world control of a commodity was convincing enough a weapon to back up a peace offensive. ... A peace pact that provided for economic sanctions against any State violating the pact, such must be the very basis for the League of Nations." Thus, as Monnet put it, "The world control of raw materials and commodities by the allies became a reality through the Executives and the Program Committees we ran out of London." For his wartime work for the British Empire, Monnet was awarded the Grand Cross of the Order of the British Empire, which would have entitled him to be addressed as "Sir", had he been (officially) English.

Thanks to opposition in the U.S. Senate and other institutions, the Americans soon left these cartels, because, Monnet complained, "for the Americans, the Executives were machines designed to strengthen London's world grip on raw materials."[20]

Monnet met other lifelong collaborators during his work on the AMTC, including J.P. Morgan partner Dwight Morrow and the Dulles brothers. At war's end, the AMTC was absorbed by the Cecil/Brand SAEC. Monnet and Clémentel proposed to Wilson that the SAEC should continue as the "hard kernel of the economic union" which should rule the world. Monnet was its French representative.

The League of Nations

The SAEC drafted the League of Nations charter, and Lord Cecil tapped Sir Eric Drummond, the 16th Earl of Perth and a fanatic for "international government", to head it. For the League's Deputy Secretary General, Cecil chose Monnet, who was only 31 years old at the time! The Round Table intended the League to be a world government, as Churchill later reflected in his Iron Curtain speech: "There were high hopes and unbounded confidence that ... the League of Nations would become all-powerful."

20. Allen Douglas, "U.S. Senators Once Did Fight Fascism!" *EIR*, Aug. 11, 2006. From World War I through 1946, members of the United States Senate, vigorously defended U.S. sovereignty against the encroachment of international cartels. Between 1938 and 1946, the Senate held many hearings on this matter, including the cartels' sabotage of U.S. war efforts. Notable were the nine-part hearings in 1941-42 on cartel control of patents, held by the Bone Committee, and the 16-part series on hindrances to the war mobilisation, held by the Kilgore Committee.

Monnet and H.G. Wells: From Transport Cartels to World Government

The British Empire unleashed World War I against the terrifying prospect of an alliance of sovereign nation states, developing industrially by what were known then as "American methods", and called the "National Economy" system in Germany and Russia. British strategists sought, out of the chaos of that war, to establish a World Government. Pivotal to the effort were Jean Monnet's wartime cartel-building efforts, followed by the world financial reorganisation projects he ran as deputy secretary general of the League of Nations.

When the first attempt didn't work, Fabian Society figure H.G. Wells, and others, began planning the next world war. The scenarios of Wells closely mirrored the methods of Monnet. Listen to Monnet, and then Wells, on the creation of economic cartels, particularly in transport, as the pathway to World Government.

Monnet

Writing on his World Government efforts during World War I, Monnet said, "The [London-centred –ed.] Transport Executive opened a new dimension: It would control all ships, allies and neutral, their specifications, their movement, their loading" and would "lead to the centralising of all supply programs. ... For the first time ever, there would be an instrument for knowing and acting in the big upon the economies of several nations. … It was warranted to imagine—and we certainly did—that this system would remain indispensable during the reconstruction period, and … would then serve as the regulator of international life." Through its "dictatorial powers", the Transport Executive "had become … the nerve centre of the whole war economy. It was able to be that of the post-war economy."

Wells

In 1933 Wells propagandised for the next war, in his novel *The Shape of Things to Come: The Ultimate Revolution*. Wells's fictional executive at the Geneva Secretariat of the League of Nations, Dr Philip Raven, transcribes nightly dreams, in which he looks back as if from the 21st century, at how World Government had emerged through this new 20th-century war.

Wells/Raven acknowledged the invaluable preparatory work of World War I toward this end: "In 1914 C.E. [Christian Era –ed.] the concept of an organised world order did not seem to be within the sphere of human possibility; in 1919 C.E. it was an active power in a steadily increasing proportion of human brains. The Modern State [World Government –ed.] had been conceived."

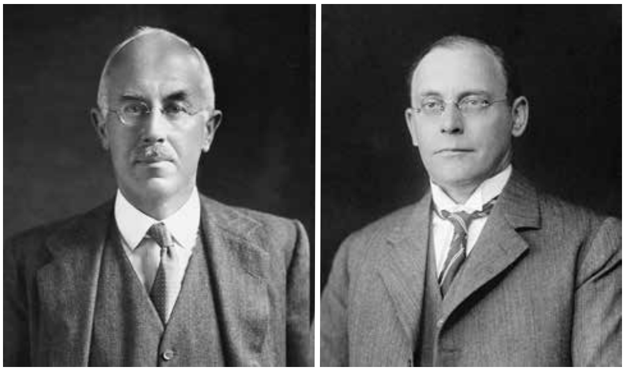
According to Raven's account, President Franklin Delano Roosevelt had taken office in 1933—the same year Wells wrote his novel—but was unable to deal with the Great Depression. This led to the next world war, beginning in 1940, which unleashed a period of chaos for two decades. Then, two conferences of economic and technical experts, in 1965 and 1976, gave birth to the World State.

The vehicle for that was the world cartel embodied in The Transport Union, which had gradually emerged from this second world war: The Transport Union "initiated various conferences of technicians and at last one in 1965, when it was reorganised as The Air and Sea Control and produced as subsidiary organs The Supply Control, The Transport (and Trading) Control, and Educational and Advertisement Control, and other Controls which varied from time to time. It was this Air and Sea Control which ultimately gave rise in 1978 at the Second Conference at Basra to the World Council. This was the first declared and formal supreme government of the world."

Salter and Lazard's Brand prepared the Brussels Economic Conference of October 1920, which established an Economic and Financial Organisation as a division of the League of Nations. Salter headed the unit, appointing as its section chiefs the men who had run the wartime cartels in London; they and their 120 employees just picked up wholesale and moved into the League's Secretariat! Under Monnet and Salter, this unit designed IMF-style "adjustment" schemes for nations emerging from World War I, such as Austria, Poland, Hungary, Greece and Bulgaria, based on drastic budget savings and the establishment of "independent central banks".

Still, Monnet lamented in his *Memoirs*, "national sovereignty prevented ... the manifestation of the general interest" (i.e., further looting). Wrote Monnet of Salter's staff: "These men had been co-opted one by one, regardless of nationality, and, which was unprecedented, they were disengaged from any allegiance to their respective nations in the execution of their duties". George Bernard Shaw exulted, in a Fabian Society pamphlet, about the League of Nations: "The really great thing that is happening in Geneva is the growth of a genuinely international public service, the chief of which are ministers in a coalition which is, in effect, an incipient international government. In the atmosphere of Geneva, patriotism perishes: a patriot there is simply a spy who cannot be shot."

These "reorganisations" were ultimately directed by the Bank of England, reported Monnet. The Bank of England had been the centrepiece of the Anglo-Dutch world financial system since its establishment in 1694, six



Lord Robert Brand (l.) of Lazard Frères and Round Table man J.A. Salter organised the 1920 Brussels Economic Conference, bringing Jean Monnet into the Economic and Financial Organisation, a unit of the League of Nations.
Photos: National Portrait Gallery, London

years after the Dutch King William of Orange's seizure of the English throne. Under Montagu Norman, the Bank of England would play the decisive role in bringing Hitler to power. Norman was Monnet's personal friend, of whom he said: "It is difficult to imagine nowadays what the prestige and power of this institution [the BoE] were at the beginning of the century. World credit was more or less set after it. ... He [Norman] invited me to stay at his home for a few days, and I became his friend."

Monnet left the League in December 1923. By August 1926, he had become deputy head of Société Française Blair & Co., the French subsidiary of the powerful Blair investment bank of New York. Now under private auspices, Monnet continued his League activities: "stabilising" currencies through austerity, and arranging international loans, including an infamous 1926 "currency stabilisation" of France, by which Lazard bled the country dry. His deputy at Blair & Co. was René Pleven, who was to be his stooge for decades to come, as foreign minister and prime minister of France, and would nominally author the early 1950s Pleven Plan for the European Defence Community (it was actually written by Monnet). Blair & Co. also floated a 1927 loan to "stabilise" the Polish zloty, in which Monnet's chief American partner was his old friend from the AMTC, John Foster Dulles.

With the outbreak of the Great Depression, U.S. President Franklin Delano Roosevelt fought those he called the "economic royalists" of Wall Street and London, to organise an economic recovery. In Germany, economist Wilhelm Lautenbach and his associates in the Friedrich List Society struggled, unsuccessfully, to do likewise.[21] Not Jean Monnet. He spent the 1930s working on a series of projects on behalf of the London-centred financial oligarchy.

In 1932 Monnet oversaw the liquidation of the financial empire of Ivar Kreuger, the famous Swedish match king, which controlled 80 per cent of the world supply of matches, "most of Europe's paper and wood-pulp production, fourteen telephone and telegraph companies in six countries, a considerable part of the farm-mortgage systems of Sweden, France and Germany, eight iron-ore mines, and numerous other enterprises, including a considerable group of banks and newspapers in various countries."[22]

Next, working for an international financial consortium which included Blair & Co., Lazard, and the Hongkong and Shanghai Bank, Monnet spent 1934-36 in China as an advisor to Finance Minister Dr T.V. Soong, brother-in-law of National Government Chairman Chiang Kai-shek. He brought in the Round Table's Arthur Salter to run China's National Economic Council.

Returning to New York, Monnet spearheaded Blair's attempt to take over A.P. Giannini's Bank of America through a Blair holding company, Transamerica. The bank heist failed, but not before Monnet had stolen the wife of Giannini's just-married son, an Italian aristocrat named Silvia di Bondini.

Monnet's powerful friends lined up his next job: "After the collapse of the Transamerica holding company, in which Monnet was involved, it was [John Foster] Dulles and Robert Brand of the Lazard Frères financial empire who brought [business] his way."[23] Dulles provided the funding for Monnet and his friend, the pro-Nazi financier George Murnane, to go into investment banking.

Aiding Hitler

With war on the horizon, Monnet in December 1939 was appointed to head the Anglo-French Coordinating Committee in London, to reprise his World War I role in creating joint Anglo-French purchasing committees-cum-cartels, for all war supplies. He had done a preliminary such procurement assignment, from French President Edouard Daladier, the year before, meeting President Roosevelt and other U.S. officials about the purchase of planes for France. Already then, Monnet had incurred the suspicion of Secretary of the Treasury Henry Morgenthau because of his banking connections.

From London, Monnet attempted in the Spring of 1940 to negotiate a formal union of the French and British governments. When the fall of France in June 1940 put an end to that scheme, Lord Brand secured Monnet's appointment as vice president of the British Supply Council. In this capacity, Monnet spent a good deal of World War II in the United States.

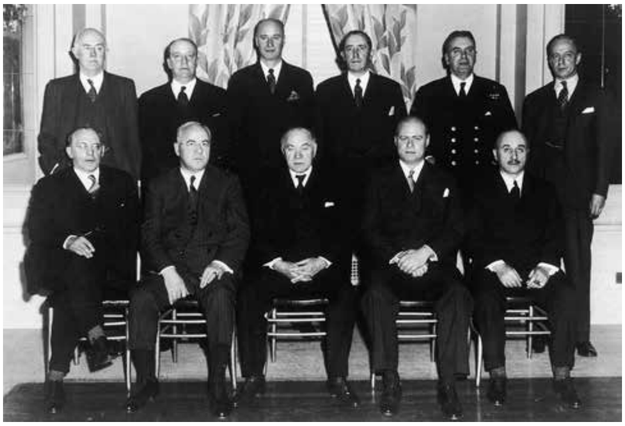
Morgenthau, who oversaw arms sales to France and Great Britain until the establishment of the Lend-Lease program in 1941, opened an investigation of Monnet because of his pre-war business deals with Nazi Germany, and because "he and Murnane hid the German ownership of companies from the US Government."[24] Of particular

21. Helga Zepp-LaRouche, "Germany and the Lautenbach Plan: Can We Learn From History?" *EIR*, Dec. 27, 2002.

22. Quigley, *Tragedy and Hope*, p. 358.

23. JMDS.A-01 Inter-War Years.

24. JMAS.C-02 Morgenthau Diaries; JMAS-43 Treasury Investigation 1942.



In this 1942 group photo of the British Supply Council team in the USA, Sir J.A. Salter is seated in the front row, far left. Jean Monnet, the Council's vice president, sits at the far right of that row. In the center sits Max Aitken (Lord Beaverbrook), the formerly pro-Nazi press magnate. R.H. Brand of Lazard Frères is in the back row, far left. Photo: Keystone/Stringer/Getty Images

interest was a company chaired by Murnane, American Bosch, which was a subsidiary of a German cartel at the heart of the Nazi war machine.

The Stuttgart-headquartered Bosch was the main European producer of automotive and aviation components, and held a "near monopoly" worldwide in the manufacture of fuel injection systems, according to the Justice Department. Its U.S. affiliate "served the Nazis as an instrument of economic warfare by using fuel injection agreements with foreign companies to restrict production and research outside of Germany and to obtain technical information for Germany's use", and it also supplied U.S. minerals and cotton to the Nazis.[25]

Murnane and Monnet were ultimately cleared, and "thanks to [Monnet's] many supporters ... [he] did not lose respect in Whitehall and Washington."[26] John J. McCloy, later known as "the chairman of the American Establishment", was one of those supporters. His papers include a "reply by McCloy to memo on possible links between Monnet and German spies", to which McCloy spluttered, in a letter of 27 June 1942, "I think I know Monnet and his background as well as anyone in Washington and I am certain of his loyalty."[27]

But the investigation drew FDR's personal interest. It "impelled him to study foreign ownership of American corporations ... to prevent any foreigner or foreign corporation from owning large stocks or bonds in American corporations."[28] The notorious American Bosch was also investigated by the Office of Alien Property Custodian and by the Kilgore Committee of the U.S. Senate.[29]

Morgenthau did not stop with Monnet, but also investigated Brand, as well as Brand's bank, Lazard Frères, for which Murnane would soon become a senior figure.[30]

Besides protecting Nazi cartels, Monnet kept his finger in plots for World Government. On the eve of World War II, Felix Rohatyn's stepfather, the Round Table's Clarence Streit, published his infamous book *Union Now*, which called for the immediate merger of the United States, Britain, Canada, and "other Atlantic democracies", as a stepping-stone to "world union". To facilitate this merger, Monnet and John Foster Dulles drafted plans for an Inter-Economic Council, modelled on the Cecil/Brand SAEC of 1919, while Streit and Monnet discussed the "possibility of including all Europe in this Union".

The Commissariat Général du Plan

In December 1942 Monnet wrote to FDR, pushing Britain's choice to head all French forces outside France, General Giraud, instead of de Gaulle. Monnet despised de Gaulle's defence of national sovereignty, and charged that his proposed approach to the post-war reconstruction of France through a strong state (as opposed to cartels), constituted "arbitrary action with the risks of fascism".[31]

Two of Monnet's co-conspirators against de Gaulle were McCloy, now assistant secretary of war, and Robert Murphy, the U.S. liaison to Giraud in Algiers and the chief U.S. sponsor in North Africa of the infamous synarchist Jacques Lemaigre-Dubreuil. The latter, a regent of France's central bank, the Banque de France, run by France's "200 families", was featured in a lengthy, scathing memo by OSS chief William Donovan to FDR, titled "Bank Worms and Synarquisme".[32] As post-war ambassador to Belgium, Murphy would continue to work with Monnet, championing his "united Europe" schemes.

Monnet arranged to be sent to Algiers as minister of armament and supply for the French National Liberation Committee (CFLN), at first co-headed by Giraud and de Gaulle, and then led by de Gaulle alone. He tried to divert the de Gaulle-led Resistance in the direction of synarchism, as in his declaration to an 15 August 1943 meeting of the CFLN that "there will be no peace in Europe, if the states are reconstituted on the basis of national sovereignty. ... The countries of Europe are too small to guarantee their peoples the necessary prosperity and social development. The European states must constitute themselves

25. Robert Franklin Maddox, *The War Within World War II. The United States and International Cartels* (Westport, CT: Praeger Publishers, 2001), p. 19.

26. JMAS.C-02 Morgenthau Diaries.

27. JMDS-22 Jean Monnet and John McCloy.

28. JMDS-27 Treasury Investigation.

29. 1943-45 Hearings of the Sub-Committee on Scientific and Technical Mobilisation of the Committee on Military Affairs, chaired by Senator Harley M. Kilgore (D-WV), the "Kilgore Committee."

30. JMDS-27 Treasury Investigation.

31. JMDS-35 Reports on Situation in North Africa.

32. Anthony Cave Brown, *Wild Bill Donovan: The Last Hero* (New York: Time Books, 1982).

into a federation."[33]

Throughout 1942 and 1943, Roosevelt was organising an alliance of "United Nations", which he saw as key to a peaceful post-war world. In a declaration signed in Moscow on 30 October 1943, the United States, the Soviet Union, the United Kingdom, and China called for the formal establishment of a permanent body with this name, and the United Nations Relief and Rehabilitation Administration (UNRRA) was established at a 44-nation conference at the White House on 9 November.

That month, Monnet returned to Washington as the French delegate to the Council of UNRRA. That post, plus his close friendship with McCloy, who chaired the Special Committee for Civilian Affairs for Europe, allowed Monnet to control the flow of American money to France. His American friends lionised him as the man to run post-war France, as in a Summer 1944 feature in *Fortune* magazine (owned by Mussolini-supporter Henry Luce), titled "Mr. Jean Monnet of Cognac". There Monnet foreshadowed the trajectory of which the Commissariat Général du Plan was to be only the first step: "There would be much to be changed: in the structures of France first, next in the way Europe was organised." He reiterated the message he had delivered to the CFLN: "The states of Europe must form a federation or 'European entity' which will make them a single economic unit."

In May 1944 the CFLN under de Gaulle became the French provisional government, and created a Ministry of the National Economy under Pierre Mendès France. Monnet and his friends, notably the "economic liberals" René Pleven and René Mayer, then helped "engineer Mendès' defeat" in the spring of 1945, according to a Monnet biographer. This cleared the way for Monnet and his Plan, which even Monnet's fawning biographers, the Brombergers, described as a recasting of the earlier Vichy plan, developed under Banque Worms: "Under Vichy, a technocratic, modernising current of thought assumed great importance, and the Délégation Générale à l'Équipement Nationale, the Office Centrale de Répartition des Produits Industriels, and the Comités d'Organisation, all in different ways anticipated the post-war Commissariat du Plan."[34]

In Washington as UNRRA delegate at the end of 1943, Monnet used his ties with the American side of the Anglo-American establishment, dating back to World War I, to secure control over all the American money flowing into France, including from Lend-Lease, loans and, a few years later, the Marshall Plan. This gave him power in France almost equal to that of de Gaulle himself, who had little choice but to appoint Monnet to head the Plan: "In dollar-hungry post-war France Monnet was the man who knew best how to loosen purse strings in Washington. To secure Lend-Lease assistance, de Gaulle vested Monnet as head of the French Plan, then a dormant agency, with commissarial authority. In February 1946 Monnet negotiated the Blum Loan, which kept the economy afloat for the next twelve months. In the next two years he managed to secure a disproportionate amount of Marshall Plan money for France. These flowed directly to the investment projects sponsored by the Commissariat du Plan, which ultimately depended for funding on neither Parliament nor the powerful inspectorate of finances: the tap line to Washington made Monnet a sovereign power in France."[35] He was, quite rightly, accused of "collusion with foreign interests".

Responsible to no one but (nominally) the head of state, Monnet was the Economic Czar of France. His commission, with a staff of only 100 people, drew up the plan for the reorganisation of French industry. Over the next 20 years, there were 28 French governments, but only three directors of the Plan.

The core of the Plan was its Modernisation Commissions, corporativist councils of industry, labour and business, similar to what the Venetian financier Giuseppe Volpi had set up in Italy in the 1920s and 1930s, as Mussolini's finance minister and later head of the Fascist Confederation of Industrialists. The Commissions reported to the General Planning Commission, which Monnet chaired, and which included the Three Musketeers who were to be leaders in Monnet's "united Europe" schemes of the following decades: Robert Marjolin, Étienne Hirsch, and Pierre Uri.

The Plan emphasised building up heavy industry to make France, not Germany, the leading power in Europe, pouring investments into the nationalised electricity, coal and rail transport industries, the non-nationalised steel and cement industries, and, as a result of pressure by France's large farm lobby, agricultural implements. Insofar as Monnet's Plan aimed at a strong France, de Gaulle supported it; since Monnet controlled the money, he had no choice but to approve it before he resigned as provisional President of the Fourth Republic in December 1945.

But the key economic policy question was, who would control France: the synarchists and their foreign sponsors, or the French nation? "General de Gaulle has declared that the grip of cartels upon the French economy must be broken", observed the head of the Policy Board of FDR's Anti-Trust Division, but Monnet intended the opposite. French Synarchy specialist Robert Husson wrote that, under the Plan, "Both the Lazard and Rothschild interests are moving for hegemonic control of the financial and economic domains". Given that oligarchic control, it was no surprise that "the growth in its [France's] industrial output was well below its neighbours" after the first five years.[36] This sluggishness was perhaps aided by Monnet directly, who

33. Pascal Fontaine (ed.), *Jean Monnet: A Grand Design for Europe* (Luxembourg: OOP, 1988).

34. Bromberger, op. cit., p. 87.

35. Ibid., p. 136-7.

36. Daniel Yergin and Joseph Stanislaw, *The Commanding Heights: The Battle Between Government and the Marketplace That Is Remaking the Modern World* (New York: Simon & Schuster, 1998), p. 32.

"astonished his listeners by his 'enormous ignorance'. He knew little about production figures. He confused millions of tons with millions of francs."[37]

The Planning Commission served as Lazard's staging ground to re-group and re-fashion the Synarchy, which had been centred in the Banque Worms that dominated the Vichy government. Husson reported, "The apparent competition between BANQUE WORMS and LAZARD FRÈRES is only cosmetic. ... It was the LAZARD BANK that launched the new banking department of WORMS in 1928-29." (Capitalisation in original.) Then, "At the Liberation, the fidei-commissioners of LAZARD got control of commanding posts in finance and economics departments of the French State, replacing the (Vichy) synarchists who were hunted down and imprisoned." (But those imprisoned Vichy synarchists were soon released.)

The continuity from the pre-war Synarchy into Monnet's post-war "united Europe" schemes is typified by Marjolin. Police and intelligence files named him as a member of the Banque Worms Synarchy, and a member of the "9 July Group" of 1934, "which assembled all varieties of synarchists and 'planists' for national and social corporativism of a fascist type. The group had been founded at the initiative of Jules Romains, an adept of Jean Coutrot."[38] Coutrot was the head of the Synarchist Movement of Empire, the master body of the Synarchy for Lazard and Worms.

Already in 1933, the young Marjolin had been recruited by Charles Rist, vice-governor of the Banque de France and one of the Rockefeller Foundation's two representatives in France. After his role in the Plan, Marjolin became the initial secretary general of the Marshall Plan in Europe, formally known as the Organisation for European Economic Cooperation (OEEC). He headed the OEEC from 1948 to 1951, and later became vice president of the European Economic Community (EEC) in charge of economics and finances (1958-67), before joining the boards of Royal Dutch Shell and Chase Manhattan Bank.

Étienne Hirsch, before the war, had headed a branch of Établissements Kuhlmann, the French end of the European dyestuffs cartel, and thus a partner of the Nazis' I. G. Farben. Beginning in 1943, Kuhlmann deployed Hirsch to work with Monnet, who, with his connections in Washington and London, was poised to assume control over the French economy. Hirsch was the French head of the temporary Economic Committee for Europe in 1944-45, where he was "in constant liaison with the Americans and the British", by his own account; headed the Technical Division of Monnet's Planning Commission from 1946-49, and was its deputy commissioner in 1949-52, and commissioner general from 1952 until 1959. He helped Monnet set up the ECSC in 1950-51; became a member of the secretariat for NATO's "Wise Men" committee in 1951-52, comprised of Monnet, American financier Averell Harriman, and Britain's Lord Plowden; and was the first president of Euratom.

The third of the Three Musketeers was Pierre Uri, the representative of Lehman Brothers in Europe, and the future real author of the Treaties of Rome.

Anchored on those three, Monnet built a European-wide synarchy, about which his friend and co-conspirator for over 50 years, Lord Salter, reminisced in 1967: "Gradually, while the general public knew nothing of him, there grew an inner circle of reputation among those specially equipped to understand and appreciate what he [Monnet] was preaching, of a strength, depth, and width to which I have never seen the equal. In rather later years, he wielded power through one or other channel, of screened, or partly screened, official appointment; later still, he exercised great influence through a skilled leadership of a carefully chosen group of men of differing European nationalities and varied sources of power, (trade union representatives, for example)."[39]

Salter's account is buttressed by the boasting of Uri, and of Bernard Clappier, later vice governor of the Banque de France. Uri: "A prodigious epoch. ... Jean Monnet, Hirsch, and I did everything: the Plan, the financial policy, international policy. Our greatest strength, when we had to launch the Coal and Steel Community, was that in all the key jobs we had men ready to back us up, men we had put there ourselves." Clappier: "There were twenty of us working with Jean Monnet. We worked behind the scenes in the various ministries. We took care of everything."[40]

4. After the War

The Synarchy's Marshall Plan

The Marshall Plan, like the Cold War in which it was set, was orchestrated by the Anglo-American financiers who controlled Truman, and who had earlier financed Hitler. Recently released State Department and other U.S. and British government documents demonstrate how it was aimed to shape reconstruction to suit the political and strategic goals, and financial power requirements, of the London-centred cartels. These were: 1) to construct a heavy industrial base in Europe for a coming showdown with the Soviet Union, while largely crippling the U.S. economy through a combined emphasis on non-productive military and consumer-goods production, and 2) to federate Europe into a Synarchist-owned, cartel-ridden United States of Europe, which was finally to be merged with the United States and Britain.[41] The included intent to sabotage the

37. Bromberger, op. cit., p. 52.

38. Christine Bierre, "Ces Français qui ont ouvert l'Europe aux financiers anglo-americains" ("The Frenchmen who opened up Europe for the Anglo-American financiers", *Nouvelle Solidarité*, 28 Oct. 2005.

39. Arthur Salter, *Slave of the Lamp: A Public Servant's Notebook* (London: Weidenfeld & Nicolson, 1967), p. 24.

40. Bromberger, op. cit., p. 46-7.

41. Official government documents have become available increasingly in the post-war years, and provide investigators the ability to

U.S. economy—the anchor of FDR's planned post-war Bretton Woods system—was reflected in the drastic reduction in U.S. exports to Europe, specified by the Marshall Plan. Whereas in 1947 the United States had been exporting some $6.7 billion worth of chiefly machinery and other capital goods to Europe, the Marshall Plan called for reducing those exports to $2.3 billion by 1952-53. Instead of FDR's vision of pouring out U.S. industrial goods to Europe and worldwide, to end Britain's colonial empire forever, "the purpose of the U.S. economy", in the words of Arthur Burns, the City of London/Wall Street agent heading President Eisenhower's Council of Economic Advisers from 1953 to 1956, became "pouring out consumer goods".[42]

The British role in the Marshall Plan was central. Observed historian Michael Hogan, "The British played a role second only to the Americans in the operation of the plan."[43] Truman's controllers not only consulted Monnet in drafting the Marshall Plan, but chose him to head it! Monnet had other fish to fry, so he had Marjolin take the job.

Eleven days after Roosevelt's death on 12 April 1945, U.S. Ambassador to the Soviet Union Averell Harriman arranged a meeting for Truman with Soviet Foreign Minister Vyacheslav Molotov. Harriman prepped Truman to hector Molotov over Soviet "bullying" of Poland. An angry Molotov told Truman, "I have never been talked to like that in my life", while Truman later bragged, "I gave him the one-two, right to the jaw." Following the meeting, Harriman was certain that Molotov reported to Stalin that "the Roosevelt policy was being abandoned."[44]

In rapid succession, the Anglo-Americans unleashed the following events. In May 1945 they cancelled Lend-Lease shipments to the Soviets, and soon afterwards cancelled an expected $6 billion reconstruction loan. In August they dropped the two atomic bombs on Japan. In March 1946 Truman publicly backed Winston Churchill's Iron Curtain tirade.

In January 1947 Truman appointed former U.S. Army Chief of Staff General George Marshall as secretary of state. Marshall himself was a staunch opponent of British imperialism, but he was functioning within the British-controlled Truman Administration and the Cold War. His State Department was largely run by Under Secretary Dean Acheson, who would become secretary of state in 1949—a lawyer and anglophile, who even spoke with a British accent. Acheson's father was a British national, an Episcopalian clergyman who had moved to Connecticut, and most of his family, including his Canadian-born, British-educated mother, were subjects of the British Crown. The family always hoisted the Union Jack to celebrate the King's birthday. Already in early 1946, Acheson preached that "only two great powers remained in the world, the United States and the Soviet Union", and that only one of them could survive.

On 12 March 1947 Truman delivered to the U.S. Congress an Acheson-written script on alleged Soviet plans to take over Greece and Turkey through local communist parties. Behind the scenes, the British had rigged the scenario: they had "confidentially informed Washington" that Britain "was about to end assistance and to relinquish responsibility for Greece and Turkey", dumping those countries into Truman's lap. A foreign diplomat who was present observed that Acheson's proposed Truman Doctrine, despite its "tiny amount of $400 million ... was made to seem hardly less than a declaration of war against the Soviet Union."[45]

Henry Wallace, formerly vice president under FDR, charged that the new doctrine was "betraying the great tradition of America"; was really "the best salesman communism ever had"; would "plunge America into a reckless venture"; and would guarantee a "century of fear".

Hard on the heels of the Truman Doctrine, Marshall gave the commencement speech at Harvard on 5 June 1947, in which he announced, in very general terms, a plan for U.S. economic assistance to Europe. It became known as the Marshall Plan, but "records now available

map the evolution of the Marshall Plan—and the thinking of its chief sponsors in the USA and the UK—on almost a daily basis. Such documents have been used in Charles L. Mee, Jr., *The Marshall Plan: The Launching of the Pax Americana* (New York: Simon & Schuster, 1984); John Gimbel, *The Origins of the Marshall Plan* (Stanford: Stanford University Press, 1976); Hans A. Schmitt, *The Path to European Union: from the Marshall Plan to the Common Market* (Baton Rouge: University of Louisiana Press, 1962); Michael J. Hogan, *The Marshall Plan: America, Britain and the Reconstruction of Western Europe* (New York: Cambridge University Press, 1987). The book by Hogan, of Ohio State University, makes extensive use of British and U.S. government documents; these flesh out LaRouche's overarching indictment of the "Truman era" as an almost unmitigated disaster for the USA, Europe, and Russia, in particular. Hogan quotes original sources to support his conclusion that, "It was the strategy of integration, as much as the strategy of containment, that shaped American policy, [and] wrecked the chances for Soviet (and Eastern European) cooperation" (p. 53). His citations of Marshall Plan drafters "Mr Containment" George Kennan and Under Secretary of State William Clayton leave no doubt of their intent to base the Marshall Plan on "in broad lines a type of European federation", which would "eliminate the small watertight compartments" (i.e., nations), in Europe (p. 69).

42. The inevitable popping of this auto- and white goods-led consumer bubble economy was forecast by economist Lyndon LaRouche in the summer of 1956, to occur in February/March 1957. It happened just as LaRouche had foreseen, ushering in a deep recession. Meanwhile, the entire process predictably and steadily weakened the U.S. dollar, leading to its decoupling from gold on 15 August 1971—an event that LaRouche also forecast, along with the ensuing reign of Schachtian austerity under which the entire world continues to suffer.

43. Hogan, op. cit., p. xi.

44. Mee, op. cit., p. 33. Harriman led a cabal of several officers from his family bank, Brown Brothers Harriman, who held posts in the Truman Administation. The bank was "one of the most powerful political forces in the United States during much of the twentieth century, and for many years the largest private bank in the world", and had played a leading role in financing Hitler, as is documented in Anton Chaitkin and Webster Tarpley, *George Bush: The Unauthorised Biography* (Washington, D.C.: Executive Intelligence Review, 1992), p. 2.

45. Schmitt, op. cit., p. 19.

George Marshall (front row, third from left) at Harvard University on 5 June 1947, when he announced that America would undertake a plan to aid Europe's economic recovery. No detailed plan then existed, but Wall Street and London interests moved quickly to take charge of the program. Photo: Wikimedia Commons

show conclusively that there was no plan when ... Marshall spoke at Harvard".[46] There was none in the State Department, that is, but the Morgan/Lazard-run Council on Foreign Relations (CFR) had conducted wartime studies on the "need to integrate Europe". Via Acheson, these studies became the content of the "Marshall" Plan.

Formally, it was drafted by two State Department officials. One was George Kennan, whom Acheson had put in charge of the new State-War-Navy Coordinating Committee (SWNCC). The SWNCC had met only three times before Marshall's Harvard speech, but a month later Kennan issued his infamous "Mr. X" article in the July 1947 issue of the CFR's *Foreign Affairs*, proposing "containment" of the Soviet Union. By Truman/Acheson/Dulles standards, Kennan is often portrayed as a moderate, but he was a fanatical advocate of World Government, who wanted a synarchist federation of Europe, and "a North Atlantic union that included the United States, Britain, and Canada".[47]

Co-drafter of the "Marshall" Plan, with Kennan, was Under Secretary of State for Economic Affairs William Clayton, who had been a member of the pro-appeasement, anti-FDR Liberty League in the 1930s. He was vice president of the Atlantic Union Committee from 1949 to 1961, lobbying for the British-American-Canadian federation championed by Clarence Streit. Kennan and Clayton conferred with Monnet in Paris shortly before Marshall's speech, and continued to consult him as they drafted the plan.

In addition to Acheson, Kennan, and OEEC chief Marjolin, the "Marshall" Plan was conceived and executed by one of the biggest bunches of Hitler-financers, anti-FDR fanatics, synarchists, and general all-around scoundrels ever assembled. A partial list:

Averell Harriman. Post-war U.S. ambassador to London for seven months, he became Truman's secretary of commerce, replacing Henry Wallace. He chaired the President's Committee on Foreign Aid, the "fact-finding" committee set up in June 1947 to shape the plan's contours and to lobby public opinion for it. His chief assistant was J.P. Morgan's Owen D. Young.

Robert Lovett. Acheson's under secretary of state, Lovett was another of the Brown Brothers Harriman bankers in Truman's administration. He handled Marshall Plan negotiations with European leaders, battling against their attempts to preserve elements of national sovereignty over their economies.

Paul Hoffman. President of the Economic Cooperation Administration, the U.S. Marshall Plan agency, he called at the OEEC Council on 31 October 1949 for "nothing less than the integration of the Western European economy". A July 1949 ECA study proposed a single European currency and "a substantial measure of coordination of monetary and fiscal policies", so that "a vicious cycle of economic nationalism" would never happen again. As president of the Ford Foundation beginning January 1951, Hoffman was deeply involved in the Congress for Cultural Freedom, and funded the "free trade unions" which constituted much of Monnet's political base in Europe.

Paul Nitze. Deputy director of the State Department's Division of Commercial Policy and a member of its Committee on the European Recovery Program, Nitze was a hard-core Cold Warrior; two of his protégés are the notorious neocons Richard Perle and Paul Wolfowitz.

Lewis Douglas. A J.P. Morgan associate and U.S. ambassador to Britain in the late 1940s, he coordinated implementation of the Marshall Plan with the British.

Robert Murphy. This close associate of Monnet and wartime sponsor of the synarchist Lemaigre-Debreuill was U.S. ambassador to Belgium in the late 1940s, channelling Marshall Plan funds to Churchill's European Movement.

John J. McCloy. Long-time Monnet ally McCloy helped supervise the Marshall Plan in Germany, as U.S. High Commissioner there in 1949-52. McCloy's presence notwithstanding, the Germans deployed the Marshall funds with great effectiveness through the Kreditanstalt für Wiederaufbau (Reconstruction Finance Corporation), overseen by Hermann Abs of Deutsche Bank and modelled on Roosevelt's New Deal Reconstruction Finance Corp. The KfW is what unleashed the "German economic miracle".

Determined that their "integrated Europe" exclude the USSR, the Anglo-Americans attached conditions to the Marshall Plan that would force the Soviets to reject it.

First of all, it would be run not through the U.N. Economic Commission for Europe, but through the new ECA, controlled by the United States. Clayton pronounced, "We [the United States] are going to run the show." Secondly, the Soviet Union would be "expected to contribute to the plan, not receive from it", as British Ambassador to Washington Lord Inverchapel recorded a

46. Gimbel, op. cit., p. 7.

47. Hogan, op. cit., p. 49.

Soviet Foreign Minister Vyacheslav Molotov (l.) at a 1945 Victory parade with British Foreign Minister Ernest Bevin (r.). In 1947 Bevin engineered the Soviet walk-out from an initial Marshall Plan conference, by presenting unacceptable terms. Photo:David E. Scherman/Getty Images

discussion with Kennan. Thirdly, Eastern European countries could participate if they "abandoned [the] near-exclusive Soviet orientation of their economies" in favour of Europe-wide integration.[48]

The Soviets, for their part, since they were not to get the billions in reconstruction aid pledged by FDR, viewed Eastern Europe as essential to their own recovery. Moreover, all Marshall Plan participants had to "open their books" on the state of their finances and economy—something Moscow could hardly agree to with the Cold War already under way.

The Truman gang claimed to want the Europeans, including the Soviets, to "develop their own plan" for aid, and scheduled a Paris summit on this for 27 June 1947 between the British, French and Russians. Lord Inverchapel reported to his government on one of his discussions with Kennan, "What the Americans were saying was, they doubted the Soviet Union would want to join the Marshall Plan at all. But just in case they did want to join", they would have to meet the onerous conditions. For the summit, he concluded, "the Americans were counting on the British to see that the Russians were knocked out of the Marshall Plan".[49] Clayton went to London for pre-conference discussions with Britain's one-worldist Foreign Minister Ernest Bevin, toward the same end.

The Soviets refused to accede to U.S. demands "for a comprehensive scheme, joint planning, and resource sharing", but demanded national sovereignty, for themselves and for Western Europe, including a united Germany. The Marshall Plan, Molotov charged, "would violate national sovereignties and enable the United States to influence the internal affairs of other nations", instead of allowing "the Europeans to draft national recovery plans".

Though Molotov had brought 80 economic specialists to the tripartite summit, Bevin and French Foreign Minister Bidault refused to negotiate seriously, and Molotov walked out, as the Anglo-Americans had intended. Harriman gloated, "Bevin did a superb job of getting Molotov out of Paris—by careful manoeuvring. Bidault claims to have had a part in it. But Bevin had the courage to invite Molotov and the bluntness to get rid of him. ... He could have killed the Marshall Plan by joining it." Kennan was delighted at the outcome: "So, in a sense, we put Russia over the barrel. ... When the full horror of [their] alternatives dawned on them, they left suddenly in the middle of the night."[50]

With the Soviets out of the way, the U.S. Congress authorised an initial $5 billion on 16 April 1948 to establish the 16-nation OEEC to oversee the four-year duration of the Marshall Plan.

The Europeans themselves had to be bashed into accepting the plan's "integrationist" premise: "They refused to engage in genuine joint programming, adapt national production plans to European needs, or subordinate national sovereignties to the authority of a supranational organisation. Europeans favoured the 'Molotov approach' and sought a recovery program that would limit the scope of cooperative action, meet their separate requirements, and preserve the greatest degree of national self-sufficiency and autonomy. Americans, on the other hand, ... urged European leaders to replace old patterns of national competition and autarky with a new economic system [with] transnational coordinators".[51] By mid-1951, the USA had dispensed $12 billion in Marshall funds towards these goals.

The European Coal and Steel Community: Seed Crystal of a "United States of Europe"

American and French wartime intelligence had listed Monnet as a member of the Synarchy, whose aim was the Anglo-French domination of Europe. Bespeaking this goal, he tried in 1940, and again in 1949, to formally unify the governments of France and Britain. Failing, he concluded that "European integration" through political mergers such as his own attempts, or those of Churchill's federalist European Movement, were doomed.

Instead of sweeping political amalgamations, Monnet wrote, "One had to start with more pragmatic and less ambitious designs, and attack national sovereignties on a more restricted point." Such was his design of "the simple concept ... of placing coal and steel of several countries under common sovereignty"—the European Coal and Steel Community. De Gaulle denounced Monnet's ECSC, at a press conference on 12 December 1951: "What is intended is to build a supranational power, recruited by way of co-optation, devoid of democratic roots or responsibilities. It will be some kind of synarchy."

Monnet had voiced his intention to a journalist in 1944, later citing the interview in his own *Memoirs*. He had said that what he "was thinking of was a system whereby the former *Reich* would be stripped of part of its industrial potential, so that the coal and steel resources of the Ruhr could

48. Ibid., p. 43.

49. Mee, op. cit., p. 125.

50. Ibid., p. 136.

51. Hogan, op. cit., p. 87.

be placed under a European authority and used for the benefit of all the nations involved, including a demilitarized Germany. But this in turn … implies a Europe far more unified than before the war[:] … a true yielding of sovereignty by European nations to some kind of central union—a union that could cut down tariffs, create a great internal European market and prevent that race of nationalism which is the curse of the modern world."

French Foreign Minister Robert Schuman in April 1951 signs the Monnet-authored documents that bore his name, the "Schuman Plan," which he had announced the previous year, launching the European Coal and Steel Community. Photo: Bettmann/Getty Images

British agent Monnet's plan to "amputate" the core coal and steel regions of western Germany had its roots in British manipulation of French revanchism after France's defeat in the 1870-71 Franco-Prussian War, in which the Prussian-led German states had seized the French territory of Alsace-Lorraine. Returned to France after World War I, the territory was seized again by the Nazis in 1940, and finally returned to France in 1945. The French temporarily occupied Germany's industrial heartland of the Ruhr following World War I for "reparations", and the ECSC amounted to a more permanent form of French (synarchist) occupation of the Ruhr, which produced three-quarters of all of Germany's coal, iron and steel. The British wished to control whatever German industrial capability might be restored, and the French were to be their instrument for doing so.

To launch the ECSC, Monnet and his synarchist associates at the Planning Commission drafted a plan in "utmost secrecy", according to Monnet's own account. It became known as the "Schuman Plan" when French Foreign Minister Robert Schuman sprang it on a surprised world, on 9 May 1950, as a formal proposal of the French government: "Europe must be organised on a federal basis. A Franco-German union is an essential element, and the French government is committed to the undertaking. ... [T]he establishment of common grounds for economic development must be the first step in Franco-German unity. The French Government proposes that the whole of French and German steel and coal production be placed under an international authority that will be open to the participation of other countries of Europe."

Monnet went on a road show to sell the scheme, including to London: "As soon as I arrived in London, with Hirsch and Uri, I did as I am accustomed to do, I get in touch with old friends. Not all are shown on the front of the stage, but, just as those I visit in New York ... it is certain that they are able and compelled to see things at bottom. ... Brand, Kindersley, Arthur Salter, Geoffrey Crowther, the editor of the *Economist*, are those friends."

George Ball of Lehman Brothers was in the thick of the plotting, as well, staying at Monnet's house in mid-1950 for "working sessions connected to the Schuman Plan", as Ball reported in his book, *The Discipline of Power* (Boston: Atlantic Monthly Press, 1968).

Monnet's other U.S. friends lent their muscle: "[Secretary of State since 1952] John Foster Dulles, Monnet's ardent supporter in the U.S. administration, was in agreement from the outset, as he had always believed that the problems of the Ruhr were the crux of the friction between France and Germany, therefore to solve this would be the key to unifying the two countries. ... Dulles was in fact the key for Monnet in getting American support for European integration initiatives, and in particular for the loan for the ECSC. ... JFD had long favoured europeanising coal and steel production and promoting German/French co-operation as the best method of ensuring peace."[52]

McCloy was also enthusiastic and petitioned the German Government, industrialists and trade union officials to support the ECSC. "McCloy shared the same viewpoint as Monnet that American policy should promote German integration into a United Europe. ... McCloy worked to ensure the success of the Schuman Plan and the establishment of the European Coal and Steel Community … to create a United States of Europe. The John McCloy papers reveal the close personal and working relationship both men shared."[53]

The Duchêne archives contain extensive evidence of how the Dulles brothers, McCloy, and other American Atlanticists twisted arms in Europe to get the Schuman Plan adopted. These included the pro-cartel Gen. William Draper, a top official at the Nazi-financing Wall Street investment bank Dillon, Read & Co. during 1927-53, who was now chief of the Economics Division of the Allied Control Council, Germany, and U.S. Marshall Plan coordinator Harriman, who promised loans for the ECSC if Monnet could get it established.[54]

Secretary of State Acheson also helped: "From the time he was Chairman of the first Working Session of the North Atlantic Council in May 1949 till his resignation as secretary of state in 1952, Acheson constantly expounded the idea of Western Unity and remained a strong supporter of Monnet's work in integrating Europe. ... It was Acheson who rallied American support for the

52. JMDS.A-07 Schuman Plan; JMAS.B-01, John Foster Dulles Papers.

53. JMAS.A-02, John McCloy Papers.

54. JMAS.D-03, Averell Harriman Collection.

ECSC, and on the day after the inaugural ceremony of the ECSC, Acheson stated that America would now deal with the 'Community' on all coal and steel matters."[55]

Ratified by France, Germany, Italy, Belgium, the Netherlands and Luxembourg ("the Six") in 1951, the ECSC began operation on 10 August 1952, with Monnet as its High Authority. Most of the nine members of its board were veterans of the "united Europe" movement, and the new institution was accountable to no one but the Synarchy. It raised its own taxes—the first "European tax". Lazard's André Meyer, together with Siegmund Warburg, floated its first loan.

The "single Europe" scheme was now well under way, explained historian Carroll Quigley: "The ECSC was a rudimentary government, since the High Authority was subject to the control of a Common Assembly, elected by the parliaments of the member states, which could force the Authority to resign by a two-thirds vote of censure, and it had a Court of Justice to settle disputes. Most significantly, the ECSC Assembly became a genuine parliament with political party blocs—Christian-Democrats, Socialists, and liberals—sitting together independent of national origins."[56] Along with the High Authority, the ECSC provided for a Common (parliamentary) Assembly, a Council of Ministers, and a Court of Justice: the seed crystals for a "united Europe".

The Soviets opposed the ECSC for the same reasons they had opposed the Marshall Plan. Monnet complained that the USSR was "championing the maintenance of national sovereignty in Europe, thereby maintaining divisions."[57]

The ECSC brought the cartels back stronger than ever, as Monnet's biographers acknowledged: "Preparation for the common markets therefore accelerated the process of international cartel re-formation that had begun with the Schuman Plan."[58]

The European Defence Community

With the Korean War's outbreak on 25 June 1950, Monnet ramped up his "united Europe" plotting. He instructed his old Blair & Co. subordinate René Pleven, who was now Prime Minister of France, to propose a European Defence Community (EDC). This Pleven Plan, like the Schuman Plan, was actually drafted by Monnet himself and his synarchist associates at the Planning Commission. France's Ambassador to the Interim Committee of the EDC was Hervé Alphand of the Commission.

De Gaulle denounced Monnet's EDC as having been cooked up by "synarchists who dream of supranational empire, politicians who think that all is lost unless one yields to foreigners".

The EDC provided for a joint army, but also for a de facto European government, since, Monnet argued, one couldn't very well have a European army without a government to which it would report. He recorded in his memoirs, "The European Federation was becoming a near-term objective. Army, arms and basic production would simultaneously be placed under joint sovereignty. We were not able to wait, as we had earlier envisioned, that political Europe would one day come as the crowning of a gradual build-up, for from the start, common defence could only be conceived under a joint political authority."

The ECSC/EDC apparatus would quickly lead to a United States of Europe, even without the agreement of the national governments: "The High Authority for steel and coal was also to serve the EDC. Gradually, it was thought, the supranational authorities, supervised by the European Council of Ministers at Brussels and the Assembly in Strasbourg, would administer all the activities of the Continent. A day would come when governments would be forced to admit that an integrated Europe was an accomplished fact, without their having had a say in the establishment of its underlying principles. All they would have to do was to merge these autonomous institutions into a single federal administration and then proclaim a United States of Europe."[59]

A committee known as the Three Wise Men was set up to negotiate the EDC Treaty. Its members were Monnet; head of the British Economic Planning Board Lord Plowden, Monnet's friend with whom he had negotiated his 1949 attempt to merge Britain and France; and Averell Harriman, whom Truman had summoned back from his Marshall Plan job at the outbreak of the Korean War, to become special assistant to the President for national security affairs.[60] Étienne Hirsch, who had replaced Monnet as head of the French Planning Commission, was also on the committee. Other promoters of the scheme were Acheson—"a bulwark of support for Monnet's idea of a defence community for Europe", and U.S. Ambassador to France C. Douglas Dillon, who had replaced his father as chairman of Dillon Read.[61]

John Foster Dulles, as U.S. secretary of state, "worked ceaselessly for the EDC". He publicly threatened an "agonising reappraisal" of U.S. relations with France (e.g., cutting off funds), if the French Parliament did not approve the EDC.[62] Dulles lined up a $100 million loan for

55. JMAS.F-01, Dean Acheson Papers.

56. Quigley, op. cit., p. 1284.

57. JMAS-81, European Integration (General).

58. Bromberger, op. cit., p. 155.

59. Ibid., p. 123.

60. Harriman and Monnet worked together constantly. When the Atlantic Council set up a Temporary Council Committee [TCC] to draw up plans for NATO's military requirements, Harriman was its chairman, and Schuman appointed Monnet as the TCC's French representative.

61. JMAS.F-01 Dean Acheson papers.

62. JMAS-158, David Bruce's diary entries, December 1953.

the EDC, before it even existed.[63] Other Atlanticist ultimata to the French parliament included a threat that the USA and UK would restore Germany's military, if the treaty were not ratified. The French were well aware that McCloy had earlier proposed the establishment of a German army of 10 divisions.

The Pleven Plan was approved by five of "the Six", but defeated in the French Parliament on 30 August 1954 by a Gaullist-led mobilisation, backed by the Communist Party of France (PCF). A disappointed Raymond Aron, leader of the Congress for Cultural Freedom, called the EDC debate "the greatest ideological and political debate France had known since the Dreyfus Affair".

An enraged Monnet quit as High Authority of the ECSC, to found his Action Committee for the United States of Europe (ACUSE). It was modelled on the earlier American Committee for a United Europe, set up by CIA deputy director Allen Dulles simultaneously with the Congress for Cultural Freedom.

The first project of ACUSE, in its drive for a united Europe, was to establish a body with a monopoly on nuclear power, the European Atomic Energy Community (Euratom). It was to control all aspects of nuclear power, including the power plants and all fuel transactions. But de Gaulle foiled the scheme by introducing the French *force de frappe*, France's own nuclear weapons capability. Monnet's long-time private secretary at the ECSC, Max Kohnstamm, lamented, "We had built everything on EURATOM, but the French pulled the rug from under our feet with their atomic bomb."

5. Monnet: Author of the Treaties of Rome

Before leaving the ECSC on 10 February 1955, Monnet drew up new plans for a much wider united Europe than the ECSC embodied. "Monnet continued to sound people about his new plan, which would give infinitely broader powers to the High Authority than did the coal and steel pool and would create supranational mechanisms that could be decisive for the unity of the six countries of Western Europe: a transportation community, an atomic pool, a fuel pool, an economic community. ... The fall of Mendès-France [who had played a key role in nixing Monnet's EDC –ed.] on Feb. 6, 1955 offered an opportunity to organise a unified Europe."[64]

Monnet handed this project over to a front man to push it, in this case Belgian Foreign Minister Paul-Henri Spaak.

Spaak was a veteran "united Europe" fanatic, who had established the Benelux customs union among Belgium, the Netherlands and Luxembourg, and was later to be president of the Council of Europe and secretary general of NATO. He lined up his Benelux colleagues for

63. JMAS.G-04, John Foster Dulles Series.

64. Bromberger, op. cit., p. 148-49.

Belgian Foreign Minister Paul-Henri Spaak (c.) stands with Jean Monnet (r.) and French Foreign Office official Hervé Alphand, in 1947. Photo: Time-Life Pictures/Getty Images

Monnet's new plan, and began lobbying the rest of Europe. A Council of Foreign Ministers of the six ECSC members met at Messina on 1 June 1955 with two agenda items: 1) finding Monnet's successor at the ECSC, and 2) the "Spaak" proposal for a wide-ranging "European Community". Monnet's crony René Mayer, former French finance minister and chief of finances for the Planning Commission, took the ECSC post.

The Messina decisions of June 1955 led to the Treaty of Rome, signed in March 1957. It formally established the European Economic Community (EEC, better known as the Common Market), as well as Euratom. Between Messina and the Treaty of Rome, the Gaullists had been virtually wiped out of the French Parliament, setting the stage for its ratification by France.

Spaak had delegated the drafting of both treaties to Monnet's alter ego, Pierre Uri. Historian Quigley summarised their sweeping provisions: "The EEC Treaty, with 572 articles over almost 400 pages, like the treaties establishing ECSC and Euratom, looked forward to eventual political union in Europe, and economic integration as an essential step on the way."[65]

Monnet's American friends from the Round Table supplied thug tactics as needed, recounted Ernst H. van der Beugel, former Dutch head of the Marshall Plan and later secretary of the Bilderberg Club: "Monnet and his Action Committee were unofficially supervising the negotiations and as soon as obstacles appeared, the United

65. Quigley, op. cit., this and the following two citations, p. 1285-7.

States diplomatic machinery was alerted, mostly through Ambassador [David] Bruce, ... who had immediate access to the top echelon of the State Department.... At that time, it was usual that if Monnet thought that a particular country made difficulties in the negotiations, the American diplomatic representative in that country approached the Foreign Ministry in order to communicate the opinion of the American Government which, in practically all cases, coincided with Monnet's point of view."[66]

Monnet's Treaty of Rome, which established the Common Market and the roots of today's European Union, included a number of supranational institutions, among them a European Parliament; an executive High Commission of nine who were to "exercise their functions in complete independence" of their national governments; a Court of Justice with powers to interpret the treaty and settle disputes; a European Investment Bank; and the two associated Communities (the ECSC and Euratom).

Observed Quigley, "These organisations have some of the aspects of sovereignty from the fact that their decisions do not have to be unanimous, are binding on states and on citizens who have not agreed to them, and can be financed by funds that may be levied without current consent of the persons being taxed. On the whole, the supranational aspects of these institutions will be strengthened in the future from provisions in the treaties themselves."

The first chairman of the EEC was Monnet's protégé, Walter Hallstein. "Make no mistake", Hallstein declared, regarding the "economic" basis of the Treaties of Rome, "we are not in business, we are in politics. We are building the United States of Europe."[67]

De Gaulle blasted the Synarchist intent behind Monnet's supranational Treaties of Rome: "To build Europe, that is, to unite it, is obviously something essential. This

66. Ernst Hans van der Beugel, *From Marshall Aid to Atlantic Partnership: European Integration as a Concern of American Foreign Policy* (Elsevier, 1966), p. 323.

67. Richard Straus, *Coal, Steel, Atoms, and Trade: The Challenge of Uniting Europe* (New York: Coward-McCann, 1962), p. 77.

The European Union: Child of the Anglo-Dutch Parliamentary System

The European "parliamentary system" is a fraud, in which real power is held by a private financial oligarchy. In the design of the American Constitutional System, by contrast, the U.S. Congress is supposed to control the national credit, while the Presidency is a powerful independent entity, not an arm of Parliament to be overthrown at will through manufactured crises.

Dutch Princess Margriet, as chairwoman of the European Cultural Foundation, sponsored a conference at Windsor Castle on 12-13 April 1996, under the banner, "Foundations of Democracy in the European Union: From the Genesis of Parliamentary Democracy to the European Parliament". She and her British collaborators took the occasion to underscore that the EU, with its European Central bank and European Parliament, descends directly from the Anglo-Dutch model of the past three and a half centuries. Princess Margriet and other speakers traced the Anglo-Dutch parliamentary system to the Glorious Revolution of 1688, in which the Dutch William of Orange and his wife Mary seized the throne of England. One presentation was called "William III, the Glorious Revolution and the Development of Parliamentary Democracy in Britain".

Margriet did not spell out that the Glorious Revolution project was done for the advantage of Dutch and Venetian financiers. The monarchy lost control of the national finances, which was turned over, nominally, to Parliament. In reality, the Venetian/Dutch financiers and their English Whig allies controlled the Parliament, which they directed to pass legislation to found the Bank of England on their behalf.

The Dutch Royal, daughter of the infamous former Nazi party member Prince Bernhard, invoked the legacy of the Glorious Revolution, as what the EU lives by, and should develop further, today. Right after World War II, she said, "with the terrible catastrophes that had characterised the twentieth century at the forefront of their minds, post-war political leaders, inspired by the spiritual father of Europe, Jean Monnet, wrought a change which is just as revolutionary and just as remarkable as that brought about by William and Mary. … This new 'Glorious Revolution' made it possible to replace the traditional strategy of balance of power"—which other speakers, with the oligarchy's typical distortion of history, called the "failed Westphalian system"—with a "peace formula" based upon "the single market" and "common institutions (European Commission, European Parliament, Court of Justice)", all ostensibly anchored in "the rule of law".

The United States should ultimately come under this system, as well, several speakers suggested. A Prof. Colin Bonwick held forth on "The United States Constitution and its Roots in British Political Thought and Tradition". After all, claimed another baldly lying academic, "The prevalent political philosophy among the Founding Fathers was that of [John] Locke"—who in fact was the chief apologist for the Glorious Revolution system and a theoretician for the private financiers.

is a banality, but why should this great source of civilisation, of force, of reason, of prosperity, be choked by its own ashes? ... What are the pillars upon which we can build it? In truth, those are states, which are, granted, very different from one another, each of which has a soul of its own, a history of its own, a language of its own, but states, which are the only entities endowed with the right to ordain and the authority to act. To believe that something ... could be approved by the peoples, over and above the states, is a chimera."

Monnet's vision of a "united Europe" was no different than those of Caesar, Napoleon and Hitler, de Gaulle declared at a 9 September 1965 press conference. He ridiculed Monnet, as in a 14 December 1965 TV interview: "Let us take things as they are, for no policy may be based upon anything else but reality. Of course one may jump on one's chair like a goat, saying 'Europe!', 'Europe!', 'Europe!', but this leads nowhere and means nothing."

Maastricht

When the Berlin Wall fell in the Autumn of 1989, Monnet's disciple French Prime Minister Mitterrand, together with British Prime Minister Thatcher, dictated the only terms under which they would accept the unification of Germany: submission to a European Central Bank and currency. Those conditions were formalised in the Maastricht Treaty in 1992.

In response to a question on the European Union during his 31 October 2006 webcast, LaRouche replied, "The European Union, forget it! It's a coffin. Do you want to spend your life there? The European Union was set up to destroy continental Europe, to destroy every nation in continental Europe, and it's done a very efficient job. Here's Germany, with tremendous unemployment, with lack of industry, and you have the occupying powers, chiefly Mitterrand and Thatcher, impose a European Union on continental Europe … [I]t's a slave ship. The British organise the slave ship, get the Europeans to join it, but don't come aboard themselves. They sit outside and watch the fun. So here's Germany, which technically, could [organise an economic recovery] except for the European Union and the ECB and the euro, which is the name for a poison pill. They sit there, vast unemployment, decay of industries, loss of everything which Germany was capable of doing, hamstrung because they cannot create state credit to build up employment in the industries which are needed to bring the deutschemark, or the equivalent, up to a balance. There is not enough productive employment."

Georges Berthoin, one of Monnet's followers in Europe during the next generation,[68] brought the story right

French President François Mitterrand and UK Prime Minister Margaret Thatcher in 1986. Photo: Derrick Ceyrac/AFP

up to the European Treaty, which the EU heads of state would adopt at Lisbon in October 2007. Addressing a 2001 Trilateral Commission meeting in London, Berthoin called for "a genetically modified form of governance" worldwide, in which nation-states would be superseded. For precedent, he looked to the Truman era: "I suggest that what Harry Truman and General George Marshall did can be repeated."

After the Dutch and French populations' "No" vote on the European Constitution in 2005, Berthoin issued an Open Letter to Europe's Leaders, in which he lectured them like children on what they must do immediately towards establishing a "genuine political union". For the first time since the Yalta conference in 1945, he admonished them, "so much will depend on so few. Stalin, Roosevelt and Churchill are no longer in charge. The fate of Europe, whole and free, will again depend for decades, on a handful of people: you. You can—no, you must—go beyond the usual diplomatic coalitions", to establish a single government to rule Europe.

The 15th-century Golden Renaissance gave birth, in Europe, to the first sovereign nation-states in history. Now, the very existence of these nations hangs in the balance. Will the populations of Europe, including the peoples of the United Kingdom, continue as the ever more impoverished, denationalised serfs of an Anglo-American financial empire that is doomed to chaos and disintegration in the present global financial crash? Or will they reassert their own sovereignty, and join forces with the United States, Russia, China, and India, to usher in the greatest renaissance in human history? The precondition for answering that question is to know the history of Europe since the Truman era, a history that the British agent Jean Monnet did so much to set on its present, disastrous trajectory.

68. Georges Berthoin replaced Max Kohnstamm as European chairman of the Trilateral Commission in 1975, holding that position until he became the organisation's honorary chairman for life in 1992. He was European Commission representative in London (1971-73), where he helped organise Britain's entry into the Common Market (without most of the restrictions to which continental Europe had to submit). In 1978-81, Berthoin was international chairman of the Churchill-founded European Movement, thereafter becoming its international honorary chairman for life.

Into the Present: London *Still* Runs the EU

By a CEC investigative team

On 20 February 2016 the Cameron government announced the terms agreed upon with the European Union for the United Kingdom to remain within the bloc, pending the outcome of the referendum on whether to remain or to leave, now scheduled for 23 June. One eye-catching detail was that lead negotiators on both sides were British: the UK's Chief Secretary to the Treasury Greg Hands, and, on the EU side, Director-General of the European Commission Task Force for Strategic Issues Related to the UK Referendum Jonathan Faull.

The special concessions granted for continued UK membership pivot upon the interests of the City of London financial centre. The BBC reported that London had won "safeguards for Britain's large financial services industry to prevent eurozone regulations being imposed on it", and the ability "to enact emergency safeguards to protect the City of London".

Ensuring that the UK remain in the European Union is a preoccupation for the City of London—the financial firms domiciled there, as well as the City of London Corporation's governing bodies drawn from those firms. Having kept financial speculation and offshore financial swindles not only alive, but expanding after the 2007-08 crash, the City looks to new horizons. A major goal is to ensure the continued expansion of opportunities for making money on hyper-speculative investments such as derivatives, including throughout the EU.

Mark Boleat, chairman of the City Corporation's Policy and Resources Committee, laid out these priorities in a 15 September 2015 speech delivered in Vilnius, Lithuania, titled "London's role in implementing European capital markets union" (CMU).[1] Using the typical language of propaganda on the CMU, which is always cloaked in references to "mobilising capital" and channelling investment to small and medium businesses and infrastructure, Boleat nonetheless revealed the underlying agenda: to direct more monetary flows through London—"to promote London as the world's leading international financial and business centre". London's claim on this role, he said, was based on the UK's status as "the leading European centre for management of hedge funds, sovereign wealth funds and private equity funds". *Hedge funds* are the full-time speculators that precipitated the near-meltdown of the international financial system in 1998. *Sovereign wealth funds* are financial pools belonging to nations, which London's private financial institutions seek to control. *Private equity funds* are another type of financial vulture, specialising in the takeover and asset-stripping of companies, with priority given to generating financial income streams for investors, rather than to the physical-economic activity of the firms. Targets of private equity funds in recent years have included auto-related industries in the United States, and Germany's *Mittelstand*, that country's traditionally productive, innovative real-sector industrial companies. In 2008 megaspeculator George Soros forecast that "the private equity funds will replace the investment banks"—which were in the midst of going under or being bailed out, after their massive speculative bets went sour—"as the dominant force in the economy, because they are the ones who are now buying the assets."

Within the City of London's lobbying for CMU, Boleat identified reviving European securitisation markets as the foremost "short-term priority for the EU". "Securitisation is critical to the success of non-bank alternative finance [also known as shadow banking –ed.], mainly by freeing up the bank's balance sheets", he said. "The efforts of the ECB, the Bank of England and others to revive securitisation markets are very welcome." Securitisation is the bundling of debts for resale as investment instruments, such as securitised mortgage debt. Mortgage-backed securities (MBS), a particular type of "collateralised debt obligation" (CDO), as these bundles are called generically, were central in the general financial crisis of 2007-08.

At present, City of London officials closely link these goals for the EU, especially those involving the weakening of regulations on a wide array of speculative financial instruments, with their support for the Transatlantic Trade and Investment Partnership (TTIP), the free-trade agreement being pushed heavily by Washington. Sir Alan Yarrow, the investment banker who was Lord Mayor of London in 2014-15, said last year, "It is critically important that we try and include financial services" in TTIP. The drive for TTIP in the entire Transatlantic region and for CMU between the UK and the EU are a single package.

The aggressive agenda set forth by Boleat and other City figures for the expansion of City of London operations in the EU comes as no surprise, since the EU itself is a creation of City of London interests and the government officials tasked to look after those interests. For decades the City of London has intrigued, and spent lavishly, for the purpose of dissolving the sovereignty of Europe's nations, and opening them up to "offshore" looting. These efforts were key to the major transformations in international finance during the Truman era and thereafter.

1. Online at Cityoflondon.gov.uk.

Creation of the Worldwide Casino

The City of London is the heart of the modern British Empire—what Lyndon LaRouche has called a Venetian-modelled, medieval-style "dictatorship of international finance." Photo: Wikimedia Commons/David Iliff

In the 1930s U.S. President Franklin Roosevelt, who had survived an early assassination attempt and then a military coup bid sponsored by Wall Street, had been determined to defeat those he called "the economic royalists", the Wall Street speculators who had manipulated the markets before and during the Great Depression. FDR envisioned a post-war order of sovereign nation-states, each and all developing economically for the benefit of their populations, to be guaranteed by agreements among the Big Four: the United States, the United Kingdom, the Soviet Union and China, which would collaborate under the aegis of the new United Nations Organisation. The great powers would assist the economic development of the former colonies of the British, French, Dutch and other empires. When Roosevelt presented this vision ("the Four Freedoms") to Churchill during 1941 negotiations for the Atlantic Charter at Newfoundland in 1941, that raving imperialist almost had a stroke **(p. 10)**.

The war-economy mobilisation to defeat fascism in the Second World War marked a return of productive government credit creation for real economic development not only in the United States, but also in other countries where these traditional "American System" or "national economy" methods were applied—such as in post-war Japan and by the Kreditanstalt für Wiederaufbau in Germany of the 1950s "economic miracle". Nicholas Shaxson, whose *Treasure Islands: Tax Havens and the Men Who Stole the World* (London: Random House, 2011) chronicles the opposite process, the creation of today's system of huge offshore financial flows and the City of London's central role in it, wrote about the immediate post-war time: "It is hard to imagine those days now: an era when international bankers took a backseat and fumed impotently at politicians' mighty powers. Those few years after the Second World War were, in fact, the only time in several hundred years when politicians had any real control over the banking sector in Britain. … The Bretton Woods plan, for all its faults, was designed to tame the forces of international finance."

Central to the post-war order would be the accords on a monetary system for the world, struck at Bretton Woods, New Hampshire in 1944. Even after compromises resulting from clashes between the American delegation led by Treasury official Harry Dexter White, who represented Roosevelt's ideas, and the British group under the monetarist Lord Keynes,[2] the Bretton Woods agreements did anchor respect for national sovereignty upon a worldwide system of fixed exchange rates, allowing for fair trade and stable economic development, relatively free of the speculative ravages of the City of London and Wall Street.

But the London financiers and their Wall Street junior partners were not interested in being tamed. As detailed in the preceding article, they launched "single Europe" political schemes after the war, from Churchill's European Movement (1948), through Jean Monnet's several economic and defence unification projects, to the 1956-57 Treaties of Rome that formed the European Economic Community (Common Market). While national leaders such as France's President Charles de Gaulle battled them, these initiatives were pursued relentlessly by London financiers, who sought opportunities to extend their "informal empire" over the continent and beyond. As Monnet and his British allies pushed to form supranational political structures in post-war Europe, they also persistently moved to create what has become today's globalised offshore money system. By the 1960s and 1970s, that process of financial market expansion took over from the post-war spirit of reconstruction, which had been shaken by the Cold War in the 1950s, and in the early 1960s was smashed by the murders of President John F. Kennedy and such figures as the Italian industrialist Enrico Mattei, and the political destabilisation of de Gaulle and of West German Chancellor Konrad Adenauer, in particular **(p. 13)**.

First came the creation of the unregulated, City of London-centred Eurodollar and Eurobond markets in the 1950s, led by City financier Sir Siegmund Warburg.[3] This

2. Allen and Rachel Douglas, "Two Varieties of Monetarism" (2013), available online from the CEC, is a discussion of Keynesianism and the Vienna School as the two main modern branches of monetarism, as against the "genuine continental European economic policy tradition that is non-monetarist: … the National Economy school of Friedrich List, which was an extension of the American System of Political Economy of Hamilton, the Careys, and President Abraham Lincoln."

3. Eurobonds are debt instruments denominated in currencies other than that of the issuing country. The term does not

was the system of offshore currency trading that set the stage for the pound and dollar crises of the late 1960s, culminating in the end of the Bretton Woods arrangements, when President Richard Nixon was induced to terminate the dollar's peg to gold on 15 August 1971.

denote business operations taking place solely within Europe, nor should it be confused with the modern "euro" currency. Similarly, Eurodollars are U.S. dollar-denominated deposits and transactions outside the United States, which initially circulated chiefly in Europe but are now a global phenomenon.

Warburg's biographer Niall Ferguson identified the Eurodollar market as the first step in the City's creation of the modern system of offshore tax havens and money laundering—what has most recently come into view with the publicity accorded the Panama Papers leak from the law firm Mossack Fonseca. "The very existence of the Eurodollar market in London", wrote Ferguson, "reflected the predisposition on the part of the British monetary authorities to allow the City to act as

What Is the City of London Corporation?

The 1,000-year-old City of London Corporation is a powerful, wealthy, highly secretive coordinating body for London's financial district and its megabanks. Occupying a little over a square mile, it has its own governing body, its own laws, and its own police force, and is entirely independent of what most people think of as the city of London, namely the Greater London Authority of some 8.6 million people governed by Mayor of London Sadiq Khan and the London Assembly. The City of London Corporation is accountable to no one but the Crown, with which it maintains close, almost entirely covert relations. For centuries, their shared power has been based on mutual benefit from the most degraded and damaging imperial adventures, rather than from the productive endeavours that built modern society. In the recent era this has meant imposing brutal austerity while unleashing speculation, with catastrophic effects.

Relatively few human beings live within the City's square mile. The majority of its "voters" are representatives of the major banks and other corporations domiciled therein. By its own account, it funds an array of the think tanks that have sprouted since the founding of the Institute of Economic Affairs in 1955, and which, unlike the major political parties, are not required by law to report their sources of funding.

In *Treasure Islands*, Nicholas Shaxson highlights the priorities of the City of London Corporation: "At the time of writing in 2010 [its] most recent public memoranda included one arguing stridently against efforts to rein in hedge funds, and another largely seeking to absolve the over-the-counter derivatives of helping cause the [2008] financial crisis, and arguing against restricting them."

Shaxson also reports on the enormous financial resources at the City's disposal: "The City of London Corporation also has a pot of money at its disposal named City Cash, which it says is 'a private fund built up over the last eight centuries,' earning income from 'property supplemented by investment earnings.' City Cash funds many things, including monuments and ceremonies, stakes in the property developments outside the City boundaries, free-market think tanks, and permanently staffed lobbying offices from Brussels to Bombay to Beijing. The City will not provide a detailed list of its assets and holdings: some, but not all, are available on the public record. It admits to owning some of the most valuable part of London's West End bordering the world-famous Regent and Oxford Streets. The City's Cash is exempted from British Freedom of Information requests, so we cannot find out what it owns."

The same holds true for the more than one hundred secret societies, known as livery companies, that are component parts of the Corporation. Each of these self-styled "Worshipful Companies" has its own, likewise not accountable, trust funds. These companies are historically interwoven with the old imperial trading groups such as the East India and Royal African companies, with the biggest global banks, and with the Crown's secret services. They have had a hand in crimes such as slavery and the global narcotics trade.

The City of London Corporation has extraordinary influence over legislation in the Parliament. According to Shaxson, "Today the City has an official named the Remembrancer, the world's oldest institutional lobbyist, who is the only non-parliamentary person working in the parliamentary chamber. Currently a man named Paul Double, the Remembrancer is charged 'with maintaining and enhancing the City's status and ensuring that its established rights are safeguarded,' and he monitors, and lobbies on, anything in parliament that might touch on the City's rights." The Remembrancer reviews legislation in the drafting stage. The office was created in 1571. "In its early years it was closely allied to the Monarch and the Court, and this is reflected in some of its functions today which include liaison between the City and the Royal Households." The clout of the Remembrancer was underscored by the fact that Sir Leslie Bowker, the City of London Remembrancer at that time, held ticket "No. 005" to the coronation of Queen Elizabeth in June 1953. An image of the ticket is displayed on a website of the Dulwich Hamlet Football Club.

The Lord Mayor of London typically gives speeches all over the UK and the world to promote the City's financial services.

a centre for offshore finance. The Bank's [Bank of England's] position was one of tolerance in the interests of London's revival: 'However much we dislike hot money we cannot be international bankers and refuse to accept money.'"[4]

The post-1971 speculation-based floating exchange rate system, officially endorsed by France, Germany, Italy, Japan, the UK and the USA at their November 1975 Rambouillet summit, then began to earn its nickname—*casino mondiale*, the world casino. The UK acceded to the European Economic Community (EEC), the EU's forerunner, in that same decade, in 1973.

The door had been flung open to an ever more speculative financial system. The financial sector was abruptly decoupled from physical economic processes **(Fig. 1)**. The shift was typified by the emergence in the 1990s of derivatives trading on an unprecedented scale in international finance. The City of London is the world's centre for this activity, which consists in the trading of side bets on everything from commodities prices to currency values to the weather. The total so-called "notional value" of this trade (the amount of money associated with these bets) is estimated at well in excess of US$1 quadrillion today, or two orders of magnitude greater than the gross world product of $78.28 trillion[5] **(Fig. 2)**. The charts in **Fig. 3** show that the involvement in derivatives speculation by the megabanks known as London's "Big Six" has continued to increase since the 2008 crisis.

In the 1980s, the next decade after Rambouillet, London took the lead in a great, worldwide wave of financial deregulation. This was the era of the "Big Bang" London market reforms, while in the United States the Federal Reserve began to exempt more and more derivatives trading from regulation, and to allow commercial banks to venture into types of financial activity long closed to them under Glass-Steagall banking separation.

The establishment of London's formal presence in the EEC during the 1970s went hand in hand with this expansion of free trade and globalisation of markets, and with the adoption of a radical free-market, deregulation agenda by both the Conservative Party (the so-called "Thatcher revolution") and what would become Tony's Blair's New Labour.[6] This tandem of the deregulation offensive and the move into Europe continued into the 1980s, when PM Thatcher's advisors helped write

4. Niall Ferguson, *High Financier: The Lives and Time of Siegmund Warburg* (The Penguin Press, 2010), quoting a 1963 Bank of England report.

5. U.S. Central Intelligence Agency, *World Factbook* (2014-15). The GWP estimate is stated in nominal (face value) terms. Calculations based on purchasing power parity are higher. For purposes of comparison with the notional values of derivatives contracts, however, the difference is negligible.

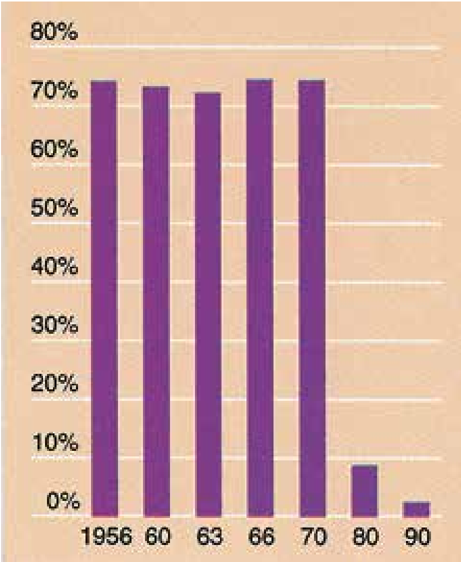
6. New Labour's role as a painted lady for the City of London is exemplified by the Tony Blair government's granting the Bank of England complete control over monetary policy, independent of government decisions or oversight, within days of taking office in 1997. In the same time period, Blair eliminated the party's nearly century-old platform plank demanding abolition of the City of London Corporation, in favour of seeking merely to "reform" it (Shaxson, op. cit., p. 264). After leaving office, Blair in 2008 signed on as an advisor to JPMorgan Chase, the biggest investment bank in the world. The ideological affinity of New Labour and the Thatcherite Tories, including through their shared idea-man Keith Joseph, is noted in the next article **(p. 47)**.

Sir Leslie Bowker, then-City of London Remembrancer, in 1948.

The City of London Corporation's publicity and organising arm, TheCityUK, describes itself as a "Government/private council", reflecting the corporatist policy at the heart of all UK governments since Thatcher. TheCityUK has an active outreach program, aimed "to effectively influence the EU policy-making industry across the Member States". Its International Regulatory Strategy Group (IRSG) has begun to set up Financial Services Dialogues with individual EU member countries, such as Italy, France and Germany. The British side is typically chaired by an executive from a City-based megabank. The City of London Corporation's Chairman of the Policy and Resources Committee Mark Boleat describes the City's efforts among the new EU members in Eastern Europe as practically a takeover. Speaking in Vilnius, Lithuania on 14 September 2105, Boleat boasted about the City Program, which for a decade has been placing people from these countries at firms in London. The program, he said, "has now targeted all of the newer Member States in Central and Eastern Europe… As a result we have established a good range of contacts across the Finance Ministries, Central Banks and regulatory bodies within these countries."

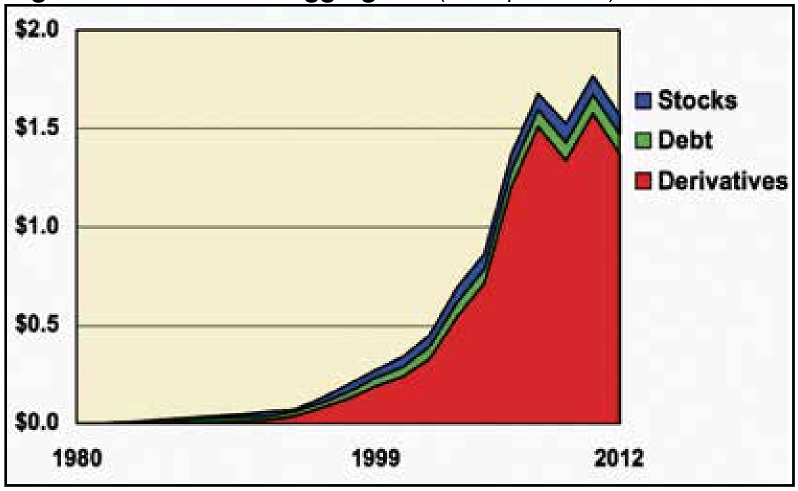
The background of Rachel Lomax, a director of TheCityUK and head of its IRSG, is indicative of the reigning corporatism. She is a senior director of one of the world's largest banks, HSBC, a pillar of the Crown/City of London dope empire since the 19th century. Prior jobs included deputy governor for monetary stability at the Bank of England (2003-08) and World Bank posts in the 1990s. Lomax had been principal private secretary to Thatcher's Chancellor of the Exchequer Nigel Lawson at the time of the Big Bang financial deregulation in 1986.

Fig. 1. Mercantile trade as percentage of foreign exchange



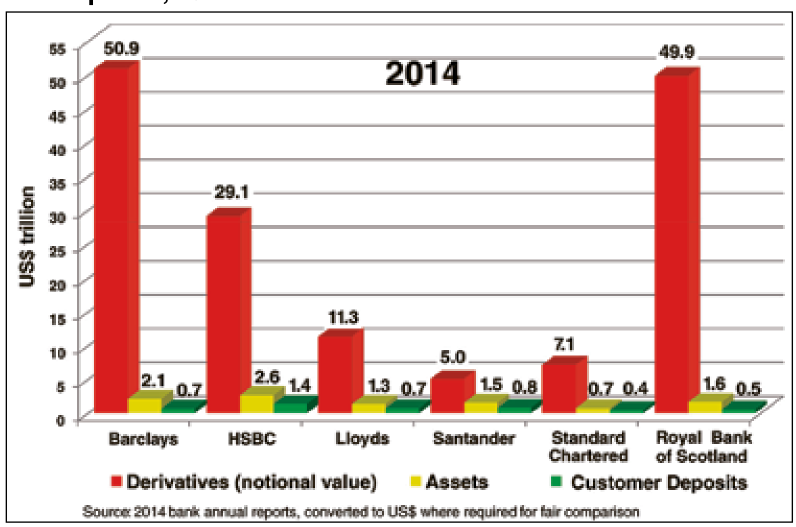
The chart shows the percentage of foreign exchange transactions (in which one currency is converted to another) associated with trade in real goods. After the end of the Bretton Woods system's fixed exchange rates in 1971, currency speculation skyrocketed and the financial sector was increasingly decoupled from real production. All figures in this article: *EIR*

Fig. 2. World financial aggregates (US$ quadrillion)



All estimates of notional values of derivatives contracts involve guesswork. Our figure of "well in excess of US$1 quadrillion" is based on doubling the Bank for International Settlements (BIS) estimates of derivatives; the reason for this is that the BIS nets out contracts between member banks (U.S. agencies, by contrast, report the sum of totals for individual banks, thus frequently encouraging a mistaken belief that American banks account for a greater share of total world derivatives than they do). The graph dramatises the size of potential derivatives claims, compared with stocks and bonds.

Fig. 3. "Big Six" London banks: derivatives exposure vs. assets and deposits, 2014



Years after the 2008 crisis, derivatives holdings of the large City of London banks known as the "Big Six," particularly Barclays, HSBC and the Royal Bank of Scotland, still dwarf their lending and deposits. Figures for Santander Bank are shown for the Spain-based company as a whole; its representative in the Big Six is Santander UK.

the *Single European Act* (SEA) of 1986, a stepping-stone to the EEC's transformation into the EU with the 1992 Maastricht treaties. One of these advisors, as a young man, was John Bercow, an MP since 1997 and today speaker of the House of Commons. He later wrote: "Margaret Thatcher was herself a driving force behind the Act and some of her Ministers positively fizzed with enthusiasm about the Single Market which it spawned. She and they believed that the Act achieved the Thatcherisation of Europe".[7] Lord Cockfield, a Thatcher ally who had been a Treasury official, and who served as chancellor of the Royal Duchy of Lancaster in 1983-84, became a member of the European Commission in 1984-88, helping from that post to secure adoption of the SEA with its extensive deregulation, which stripped national industries of protection. Cockfield wrote a White Paper in 1985, specifying hundreds of health, safety and other regulations to be cancelled, which became a guideline for the SEA and the Single European Market it led to. He drew upon demands worked up by the European Roundtable of Industrialists,[8] a group of executives from transnational corporations founded in 1983 by Per Gyllenhammar of Volvo (Sweden), the Italian Agnelli brothers, and Count Étienne Davignon (Belgium), whose "Davignon Plan" savaged the steel industry throughout Europe when he was European commissioner for industry in 1981-85. Davignon, a co-thinker of Jean Monnet

7. John Bercow, "Aiming for the Heart of Europe: A Misguided Venture", online at www.brugesgroup.com.

8. Corporate Europe Observatory, *Europe, Inc.* (Pluto Press, 2000), Chapter 3.

and former aide to Monnet's ally Belgian PM Paul-Henri Spaak, eliminated steel capacity and jobs in many countries through a cartelisation process passed off as "rationalisation". His Italian ally Giovanni Agnelli of Fiat, in October 1977, praised the Davignon Plan as "a concrete example of how it is possible to supersede national interests and politics".[9]

Another mover of the SEA was Lord Williamson of Horton, the Cabinet Office's European Secretariat head under Thatcher and then secretary general of the European Commission in 1987-97. His obituary in *The Independent* of 11 September 2015 noted that he "piloted the Single European Act" and "is also credited with much of the preparation of the Maastricht Treaty", which would be adopted in 1992. The same article gave the lie to the claim sometimes made, that Thatcher didn't realize how far the SEA would go: it quoted Williamson recalling that "I was present in No 10 on one occasion when Mrs Thatcher came down the stairs and said to me, 'I have read every word of the Single European Act.'"

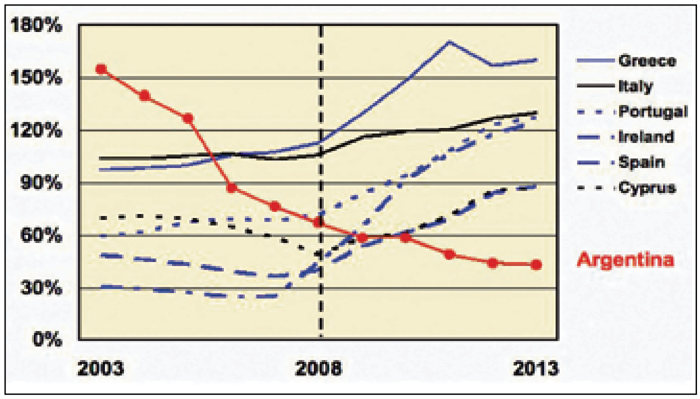
Thus Thatcherite officials made great contributions to the composition of the SEA and Maastricht, as the previously mentioned Lord Kerr of Kinlochard did a decade later to the European "Constitution", which failed, only to be adopted as the Lisbon Treaty in 2007 **(p. 7-8)**.

The most notorious stripping of sovereignty within the post-Maastricht EU was the prohibition of credit creation by individual member nations, enshrined in the ceilings of 3 per cent of GDP for any national budget deficit and 60 per cent of GDP for the national debt. The impact of Maastricht- and Lisbon-mandated austerity within the EU, however, is best seen not only in the bloc's endless debt crises **(Fig. 4)**—generated by the activity of the unchained private megabanks—but in the physical effects on the population of European nations, a sampling of which is illustrated in **Figs. 5-10.**

The combined financial and political dictatorship of the EU is a realisation of the vision of Siegmund Warburg and his co-thinkers who launched financial globalisation in the 1950s, in whose eyes the rise of the City of London had always been a political project as well as a financial one. They saw it as essential to consolidating Anglo-American financial and political control over a "united Europe". Warburg's biographer summed up: "His vision had been of an Anglo-American transatlantic community, securely based on a combination of shared financial and strategic interests. … Warburg's ultimate business objective was always to establish an optimal transatlantic triangle that would link together London, New York and a continental European financial

9. "The Davignon Plan for Europe's Steel", *EIR*, April 3, 1979.

Fig. 4. Debt to GDP ratio



The austerity imposed on EU member countries by the "Troika" of the International Monetary Fund, the European Central Bank and the European Commission has not stopped the growth of debt in Europe. Compare the reduction of Argentina's debt during the same years, when Presidents Nestor Kirchner and Cristina Fernández de Kirchner broke with the IMF's dictates.

Fig. 5. Greece: an EU success story

Poverty	+ 30%	(2008-12)
Homelessness	+ 25%	(2008-12)
Still Births	+ 22%	(2008-11)
Suicide	+ 27%	(2010-11)
Prostitution	+150%	(2008-12)
Total Population	- 10%	(2009-12)
Birth Rate	- 10%	(2009-11)

Fig. 6. Total population (millions)

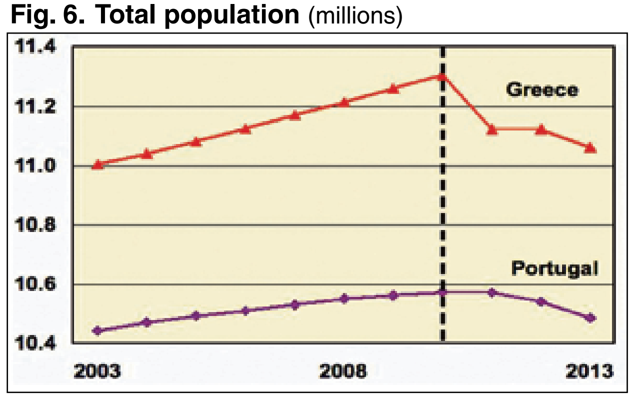


Fig. 7. Portugal: births and deaths
(hundreds of thousands)

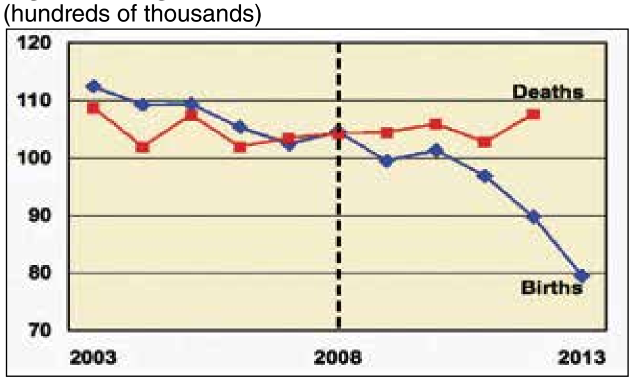
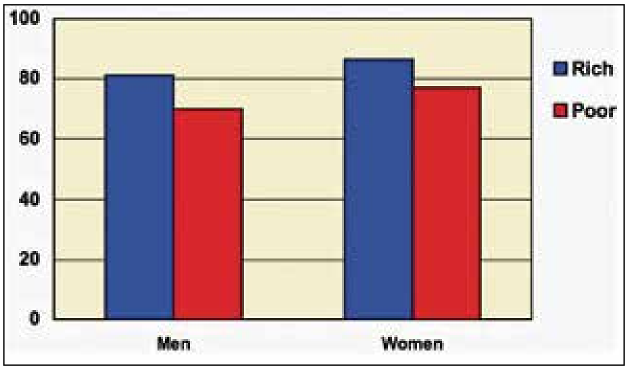
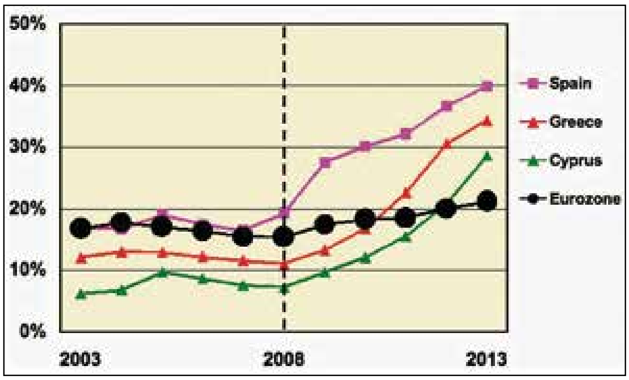


Fig. 8. Germany's longevity: poverty kills
(average life expectancy, years)



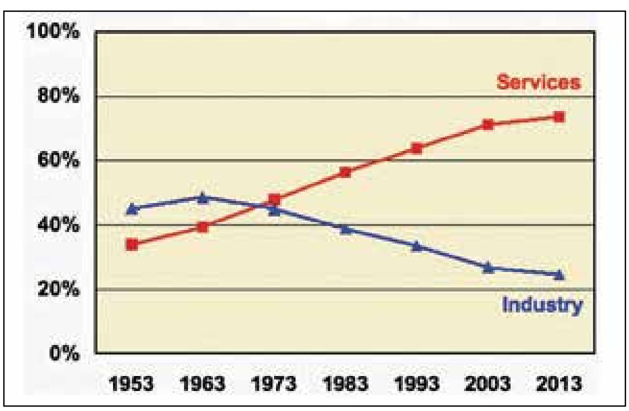
Life expectancy differs sharply between well-off and poor people in Germany, with the poor living a decade less. The sharp difference is related to the ability to buy private health care.

Fig. 9. Real unemployment



Official unemployment figures are understatements for many reasons, among them the omission from the labour force of people who have given up hope of finding work, or the inclusion as "employed" of people in training programs or the part-time, low-wage work called "mini-jobs" in Germany.

Fig. 10. Germany: employment by activity (% of total)



The downward turning point in Europe's post-war recovery to industrial powerhouse status came in the 1970s, when the worldwide casino of financial speculation began to dominate, and the search for cheap industrial labour abroad, under "globalisation" policies, made Europe a service-sector zone. The changes in the composition of employment are similar in other European countries to the case of Germany shown here.

centre". Regarding Europe, Warburg's commitment could be traced back to the 1930s, when he supported the Pan-European Movement of Count Richard Coudenhove-Kalergi. "To Warburg there seemed no necessary conflict between transatlantic financial integration … and European political integration. … By the post-war period, Warburg had become convinced that the only way to advance the cause of European integration was by economic means—reversing Europeans into a united Europe through the back door of commercial and above all financial integration."[10]

London's Men in the EU

The "British officials strutting the streets [of Brussels] like an occupying force", in the *Frankfurter Allegemeine Zeitung's* words cited recently by *The Telegraph's* Ambrose Evans-Pritchard, have been, and are, most notably an array of financial officials who rotate to EU positions as de facto agents of the City of London, invariably after having held key positions in the UK's Treasury or the Bank of England. The City also has its own official representative to the EU, currently former Liberal Democratic MP Jeremy Browne, who in 2010-13 was a minister of state in the Cameron government, first for Foreign Affairs and then for Home Affairs.

The careers of British officials within the EU apparatus proper shed light on the City of London-Brussels symbiosis.


www.gov.uk

Jonathan Hill, Baron Hill of Oareford, European Commissioner for Financial Stability, Financial Services and Capital Markets Union, commonly known as "the EU's financial services chief", since November 2014. Prior to this assignment, Hill had held pre-eminent positions in the UK's ruling oligarchy, as simultaneously leader of the House of Lords and chancellor of the Duchy of Lancaster, a major Crown estate, in 2013-14. He had been involved with the EU already in his earlier career, overseeing negotiations on the Maastricht agreement that created the EU, when he was the head of Prime Minister John Major's Political Office (1992-94).

Hill is a co-founder of Quiller Consultants, the public relations firm of the City of London Corporation. Quiller also does "reputation management" for HSBC—the old imperial banking giant which sorely needed it, after getting caught red-handed in drug-money laundering.

The City of London officially welcomed the appointment of Hill to his EU post, stating that "Lord Hill's expertise in this area and knowledge of the City of London will be crucial to ensuring the longevity and

10. Ferguson, op. cit., p. 199-200, 204.

stability of Europe's banking sector." Others were less enthusiastic, with the Corporate Europe Observatory NGO writing on 6 October 2014, "Appointing Hill would send exactly the wrong signal to an area of EU policy which is already dominated by financial lobbyists. The financial industry spends €120 million per year on lobbying in Brussels and employs more than 1700 lobbyists. The financial industry operates via 700 or more organisations, totally out-numbering civil-society organisations and trade unions by a factor of more than seven."

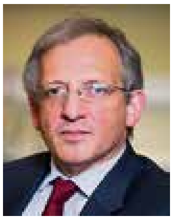
The "financial stability" part of Hill's job description subsumes the "bail-in" looting policy. Quoted in a 31 December 2014 European Commission press release, Hill exulted, "The Bank Recovery and Resolution Directive equips public authorities for the first time across Europe with a broad range of powers and tools to deal with failing banks, while preserving financial stability. From now on, it will be the bank's shareholders and their creditors who will bear the related costs and losses of a failure rather than the taxpayer." As detailed in the next article in this pamphlet, "creditors" include individual depositors and investors such as pension funds.

Hill has supervised the de facto merger between U.S. and EU derivatives clearing houses, "an important step forward for regulatory convergence", as he told the *Financial Times* (10 Feb. 2016). He works intensively for the UK-EU "capital markets union" discussed by Boleat, emphasising, as *The Telegraph* reported 3 February 2015, that it means "more business will flow into London". He told the newspaper, "I think there is a strong wind of support for capital markets union that actually we in the Commission need to capitalise on. And then those companies that are strong and competitive, wherever they are, but there happen to be a lot in London, will be well placed to support the European economy." Underlying that statement is the axiomatic belief that "financial services"—which subsume everything from car insurance to derivatives speculation—are an "industry". Said Hill in testimony before the House of Lords EU economic and financial affairs sub-committee, "I want to be in a position where I can champion the contribution that financial services industries make to the European economy. It's not healthy that they're thought of as being separate to the mainstream economy and still are being, in some ways, seen as having some kind of pariah status."

Flickr/europeanbusinesssummit

Jonathan Faull, Director-General of the European Commission Task Force for Strategic Issues Related to the UK Referendum as of 1 September 2015. Prior to this assignment, Faull had been EU director-general for Financial Stability, Financial Services and Capital Markets Union (previously Internal Market and Services, until 1 January 2015), including under Hill in 2014-15. This "British official regarded as sympathetic to protect the City of London", as *The Telegraph* put it on 24 June 2015, got the assignment from European Commission President Jean-Claude Juncker to negotiate with the Cameron government over terms for the UK to remain in the EU. Faull has worked on the European Commission and EU staff in Brussels since the 1970s.

Besides such British officials of the EU apparatus as Hill and Faull, there is another tier of UK and City of London officials who carry out British government operations in and around the EU.

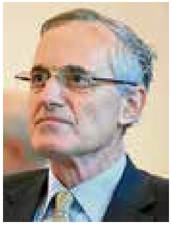


Flickr/Felix Clay

Sir Jon Cunliffe, Deputy Governor of the Bank of England for Financial Stability. Between 1990 and 2002, he held various posts at the UK Treasury, including managing director of financial regulation and posts related to the EU and international finance. He led the Treasury's work on the operational independence of the Bank of England, mandated by New Labour PM Tony Blair; the European Monetary Union; and the international financial system. Before joining the BoE, Cunliffe was PM Blair's advisor on European issues (2006-11), and served as UK Permanent Representative to the EU (2012-13). He is an important activist on behalf of the bail-in policy.

www.gov.uk

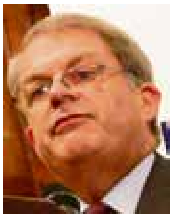
Sir Ivan Rogers, UK Ambassador to the EU. Like his predecessor Cunliffe, Rogers is a veteran of the British Treasury and the prime minister's office under both New Labour's Tony Blair and Tory David Cameron. He was Blair's principal private secretary in 2003-06, then went to work for New York-based Citigroup and then Barclays Capital, returning to government under Cameron in 2012 as advisor for Europe and global issues and head of the European and Global Issues Secretariat. In an earlier career phase Rogers had been chief of staff for Sir Leon Brittan as a European commissioner.



Wikimedia Commons/
World Economic Forum

Sir Andrew Cahn, Chief Executive and Chair of the City of London Corporation's International Trade and Investment Group since 2006, has made a career of helping to create the modern EU. He is chair of WWF (UK), founded by Prince Philip. Cahn worked on the team that drafted the Single Market Program, an important document in the run-up to the Maastricht agreements of 1992. For this task, Cahn worked in the late 1980s under Lord Cockfield, the Treasury official and European Commissioner mentioned above. In the late 1990s he was chief of staff for Neil Kinnock as EC vice president, then in 2006-11 headed UK Trade and Investment, a government department promoting UK business abroad and seeking to attract foreign money to the UK.

Mark Boleat, policy chairman of the City of London Corporation since 2012, calls himself "the nearest we have to a political 'leader'" thereof. He hails from the Channel Islands, Crown Dependencies that are not even part of the United Kingdom. Boleat's native Bailiwick of Jersey, with a population of just 100,000, is one of the top six offshore financial centres in the world. Boleat maintains ties with home, serving as chairman of the Channel Islands Competition and Regulatory Authorities, which oversee power, ports and communications in the islands. As his speech in Lithuania, quoted above (p. 30, 33), revealed, Boleat is active in expanding City of London influence throughout the EU, including the new member countries in Eastern Europe. He also operates in the EU through the City's International Regulatory Strategy Group, under former Bank of England and HSBC exec Rachel Lomax **(p. 33)**.



Flickr/Cicero Group

London's Europeans

Many of the continental Europeans who head key EU institutions are remarkable for their ties to London and Wall Street, following in the footsteps of Jean Monnet. Among those who mirror London/Wall Street policies on the continent is the current European Commission President (since 2014) **Jean-Claude Juncker.** During his 18-year tenure as prime minister of Luxembourg, Juncker presided over the transformation of that country into one of the world's largest "offshore" tax havens, and the centre of EU tax dodging, to the point where some 40 per cent of the country's 500,000 residents are foreigners employed by banks or other foreign institutions. According to the International Consortium of Investigative Journalists, more than 340 global companies use Luxembourg to evade most of their taxes.

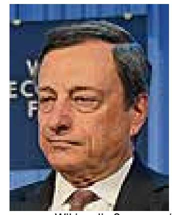
Flickr/European Peoples Party

More directly connected London men include Juncker's powerful deputy Frans Timmermans (Dutch) and European Central Bank President since 2011 Mario Draghi (Italian).

Frans Timmermans, First Vice-President of the European Commission, European Commissioner for Better Regulation. Graduate of a British high school in Rome where his father was a diplomat, Timmermans "speaks in nearly unaccented British English", according to a profile in the *Financial Times* of 19 May 2015. His language skills landed him a job in the Dutch Military and Intelligence Service as a young conscript. Mark Boleat, the City of London Policy Committee chief, expressed the City's appreciation of Timmermans, in his 14 September 2015 speech, saying that "we are also very supportive of the approach adopted by the new European Commission, articulated in particular through the appointment of First President Frans Timmermans to lead the Better Regulation agenda."

Flickr/PES Communications

Mario Draghi, President of the European Central Bank since November 2011, earned the moniker "Mr Britannia", for his implementation, during his stint as director general of the Italian Treasury in 1991-2001, of policies agreed to in an infamous conference with London financiers held on the Royal yacht **(p. 39)**. Draghi has a PhD in economics from MIT. In 1984-90, he was Italy's executive director at the World Bank. Upon leaving government in 2001, Draghi was rewarded for his performance with the position of vice chairman and managing director of Goldman Sachs International, based in London, in 2002-06. He then returned to head the Bank of Italy, its central bank, for five years before taking over at the ECB.



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World Economic Forum

This is the same Mario Draghi whose Draghi Commission of the Financial Stability Forum (FSF**)**, in 2008, drafted recommendations for 67 urgent regulatory changes, supposedly to prevent a repeat of the 2007-08 derivatives blowout by imposing greater transparency and other cosmetic measures. The FSF was set up by G7 finance ministers in 1999, after the previous year's international derivatives blowout, under the Bank for International Settlements in Switzerland **(p. 45)**. In 2009 the FSF morphed into the Financial Stability Board (FSB), which Draghi chaired for its first two years. Speaking at the Peterson Institute in Washington in October 2010, Draghi called for adopting legislation everywhere, modelled on the U.S. Dodd-Frank bill and incorporating a so-called "bail-in" policy in order "to resolve SIFIs [systemically important financial institutions] without disruptions to the financial system and without taxpayers' support." In May 2011, FSB chairman and soon-to-be ECB President Draghi called for EU law "to govern bail-in powers," under which "any such toolkit should include bail-in powers to ensure that the costs of such failures are met by shareholders and creditors, rather than taxpayers or the wider financial system." As the pilot project of Cyprus showed in 2013, "shareholders and creditors" ends up meaning "depositors".

Throughout the efforts in the FSF, FSB, and now at the ECB, Draghi has demanded ruthless "fiscal discipline" from EU member governments, together with a "fundamental restatement" of the EU's fiscal rules. The trick is simple: Draghi and the EU forbid governments to issue national credit, and so they are forced into the arms of private financiers. Not everyone goes under the knife, however, especially not his masters in the financial oligarchy: while preaching austerity for entire nations, Draghi has presided over massive bailouts of Europe's megabanks, such as the December 2011 $640 billion "three-year loan program", and a second, larger bailout in February 2012 called the "long-term refinancing operation" (LTRO), which was coordinated with bailouts by the U.S. Federal Reserve and the Bank of England.

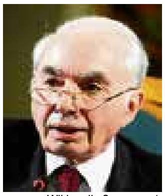
The Case of Italy

On 2 June 1992, just four months after the Maastricht Treaty on European Union had been signed, the British Crown's Royal Yacht Britannia dropped anchor in the Tyrrhenian Sea off the west coast of Italy. The formal sponsor of the occasion was the British Committee on Invisible Exports, a sort of central committee of the City of London, but such was the importance of the occasion that Her Majesty Queen Elizabeth II and her consort Prince Philip, Duke of Edinburgh personally hosted top figures from the Italian government, finance and industry at a soirée with some of her elite subjects from the City of London, including officers of the Barclays Bank brokerage house BZW, Barings Bank, and S.G. Warburg & Co. Dinner was served in the Britannia's exquisite accommodations, and Italian Treasury Secretary Mario Draghi rose to welcome his guests. The essence of Draghi's message, according to Italian media reports, was: "We are ready!"

Draghi was ready for his hosts' intention to privatise Italy's state-owned industries and force through savage budget cuts, under the pretext of meeting the demands of the Maastricht Treaty. The British insisted that the Italian stock market was far too small to handle the planned mass privatisation, which should therefore be carried out largely in London—although measures to build up the financial sector proportionally within the Italian economy were also part of the plan. Wall Street got a piece of the action as well, as a representative of the Italian Ministry of Industry flew to New York on 17 September 1992 for secret talks with Goldman Sachs, Merrill Lynch, and Salomon Brothers about the planned mass sell-offs, which coincided with a raid against the Italian lira on international currency markets. Moody's rating house downgraded Italy's debt for no apparent reason, occasioning a wave of speculation against the lira by megaspeculator George Soros, Goldman Sachs, and S.G. Warburg, among others. With the national currency devalued, London and Wall Street raiders scooped up the crown jewels of the Italian state for 30 per cent less than they otherwise would have had to pay.

In the first decade after Maastricht and the Britannia meeting, the result of this radical privatisation of the Italian economy was the greatest destruction of real wealth in the country's history. In a nation that had boasted the largest combine of state-owned industries and banks in the world outside the Soviet Union, becoming the world's sixth largest industrial economy in the 1960s and a premier producer of machine-tools, the Britannia script launched financial market expansion, encouraging people to invest their savings in the stock market. Thanks to a set of laws bearing Draghi's name, the greatest privatisation in the history of Europe took place in Italy, totalling 300 trillion lire (around $280 billion at the time).

The Italians who took part in the meeting on the Britannia were the leaders of a group that oversaw the looting of their own country and then went on to play pivotal roles in building up the institutions of the EU. Foremost among them, besides Draghi, were Giuliano Amato and Mario Monti.


Wikimedia Commons/ Niccolò Caranti

Giuliano Amato, former prime minister of Italy (1992-93, 2000-01), is a fanatical advocate of neofeudalism. In a 13 July 2000 interview in *La Stampa* newspaper, Amato proclaimed the end of the sovereign nation-state and expressed his commitment to a post-industrial, imperial "New Middle Ages": "I prefer to go slowly, to crumble little by little pieces of sovereignty, avoiding sudden shifts from national to federal powers. … And why not go back to the period before Hobbes? The Middle Ages had a much richer humanity, and a diversity of identity which today can be a model. The Middle Ages is beautiful; it can have its policy-making centres, without relying entirely on anyone. It is beyond the bounds of the nation-state. Today, as then, nomads are reappearing in our societies. Today also, we have powers without territories. Without sovereignties, we will not have totalitarianism."[11] Amato's obsession with "institutional reforms" has blossomed through his role as scientific director of the Astrid Foundation, set up in 2001. Astrid publishes innumerable studies under the rubric of "reform of governance", reports which consistently advocate a neo-feudal model of deconstructing the nation-state, with the devolution of government from the nation-state level, down to cities and municipalities.

Each of Amato's premierships was preceded by a stint as minister of the Treasury (1987-89; 1999-2000), and in 1998-99 he was minister for institutional reforms. As Italy's head of government at the time of the Royal Yacht Britannia meeting, Amato oversaw the initial phase of the destruction of Italy's state sector; ensured that the speculation against the lira met no serious political opposition, and then devalued the lira twice in quick succession. In the name of compliance with EU requirements, Amato imposed "the harshest austerity program since the Roman Empire, consisting of over 90 trillion liras in budget cuts and price increases."[12] Curiously enough, Amato emerged unscathed from the Clean Hands scandals that had almost wiped out Italy's political class, notwithstanding the destruction of his longtime mentor, Socialist Party boss Bettino Craxi, in the process.

Subsequent to launching the post-Britannia looting of Italy, Amato served as vice-president of the Convention

11. Quoted in Helga Zepp-LaRouche, "Abolishing Democracy by Stealth: Constitution for Feudalism in Europe", *EIR*, Feb. 29, 2008.

12. Claudio Celani, "Italy's D'Alema Dumped by Euro Fanatics, Britannia Boys", *EIR*, May 5, 2000.

on the Future of Europe ("European Convention"), established in December 2001 to consolidate the European Union. When French and Dutch voters rejected the Treaty Establishing a Constitution for Europe (TCE) in 2005, Amato was tapped to repair the damage, with his Action Committee for European Democracy ("the Amato Group"; its official name echoed the 1955-75 Action Committee for the United States of Europe of Jean Monnet), which in 2006-07 redrafted the TCE as what became the EU Treaty of Lisbon. Amato's group essentially executed a rebranding, making cosmetic changes to the TCE so that it could become the Treaty of Lisbon Amending the Treaty on European Union [Maastricht, 1992] and the Treaty Establishing a European Economic Community [Rome, 1957], under which name it was rammed down the throats of all opposition. This text from the Amato Group is the one, according to one-worldist aristocrat Valéry Giscard d'Estaing, the former President of France who was President of the Convention on the Future of Europe, that preserved 95 per cent of the content initially supplied by the Convention's general secretary in 2002-03, Britain's Lord Kerr of Kinlochard, former permanent under-secretary and chief of the British Foreign Office Diplomatic Service.

Mario Monti was Italian prime minister in 2011-13, renewing the post-Britannia devastation of the country's industry, employment, and the population's standard of living **(Figs. 11-14)**. Monti came out of an academic background, serving as rector and president of his alma mater, Bocconi University. Since its founding in 1903 by Venetian interests, Bocconi has been a major training centre for economists and synarchist technocrats in the service of oligarchical financiers. It maintains student and teaching exchange programs with the London School of Economics.

CC3.0/Zinneke

Although he was installed by the financial oligarchy as prime minister of Italy in November 2011 as a budget-slashing technocrat, Monti lavished funds upon Monte dei Paschi Bank through the issuance of "Monti bonds", agreed upon in 2012 and issued in 2013, when the staggering scale of MPS's derivatives speculation had already begun to emerge. His ally Draghi, as head of the Bank of Italy, had given the green light to Monte dei Paschi's derivatives operations.

Monti has been an Italian representative in supranational political clubs like the Bilderberg Group and the Trilateral Commission **(p. 14)**. After he had served as a European commissioner in 1994-2004, and then on the international advisory board of Goldman Sachs, then-EC president Manuel Barroso commissioned him in 2010 to draft a Report on the Future of the Single Market, towards consolidation of the single market within the EU.

Fig. 11. Italy: collapse of manufacturing (2005 = 100)

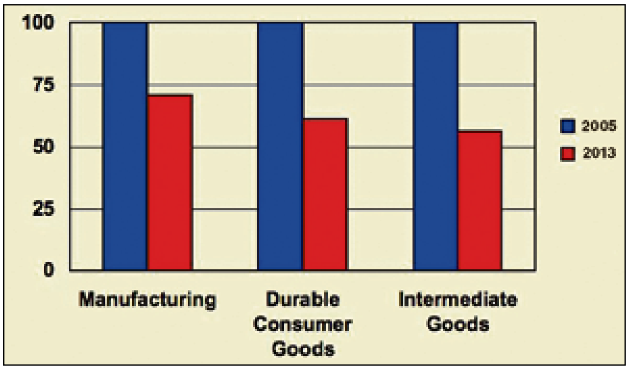


Fig. 12. Manufacturing employment in Italy's Mezzogiorno (south) (% of total)

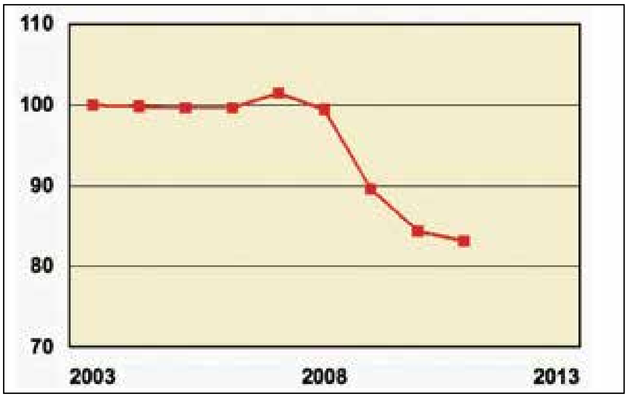


Fig. 13. Italy: poverty (% of households)

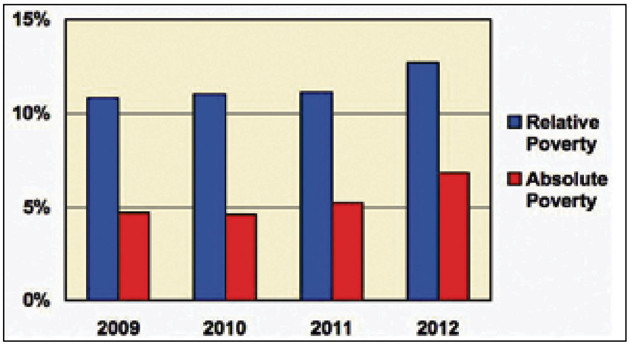
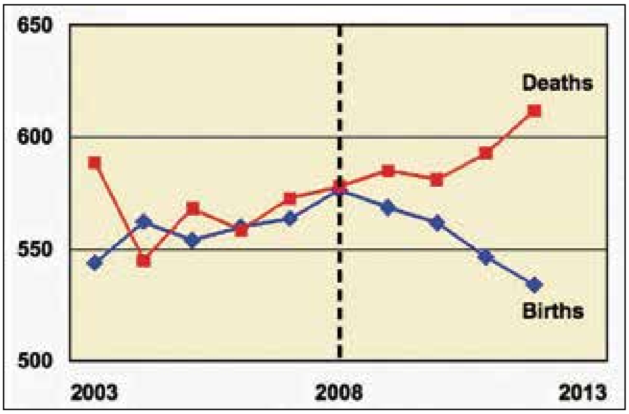


Fig. 14. Italy: births and deaths (hundreds of thousands)



'Bail-in': They Plan to Steal Your Personal Bank Deposits and Pensions!

This article was issued by the Citizens Electoral Council as a Media Release on 22 March 2016. Visit cecaust.com.au/bail-in to find PDF and HTML versions containing live hyperlinks to sources.

The world is hurtling towards a far worse financial collapse than even the crash of 2008. Plunging markets in bonds, bank stocks, and commodities throughout the Trans-atlantic sector of the world economy (and those attached to it, including Australia and New Zealand), have brought authoritative warnings of the next, looming megacrash, while the actions of the transnational financial authorities demonstrate fast-growing desperation on their part. Fore-most among those actions is "bail-in", the asset-confisca-tion model that got its test run in Cyprus in 2013.

The confiscation of depositors' funds through "bail-in", for which the Bank for International Settlements (BIS) and its Financial Stability Board (FSB) had sought legisla-tive approval in all major nations,[1] is now being imposed come hell or high water, notably in Australia by dictatori-al decree!

In 2008, the international financial oligarchy, centred on the British Crown, the City of London, and Wall Street, directed terrified governments to spend tens of trillions in public funds to "bail out" so-called Too Big To Fail (TBTF) banks **(Fig. 1, p. 43)**, whose quadrillions of dollars in spec-ulation had caused the crisis in the first place. In the years since, those banks have *not* stopped their unbridled spec-ulation, nor their drug-money laundering, terror-financing, tax evasion and other criminality; the tens of billions of dol-lars in fines incurred for such activity are simply written off as a cost of doing business.

And now, bailouts are not enough. While hiding behind sophistry like declarations of a desire to avoid 2008-style taxpayer bailouts, they plan, as the present crisis hits full-force, to simply *seize the private bank deposits of ordinary citizens like yourself*—"bail-in", as opposed to "bail-out".

The rationale for bail-in goes like this. When a bank fails because its assets (such as mortgage loans) are not enough to cover its liabilities, rather than its being declared bankrupt or bailed out with taxpayer money, the bank will be kept open for business by the intervention of a govern-ment-appointed bail-in authority, which takes over the bank and acts to reduce its liabilities. The authority will write down (cancel) some of the value of the bank's debt. Cred-itors, such as holders of the bank's bonds, may have those

1. "'Bail-In'—the British Crown's Plot for Global Genocide", *The New Citizen*, Aug./Sept./Oct./ 2013

The CEC's April/May/June 2013 *New Citizen*, issued imme-diately following the March 2013 bail-in of the banks in Cy-prus, warned that the murderous bail-in policy would be im-plemented in Australia and worldwide.

bonds converted into equity (shares) in the bank. Not only bondholders, but also depositors are classified as "unse-cured creditors". Thus, to reduce the bank's liabilities the bail-in authority can vaporise the savings of its custom-ers and assets of its bondholders, compensating them with worthless shares in the "resolved" institution.[2]

On 1 January 2016 new bail-in regulations with the force of law took effect throughout the European Un-ion. The EU's Bank Recovery and Resolution Direc-tive (BRRD) allows TBTF banks to seize personal bank deposits. The UK, whose Bank of England (BoE) was the

2. "Bail-in" regulations, designed by the Bank of England and the Bank for International Settlements, define a wide range of confisca-tory actions. In order to build buffers against losses from their huge speculative activities, banks are required to sell "bail-in bonds", which carry the provision that they will be written down and/or converted to shares in a crisis, effectively becoming worthless. These are typi-cally sold to large and presumably "knowledgeable" investors such as insurance and pension/superannuation funds, but sometimes, as in Italy and Australia, they are sold directly to unsuspecting individual savers and investors as inherently safe. One way or the other, wheth-er through simple stealing of individual bank accounts or large-scale looting of superannuation funds, the architects of bail-in emphasise that individuals will be forced to pay. At a 5 Nov. 2014 forum in Wash-ington DC on the 2010 *Wall Street Reform and Consumer Protection ("Dodd-Frank") Act*, which enshrined bail-in in the USA, former Bank of England Deputy Governor Sir Paul Tucker, one of the archi-tects of bail-in, declared that for a permanent bail-in system to work, the burden of keeping the banks from failing must fall on *households*, through their superannuation and insurance funds which hold bail-in securities and liabilities. "You absolutely can't allow banks and shad-ow banks to hold it", Tucker insisted. "So that leaves you with insur-ance companies, pension [superannuation] funds, mutual funds, etc. And when I've said that in other groups, people have said, 'My good-ness, it's households!' … Well, there are only households … *Do you want all the risk to fall back on Wall Street firms?*" (Emphasis added.)

BRRD's principal author, had put the new law fully into effect already on 1 January 2015.[3]

Attempts during 2013-15 to pass bail-in legislation in Australia were defeated by the Citizens Electoral Council's mass mobilisation. But now, bail-in has been simply *declared*, fascist-style, to be in effect as of early this year.[4] Although none of the 30 megabanks classified by the BIS as Global Systemically Important Financial Institutions (G-SIFI) is Australian, each of Australia's Big Four banks is among the top 50 banks worldwide. Therefore *Australia's financial system as a whole* is ranked by the IMF as "systemically important", meaning that a banking crash in Australia could bring down the entire Anglo-American system.

Bail-in devastated the nation of Cyprus in 2013, an experiment which the president of the Eurogroup of European finance ministers, Jeroen Dijsselbloem, proclaimed to be the "template" for the entire EU. Since then it has been applied to a lesser, but still disastrous, effect in Portugal, Spain and Italy.[5]

In reality, bail-in cannot save the TBTF banks: the amount of depositors' funds available to be seized is so small in comparison to the amount of speculative debt held by the banks, that governments will be forced once again to cough up untold trillions in "bail-out", on top of "bail-in". In addition, the fact that bail-in is now on the books has so terrified investors about being "bailed in" in the future, that they have stopped buying bonds; the collapse of bond markets was a major factor in the drastic 10 March decision of the European Central Bank (ECB) to pump money into the big banks through zero and negative interest rates and increase "quantitative easing" (QE)—the ECB's own bond purchases—by one-third, to 80 billion euros per month, a rate of money-pumping greater than the U.S. Federal Reserve System's QE at the height of its post-2008 interventions.

But bail-in is not merely, or even mainly, a "financial" trick. Its design is *political*. The real agenda behind bail-in is the intention of the Crown/City of London/Wall Street cabal to enact fascist police-state regimes and reduce the population throughout the Western world, even as they gun for a military showdown with Russia and China, to loot and subdue the BRICS[6] nations before their own Transatlantic system collapses. The racist eugenics philosophy of the British Crown and its adjuncts underlies such measures as bail-in.

Decisive action to eliminate these genocidal policies of bail-out and bail-in is needed *now*, before the present crisis hits full-force. The documentation in this article will arm you with what you need to know, in order to force your government to rein in the murderous TBTF banks and launch full-scale national credit-creation for an agro-industrial recovery. President Franklin Delano Roosevelt accomplished that in the United States in the 1930s, using principles that are universally applicable.

1. Bail-in: Derivatives Come First

The financial instruments known as "derivatives" lay at the heart of the 2008 Global Financial Crisis (GFC). The TBTF banks had concocted hundreds of trillions of dollars in these speculative gambling bets on everything imaginable: changes in interest rates and the value of currencies; farm and other basic commodity prices; dodgy mortgages; stock market indices; and even the weather. The nominal value of derivatives has no tangible backing; they are contracts that promise future pay-outs to their purchasers, depending on what happens with what is being bet upon—either changes in the price of a commodity or financial instrument, or some other process. They are acquired by investors for amounts far smaller than the nominal value, in a matter somewhat analogous to, but much worse than, buying stock on margin. Quite apart from the staggering amount of outright fraud involved in derivatives today, such financial gambling bets were strictly *illegal* during most of the post-war period, because they would prey upon and dis-

3. EU member countries were allowed to delay implementation of the full bail-in provisions of the BRRD from 1 Jan. 2015 to 1 Jan. 2016. But a UK Treasury notice of 12 Dec. 2014, reflecting awareness that the global financial crash could resume sooner rather than later, emphasised, "The BRRD will strengthen the EU financial system and make it less vulnerable to shocks and contagion. As such, the government strongly supports it and is committed to fully transposing the Directive by 1 Jan. 2015. The government does not intend to take advantage of the option of delaying the application of the bail-in provisions until 2016."

4. Christopher Joye, "Ensuring the major banks are not too big to fail", *Australian Financial Review*, 20 Dec. 2015, summarises the Australian bank regulator APRA's assertion that even without special bail-in legislation it already has bail-in powers under existing Australian law. Following the Cyprus bank bail-in of March 2013, a little-noticed Financial Stability Board report stated that bail-in legislation was "in train in Australia". The Citizens Electoral Council launched a nation-wide mobilisation to expose and stop this legislation, culminating in a December 2013 full-page advertisement in the national daily newspaper *The Australian*, and including publication of the CEC pamphlet *Glass-Steagall Now!* Thousands of Australians wrote to politicians, demanding that any plans to legislate bail-in be dumped. By exposing this hitherto secret intention, the CEC made it politically impossible for the Australian parliament to legislate bail-in, and derailed plans to finalise a global bail-in regime at the Brisbane G20 in Nov. 2014. Having failed to achieve the necessary legislation by democratic means, APRA is acting as the local arm of the supranational, dictatorial BIS that it is, by just plain asserting that it has bail-in powers already.

5. "Only Glass-Steagall bank separation can stop deadly bail-in", *Australian Alert Service*, 13 Jan. 2016, p. 3.

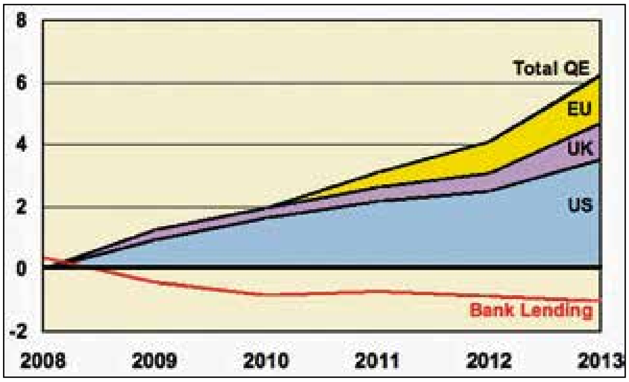
6. "British push for end of 'BRICS fantasy'" and "U.S. war faction pushes Asia into chaos", *Australian Alert Service*, 16 Mar. 2016, reports the latest attacks on BRICS. Cooperation among Brazil, Russia, India, China and South Africa, the BRICS group, is the seed crystal of a new world monetary and economic system. The Transatlantic financial powers centred in the City of London and Wall Street view the rise of BRICS and its promotion of national sovereignty and industrial progress as a threat to their global dominance, and are determined to break up the alliance.

rupt the flow of credit to the real physical economy.[7] The speculative bubble of derivatives was estimated at nearly US$1.2 quadrillion (a thousand trillions), against a world GDP of only US$60 trillion, when it triggered the 2007-08 crisis. The TBTF banks of London and Wall Street threatened to fall like a row of dominoes, with the City of London—the centre of the world derivatives trade—admitted to being in far worse shape than even Wall Street.

Because the TBTF banks lend almost solely to each other, and not to the real economy, if the derivatives bets of even one of them go sour, the whole global system will blow.[8] The closing of such a bank even for a few days could set off a chain reaction. Therefore the Bank of England and its flunkies at the Bank for International Settlements concocted the bail-in scam. "Open Bank Resolution", the name given to the scheme in New Zealand,[9] is descriptive: the bank remains open for business during the process. Instead of a normal bankruptcy proceeding, in which a hopelessly bankrupt bank is wound up and closed, and its creditors are paid from whatever is left of its assets ("closed bank resolution", so to speak), bail-in laws and decrees provide for failing TBTF banks to be reorganised over a weekend, in order to keep them open for business on Monday.

Under traditional bankruptcy law in Australia, the UK, the USA and elsewhere, depositors had first claim on any remaining assets of a bank that folded. Under bail-in, however, because bondholders and depositors are classified as "unsecured creditors", the bail-in authorities will simply

Fig. 1. Transatlantic QE and bank lending
(trillions of US$, cumulative change)



QE is "quantitative easing", the trillions of dollars poured into the world's megabanks since 2008. These unending bailouts did not trigger an increase in bank lending, but were sucked into the global speculative financial bubble. Source: *EIR*.

write off whatever percentage of the bank's bonds and deposits they deem necessary and/or convert them into illiquid or even near-worthless equity in the salvaged bank. This process, called "recapitalisation", has already happened in EU countries where bail-in has been applied. But there is an additional, crucial feature embedded in the now global bail-in model: derivatives are prioritised above any other claims, specifically including deposits. This provision, known as the "super-priority of derivatives", explicitly exempts them from being bailed in.[10]

The decision to accord super-priority to derivatives is no surprise, because the two individuals credited with inventing the notion of bail-in, after the 2008 GFC, are Paul Calello and Wilson Ervin, top derivatives salesmen for Credit Suisse First Boston, a bank already notorious for derivatives fraud. Calello had been involved in winding up the U.S.-based hedge fund LTCM, whose failure almost brought down the world financial system in September 1998. Both Calello and Ervin were present at the infamous weekend meeting at the New York Federal Reserve in September 2008, where that year's bail-out was plotted. Speaking on behalf of the failing system, Calello and Ervin floated the new bail-in scheme in an editorial in the 28 January 2010 issue of the City of London's flagship magazine, the *Economist*. Thereafter, according to Ervin's own account in a 12 March 2015 interview with the *International Financial Law Review*, titled "The Birth

7. The CEC's "Glass-Steagall Now!" web page details how derivatives work, and the history of their formerly illegal status in the USA, Australia, and most other countries.

8. Ross Gittins, "Banks are using us to hedge their bets", *Sydney Morning Herald*, 2 Feb. 2016, reported that the well-known Oxford economist John Kay, addressing a meeting organised by the Grattan Institute on 1 Feb. during his tour of Australia, emphasised that only 3 per cent of the loans made by TBTF banks go to the real economy. Summarising Kay's presentation, economics editor Gittins wrote: "We need a financial sector to service the needs of the 'real economy' of households and businesses producing and consuming goods and services. But none of this justifies the huge growth in the financial sector we've seen. Most of that growth has come in the form of massively increased trading between the banks themselves in 'financial claims', such as shares and bonds and foreign currencies and 'derivatives' (claims on claims, and even—if you've seen *The Big Short* [film]—claims on claims on claims). If you add together all the financial assets ('claims') owned by all the banks and other financial outfits, they exceed by many times the value of the physical assets—such as houses and business buildings and equipment—which are the ultimate basis for all those claims."

John Kay, "Don't always believe a balance sheet", *Financial Times*, 16 Feb. 2016, amplified the point with some data on derivatives: "Two banks, JP Morgan and Deutsche Bank, account for about 20 per cent of total global derivatives exposure. Each has more than $50tn [trillion] potentially at risk. The current market capitalisation of JP Morgan is about $200 billion (roughly its book value). … From one perspective, Deutsche Bank is leveraged 2,000 times. Imagine promising to buy a house for $2,000 with assets of $1."

9. The Reserve Bank of New Zealand's Open Bank Resolution is a ruthless bail-in scheme that blatantly targets all bank deposits, which in New Zealand have no government guarantee.

10. In the United States, derivatives obligations were given super-priority status already in 2005 under the *Bankruptcy Abuse Prevention and Consumer Protection Act*; this status was continued under the 2010 *Dodd-Frank Act*, which excludes them from being bailed in. The EU's BRRD exempts derivatives from bail-in unless they have first been "closed out", and requires national regulators to exempt certain liabilities so as to "avoid giving rise to widespread contagion". In effect, this exempts all derivatives. A City of London banking source told the CEC, "The rules on this [closing out of derivatives] are highly complex and there are fears in the financial markets that their operation could be severely disruptive if ever a bail-in situation arose."

Bank of England Governor Mark Carney (l.) and former Bank of England Deputy Governor Paul Tucker, are the architects of "bail-in" to steal your deposits. Photo: Jason Alden/AFR

of Bail-in", the model was championed by three individuals in particular:

Mark Carney, the former Bank of Canada governor who took over as chairman of the BIS's Financial Stability Board (FSB) in January 2011, and on 1 July 2013 also became governor of the Bank of England;

Paul Tucker, the Bank of England's deputy governor for financial stability; and

Jim Wigand, director of the Office of Complex Financial Institutions of the U.S. Federal Deposit Insurance Corporation (FDIC).

Champions of Bail-in: Goldman Sachs, the Bank of England and the BIS

The careers of Mark Carney and Paul Tucker, foremost champions of bail-in, are a window into the world financial oligarchy.

For 13 years, Carney held top posts at the world's largest and most notorious investment bank, Goldman Sachs, a major player in the subprime mortgage scam which led to the 2008 crash.

Goldman Sachs is arguably the world's most powerful investment bank. Especially since the 1980s financial deregulation (London's "Big Bang" stock market reforms and the U.S. Fed's exemption of categories of over-the-counter derivatives trading from regulation), Goldman Sachs has been famous for exploiting political connections to fan speculative booms, extract maximum profits, and then get out of a given bubble before its inevitable bust, often at the expense of its own clients. This pattern was visible in the "tech" boom of the late 1990s, the sub-prime mortgage bubble of the 2000s, and the commodities bubble that is now imploding. Goldman has even positioned itself to become the biggest player in the next speculative bubble—carbon trading. The firm has earned its description by Wall Street observer Matt Taibbi (*Rolling Stone*, 5 April 2010) as "a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money". Time and again, Goldman Sachs executives become very rich, and then take up regulatory and other government positions, from which they can ensure the game is rigged to benefit Goldman Sachs and its fellow financial predators.

Goldman Sachs alumni include Bank of England Governor and FSB Chairman **Mark Carney**; former FSB Chairman and current European Central Bank (ECB) President **Mario Draghi**; **Robert Rubin**, who as U.S. Treasury Secretary worked for the repeal of Glass-Steagall; U.S. Treasury Secretary **Hank Paulson**, who bailed out Wall Street in 2008; George W. Bush's White House chief of staff during the 2008 crisis **Joshua Bolton**; Clinton Administation Treasury official **Gary Gensler**, who wrote the 2000 *Commodity Futures Modernisation Act*, excluding derivatives from regulation, and is now a leading advisor to Hillary Clinton's presidential campaign; and Australian Prime Minister **Malcolm Turnbull**, who made his fortune in the Goldman-manipulated tech bubble in the late 1990s.

One of Carney's Goldman Sachs positions was as its London-based co-head of sovereign risk for Europe, Africa, and the Middle East. That meant heavy involvement with derivatives, which were ostensibly invented to "manage risk". As Canada's *Globe and Mail* reported on 25 January 2008 in a profile of Carney, at the time just appointed as governor of the Bank of Canada, "some central bank watchers fear that the naming of Mr Carney as governor symbolises the supremacy of financial markets over the interests of employment and general economic health when it comes to central banking. And there's no doubt that Mr Carney believes that markets should largely be left unhindered to determine the direction of the economy." He was, noted the paper, an outspoken critic of nations attempting to "champion industrial policies".

The Bank of England's Paul Tucker was another heavy-weight. A protégé of Robin Leigh-Pemberton, BoE governor in 1983-93, for whom he worked as principal private secretary, Tucker was the BoE's deputy governor for financial stability in 2009-13, in 2012-13 simultaneously serving as head of the BIS Committee on Payment and Settlement Systems (subsequently renamed the Committee on Payments and Market Infrastructures). Tucker had been deemed a shoo-in to take over as governor of the BoE in 2013, but a scandal over his intimate relations with certain bankers involved in rigging the LIBOR rate, whereas he was responsible for monitoring such things, opened the position for his BIS mate Carney.[11]

11. LIBOR, the London Interbank Offered Rate, is the world's benchmark interest rate. It is set daily in London, based on an average of rates quoted by a group of 16 banks, and is used to denominate well over a quadrillion dollars' worth of financial contracts globally. Even a tiny fraction of a per cent change in LIBOR enabled banks to "skim" large amounts of money from these transactions. Chancellor of the Exchequer George Osborne refused to appoint a full judicial inquiry into the LIBOR-rigging scandal, opting for a parliamentary inquiry instead. More recently, Osborne has also been accused of intervening to stop a Financial Conduct Authority probe of the City of London's banking "culture", an investigation the banks complained was "banker-bashing". The UK

Carney's heading both the BoE and the BIS's Financial Stability Board, established by the G20 nations in 2009 to prepare measures to avoid another 2008 crash or worse, is fitting, since the Bank of England established the Bank for International Settlements in 1930 to be a "central bank of world central banks". Reflecting BoE Governor Montagu Norman's support for Hitler and his Nazi party were the two Germans who sat on the BIS board: Baron Kurt von Schröder, an elite private banker who was one of the largest funders of Hitler's rise to power, and Hjalmar Schacht, soon to be the Nazi finance minister.[12] The BIS itself provided financial support for the Nazis, including by holding the gold they looted from throughout Europe.[13] Because of its Nazi ties, the BIS was supposed to be disbanded as part of the Bretton Woods financial arrangements at the end of World War II, but after the death of President Franklin Roosevelt in April 1945 the BoE-centred financial oligarchy managed to keep it in place.

Though based in Basel, Switzerland, the BIS has extraterritorial status and is therefore responsible to no nation. It serves as the "neutral" conduit through which the BoE orchestrates fascist international regulatory policies today. For example, the British were instrumental in the creation of the Financial Stability Board as ostensibly a G20 body (formalised at the 2009 G20 summit in Pittsburgh), but de facto an arm of the BIS. The FSB's first chairman, who had headed its pilot project, the Financial Stability Forum, since 2006, was then-Governor of the Bank of Italy Mario Draghi, fresh from three years working in London as managing director of Goldman Sachs International. Today, as head of the ECB, Draghi is helping to oversee bail-in throughout the EU, even while opening the sluice gates for huge new "quantitative easing" bailouts of Europe's TBTF banks.

Mark Astaire, vice chairman for investment banking of Barclays Bank (the very bank with which Tucker's ties got him in trouble over LIBOR), summed up the decisive role of the UK financial oligarchy in the supranational regulatory mafia, in testimony to the UK House of Commons Treasury Select Committee early this year. *The Telegraph* of 6 January 2016 reported: "He added that Britain generally has a strong negotiating position on financial regulations, which are created by global organisations such as the G20, Financial Stability Board and Basel [the BIS] *before being passed down to nations*." (Emphasis added.)

Tucker's successor as BoE deputy governor for financial stability, Sir Jon Cunliffe, likewise boasted of the BoE's clout within the global "financial stability" process, that is, bail-in, in his 17 March 2014 speech at Chatham House, stating, "I am very pleased to say that the Bank of England has played a key role—and in many areas a leadership role—in moving this program forward."

What About My Deposit Guarantee?

"But surely they can't grab *all* my money?!", you might protest. "What about my deposit guarantee?" The Financial Claims Scheme (FCS) in Australia is supposed to guarantee deposits up to $250,000, while the Financial Services Compensation Scheme (FSCS) in the UK guarantees deposits up to £75,000 (lowered from £85,000 in 2015). In reality, both schemes are worthless, as are similar ones in the United States and the EU.

Against some $950 billion in insured deposits, Australia's FCS makes provision for paying out only $20 billion in insurance on deposits in any single troubled bank, even though each of the Big Four has around $200 billion in insured deposits. Even the Australian Prudential Regulation Authority (APRA) and the FSB admit that this level is woefully inadequate for the eventuality of a failure of any of the Big Four banks. According to the minutes of the Australian Council of Financial Regulators 19 June 2009 meeting, when discussing the deposit guarantee scheme "APRA noted … failure by one of the four largest institutions would be likely to exceed the scheme's resources." The FSB's own 21 September 2011 *Peer Review of Australia Report* stated, "The limit of $A20 billion per ADI [Authorised Deposit-taking Institution] would not be sufficient to cover the protected deposits of any of the four major banks".

The FSCS of the UK is in even worse shape: with £2.3 trillion (£2,300 billion) in deposits supposedly under its protection, the scheme holds only £1.5 billion for fulfilling

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Serious Fraud Office is currently investigating allegations of market manipulation by the BoE during the credit crunch of 2007-08.

12. Carroll Quigley, *Tragedy and Hope: A History of the World in Our Time* (New York: Macmillan, 1966), describes the establishment of the BIS by a cartel of central bankers with Montagu Norman at its head: "In the 1920s they were determined to use the financial power of Britain and of the United States to force all the major countries of the world to go on the gold standard and to operate it through central banks free from all political control, with all questions of international finance to be settled by agreements by such central banks without interference from governments. … In addition to these pragmatic goals, the powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalist fashion by the central banks of the world acting in concert, by secret agreements arrived at in frequent private meetings and conferences. The apex of the system was to be the Bank for International Settlements in Basle, Switzerland, a private bank owned and controlled by the world's central banks which were themselves private corporations. Each central bank, in the hands of men like Montagu Norman of the Bank of England, Benjamin Strong of the New York Federal Reserve Bank, Charles Rist of the Bank of France, and Hjalmar Schacht of the Reichsbank, sought to dominate its government by its ability to control Treasury loans, to manipulate foreign exchanges, to influence the level of economic activity in the country, and to influence cooperative politicians by subsequent economic rewards in the business world."

13. "Defeat the Synarchy—Fight for a National Bank", The *New Citizen*, April 2004, details the Australian side of this banker-fascist alliance in the 1930s, when financiers created the mass-based fascist Old and New Guard armies to stop Labor from reasserting its tradition of national banking to revive the economy and alleviate mass suffering.

these guarantees![14] Other nations are no better off. When Italy bailed in four small banks in December 2015, the Italian government didn't have the money to honour its deposit guarantee and had to arrange for four large banks to put up the money instead. And those defaulting banks were mere "minnows", compared to the "whales" of London, Wall Street and the bigger EU banks.

Moreover, the relevant authorities have admitted that they will grab the resources of these deposit insurance schemes, if they deem that necessary to keep the TBTF banks afloat. The U.S. FDIC and the Bank of England, for instance, issued a joint paper on 10 December 2012, stating: "The UK has also given consideration to the recapitalisation process in a scenario in which a G-SIFI's liabilities do not include much debt issuance at the holding company or parent bank level [i.e., "bail-in bonds"] but instead comprise insured retail deposits held in the operating subsidiaries. Under such a scenario, deposit guarantee schemes may be required to contribute to the recapitalisation of the firm".

Paul Tucker pushed the point in a speech to the Institute of International Finance on 12 October 2013, just before quitting the Bank of England, stating that "if the losses are vast enough, then the haircuts imposed by the resolution authority can in principle permeate to any level of the creditor stack. In the case of insured deposits, that means Deposit Guarantee Schemes suffering losses."

2. Behind Bail-in: Eugenics and Genocide

A glimpse into the actual policy behind bail-in is afforded by examining the UK's Centre for Policy Studies (CPS), whose City of London backers conceived the bail-in policy to begin with. In a January 2016 study titled *The Abolition of Deposit Insurance: A modest proposal for banking reform*, the CPS calls for the cancellation of deposit insurance altogether, as was done in New Zealand in 2011, and in Austria in 2015 under the approving eye of the EU. Since its founding in 1974, the CPS has specialised in floating seemingly outrageous "free market" proposals, which soon become law.

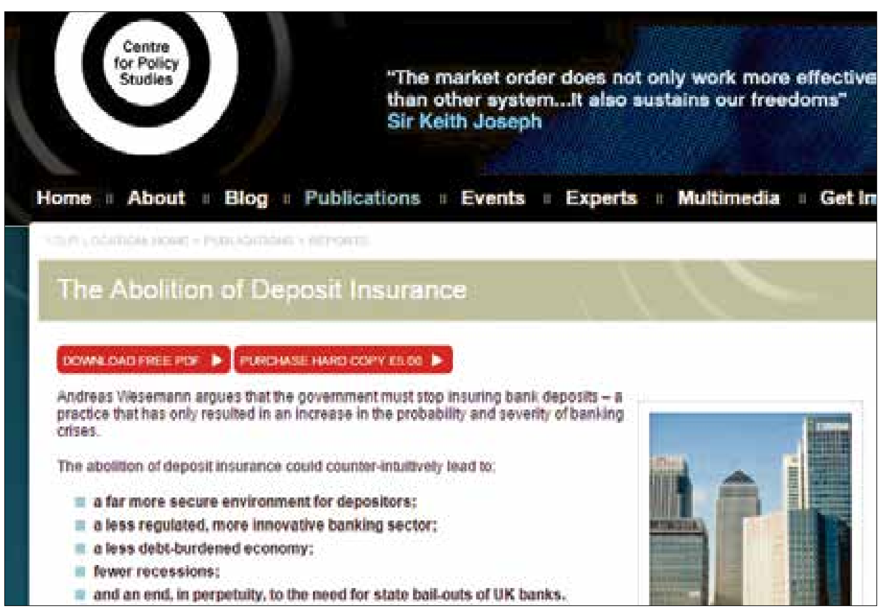
The entire global think-tank apparatus of which the CPS is a key part, and which designed the present deadly policies of privatisation, deregulation, and austerity in a hundred different guises, was spawned from the Crown/City of London front organisation known as the Mont Pelerin Society (MPS). The foremost MPS offshoot, the Institute of Economic Affairs (IEA), was established in 1955 with the backing of Harley Drayton, personal financier for the British Crown.[15] From its inception, the IEA was viciously opposed to the policies of post-war British PM Clement Attlee, which favoured the general welfare.

The IEA, in turn, spun off the CPS and the legions of similar "free market" think tanks that have dictated government policy throughout the Anglo-American world since the Thatcher regime came to power in the UK in 1979, including emphatically in Australia and New Zealand. These organisations have never been anything but fronts for the Crown and its allies in the powerful, super-secretive City of London Corporation **(p. 32)**, which provides much of their copious funding. The intellectual author of this global apparatus was Friedrich von Hayek, sometime advisor to Chilean fascist Gen. Augusto Pinochet, and a chief propagandist for the pro-feudalist, pro-empire and anti-nation-state "Austrian School" of economics. The day von Hayek was made a Companion of Honour by the Queen for his work, one of only 60 people worldwide accorded that status, he proclaimed to be "the proudest day of my life".

Behind the veneer of free-market ideology promoted by these think tanks lies an even uglier reality: eugenics.

14. The funding principles of the Australian and UK deposit insurance schemes differ. Australia's FCS is funded "ex post", a Latin phrase meaning that funds are obtained from the Treasury to pay insurance claims *after* a bank fails. The FCS has a standing appropriation of $20 billion for a failed bank, meaning that the Treasury is pre-authorised to inject up to this amount. In the UK, FSCS is funded "ex ante", meaning beforehand, by a levy on banks proportionate to the size of their deposits. In both cases, the size of the insurance pool or potential insurance funding is orders of magnitude less than the deposits insured.

15. Gabrielle Peut, "Cameron's Trade Union bill is Mont Pelerin Society fascism", *Australian Alert Service*, 25 Feb. 2016.



The Centre for Policy Studies in London, which is pushing to abolish deposit guarantees, is a front for the City of London financial powers behind bail-in. The CPS website honours its eugenicist founder Sir Keith Joseph.

The IEA's long-time leader Sir Ralph Harris was a fellow of the British Eugenics Society, and his two protégés who were in charge of the CPS, Sir Keith Joseph and Alfred Sherman, were fanatical eugenicists as well. Harris even observed in a PBS interview that Sherman, top policy designer for CPS, constantly wanted to "bring in issues like immigration or eugenics."[16]

Lord Ralph Harris of High Cross, a leader of the Thatcherite revolution, was a fanatical eugenicist.
Photo: Austral

In all his policy proposals, Sir Keith Joseph was actually speaking on behalf of the City of London Corporation, for which his father had been Lord Mayor, and which he himself had served as an alderman. In the 1970s, Sir Keith had been slated to be the next head of the Conservative Party—and therefore Britain's prime minister—upon the success of the IEA/CPS "free market" coup in the Tories in 1975, in which CPS official Margaret Thatcher was a leading figure. But Joseph delivered such an overtly pro-eugenics speech in Birmingham on 19 October 1974, that the resulting uproar forced him to step aside in favour of Thatcher.[17] She, for her part, famously said of Sir Keith, "I could not have become leader of the opposition, or achieved what I did as prime minister, without Keith." The eugenics scandal notwithstanding, the Queen in 1986 made Joseph a Companion of Honour, just like his idol von Hayek.

Lord Harris observed about Thatcher, "We weren't Thatcherites, she was an IEA-ite". The policy of "austerity", by which the Crown and the City of London ripped up the post-war settlement of a regulated economy devoted to the common good, to which both Labour and the Conservatives had subscribed from the time of Attlee's "Old Labour" government in 1945 until the IEA/CPS coup in the Tories in 1975, is at root a policy of eugenics, of mass murder, as the bail-in regime makes clear. With the advent of Tony Blair and New Labour, the City of London took over the Labour Party as well, a reality summarised in a 10 May 1999 *New Statesman* article about Sir Keith Joseph.[18]

Quite lawfully, given its City of London backing, the CPS provided many crucial figures of the Thatcher regime. They—some of the very same individuals—also form the backbone of the David Cameron government's apparatus, which has, among other horrors, rammed through bail-in and designed the viciously anti-union Trade Union Bill 2015-16, passed by the House of Commons. Besides its draconian restrictions on union activity, this legislation aims to strip the Labour Party of much of its funding, which comes from the unions.

So many members of the City of London's CPS mafia, representing the highest levels of the blood aristocracy and financial oligarchy in the UK, hold key posts in or otherwise influence the Cameron government, that now more of the think tank's "studies"—like the one on abolishing all deposit insurance—are certainly slated to become policy.

Some of the past and present leading lights of the board and advisory council of the Centre for Policy Studies are these City of London and Crown-connected people:

Lord Maurice Saatchi, CPS chairman, was campaign director for Thatcher in 1979 and Cameron in 2010, and presently advises Australian PM and former Goldman Sachs executive Malcolm Turnbull.

Tessa Keswick, who assumed the post of CPS deputy chairman in 2004 after having been executive director of the CPS since 1995, is the daughter of Scottish aristocrat Simon Fraser, 15th Lord Lovat, and the wife of Henry Keswick, one of Britain's richest men and chairman of Jardine Matheson Holdings, historically a kingpin of the British Far East opium trade. When Keswick was brought in under the sponsorship of then-CPS chair Lord Griffiths of Fforestfach, who had headed Thatcher's Policy Unit, she was intended as "the intellectual heir to Sir Keith Joseph", as *The Independent* put it on 10 September 1995. Keswick's backers, the paper said, "want the CPS, Baroness Thatcher's ideological offspring, to regain its leading and guiding role in the development of Conservative political thinking."

Lord George Bridges of Headley was formerly chairman of the Conservative Party Research Department, and the party's campaign director in 2006-07. From 2010 to 2013, he headed Quiller Consultants, PR firm for the City of London Corporation. Since 2015 he has been Parliamentary Secretary for the Cabinet Office,

16. Interview of Lord Ralph Harris, U.S. Public Broadcasting Service "Commanding Heights" program, 17 July 2000.

17. Though Joseph's speech was largely written by his fellow eugenics advocate Alfred Sherman, the most outrageous phrases were inserted by Sir Keith himself. These included the statement that "our human stock is threatened"—the title under which the transcript remains posted at www.margaretthatcher.org to this day. Joseph continued: "… a high and rising proportion of children are being born to mothers least fitted to bring children into the world and bring them up. … Some are of low intelligence, most of low educational attainment. … They are producing problem children, the future unmarried mothers, delinquents, denizens of our borstals, sub-normal educational establishments, prisons, hostels for drifters. … A high proportion of these births are a tragedy for the mother, the child and for us."

18. Charles Leadbeater, "New Labour's secret godfather", *The New Statesman*, 10 May 1999. Speaking of Joseph, the article began, "He was Margaret Thatcher's Mad Monk, the high priest of the free market, the first true believer who converted the future prime minister to radical right-wing ideas. … It is uncanny how many of the themes of the new Labour government were prefigured in his speeches and pamphlets (which are still available from the Centre for Policy Studies). … What new Labour ingested from Joseph above all … was the recognition that the postwar consensus, and everything that went with it, was gone for ever."

who according to his official job description (www.gov.uk) "supports the Chancellor of the Duchy of Lancaster in ensuring that the government delivers its policy agenda". His first cousin Mark Thomas Bridges is Private Solicitor to Queen Elizabeth, to her Duchy of Lancaster, and to the Queen's daughter Anne, the Princess Royal.

Oliver Letwin, secretary of the Cabinet Office for Prime Minister David Cameron, is frequently called Cameron's "chief policy advisor". He is also the current Chancellor of the Duchy of Lancaster.[19] Letwin's mother, Shirley Letwin, was a former student of von Hayek at the University of Chicago and helped establish the CPS when "Keith Joseph, Milton Friedman and other rightwing thinkers and politicians came to dinner at the Letwin residence in London."[20] A member of Thatcher's Policy Unit in 1983-86, her son Oliver has advocated CPS policies for decades within the Conservative Party (including as chairman of the Conservative Research Department), and now in Cameron's government. He co-authored the 1988 CPS paper "Britain's Biggest Enterprise—ideas for radical reform of the NHS [National Health Service]" with John Redwood (see below), and the same year wrote *Privatising the World: A Study of International Privatisation in Theory and Practice* (London: Cassell, 1988).

Andrew Knight, chairman of J Rothschild Capital Management, is also a director and former chairman of Rupert Murdoch's News Corporation.

Richard Sharp, a 23-year veteran of Goldman Sachs, is a derivatives specialist worth £100 million. Despite a scandal over a conflict of interest, he was appointed in 2013 a member of the Bank of England's Financial Policy Committee. Earlier he chaired the Huntsworth lobbying and PR firm, whose subsidiary Quiller Consultants had handled promotional work for the City of London Corporation.

Michael Fallon, MP, is Secretary of State for Defence.

Lord Flight, who worked in the City of London first at NM Rothschild & Sons and then at HSBC, was the Conservative Party's deputy chairman and special envoy to the City of London in 2004-05.

Lord Griffiths of Fforestfach, currently vice-chairman of Goldman Sachs International, was a director of the Bank of England for two years in the 1980s, went on to head Thatcher's Policy Unit in 1985-90, and chaired the CPS in 1991-2001.

Lord Powell of Bayswater, private secretary to Margaret Thatcher and to her successor as Tory leader and PM, John Major. Under Thatcher he helped set up the largest arms deal in history, the infamous al-Yamamah deal with Saudi Arabia, used to fund the rise of al-Qaeda and ISIS.[21]

John Redwood, MP, pioneered the Tory privatisation policy "in the 1970s, from around the Centre for Policy Studies dinner table", according to the CPS website. Employed by N M Rothschild & Sons from 1977 until the present, he headed Thatcher's No. 10 Policy Unit in 1983-85, following which he chaired Rothschild's International Privatisation Unit.

Graham Brady, MP, chairman of the Conservative Party's powerful 1922 Committee.

The Royal Policy of Eugenics

The Queen attended Margaret Thatcher's funeral in 2013, the only occasion since her coronation in 1952 upon which she has attended the funeral of a non-Royal or non-relative, excepting the funeral of Winston Churchill. Whatever minor personal spats Elizabeth may have had with Thatcher, the Iron Lady's brutal policies were Royal ones as well, in particular *eugenics*, which has been the guiding policy of the Crown ever since Edward VII knighted Sir Francis Galton, founder of the "science of eugenics", in 1909.

The Royal family's personal physicians served as top officials of the British Eugenics Society, the activities of which predated by some decades those of Hitler and his Nazis, for whom they otherwise had clear sympathy, not merely through the notorious Edward VIII, but through Elizabeth's own father King George VI as well, not to mention Prince Philip's own intimate family relations with top Nazi officials.[22]

19. The Duchy of Lancaster is a major private estate of the Queen, which is formally administered by government officials such as the ones cited here.

20. Andy Beckett, "More Mr Niceguy", *The Guardian*, 6 Oct. 2003. Both Letwin's parents were Mont Pelerin Society members. Shirley's weekly salon was frequented by MPS founders Friedrich von Hayek and Milton Friedman. The young Letwin became an advisor to his parents' friend and CPS co-founder Sir Keith Joseph. From 1983 to 1986, Letwin was a member of Thatcher's all-important No. 10 Policy Unit, which had as a priority the mass privatisation of the UK's publicly-owned facilities and companies. He was understudy to No. 10 Policy Unit head John Redwood, and, "In due course, he followed Redwood to the merchant bank N M Rothschild & Sons, succeeding him as head of the International Privatisation Unit" (Peter Borne, "Let Win Intellectual", *The Spectator*, 24 November 2001). The Policy Unit's "informal" advisor on privatisation was N M Rothschild head Sir Michael Richardson, who had begun his career as a protégé of Crown financier Harley Drayton; Rothschild's—where Thatcher lunched on the day in 1975 when she was elected Conservative Party leader—made a fortune on the policies Richardson, Redwood and Letwin championed.

Following the inner-city riots in Tottenham and Handsworth in 1985, three of Thatcher's Cabinet ministers argued for assistance schemes for black unemployed youth. In the spirit of his eugenicist mentor Keith Joseph, Letwin in a confidential memo successfully opposed that proposal on grounds that such assistance would only wind up in the "disco and drug trade". When the memo was released from the National Archives in December 2015, the uproar forced him to apologise "unreservedly".

21. "Al-Yamamah: Funding Terrorism", *EIR*, Aug. 16, 2013.

22. "The British Royal Nazis: It wasn't just Edward VIII, or even Prince Philip!", CEC Media Release, 4 Aug. 2015.

After the Second World War, when the revelation of Nazi concentration camp policies had "discredited" the overt advocacy of eugenics, the policy was repackaged under different labels, such as "world overpopulation". Writing in 1945 as chairman of UNESCO, co-founder—with Prince Philip—of the World Wildlife Fund and President of the British Eugenics Society Sir Julian Huxley lamented that Hitler's eugenics-centred policy of mass genocide had momentarily discredited eugenics in its own name. The policy must continue, he argued, albeit under other guises: "Thus even though it is quite true that any radical eugenic policy will be for many years politically and psychologically impossible, it will be important for UNESCO to see that … the public mind is informed of the issues at stake so that much that is now unthinkable may at least become thinkable." In her Christmas Broadcast of 1964, the Queen herself declared "overpopulation" to be the world's single greatest problem, while Prince Philip has expressed his desire to be reincarnated "as a deadly virus in order to contribute something to solve overpopulation", as he put it to the German Press Agency in 1988.[23] Can anyone really believe that this man who has personally slaughtered untold members of endangered species, actually intended to "save the world's wildlife"?[24]

Whether they are sold through calls for ever greater "austerity" and "free market reforms", or under the rubric of ultra-radical "green" policies, the result of reconfigured eugenics policies is the same—destruction of the agro-industrial base upon which the survival of the world's population depends. Elimination of the "lower classes", whether at home or throughout the Empire, has been British oligarchical policy, from at least the time when PM William Pitt the Younger commissioned Parson Thomas Malthus to write a tract to justify eliminating the already grossly inadequate "Poor Laws", with predictably murderous results.[25]

The Queen arriving at the funeral of Margaret Thatcher, the only PM after Churchill to be so honoured. Photo: On Demand News YouTube Channel

Where Does Queen Elizabeth Stand on Bail-in?

Our brief dossier, above, on the Royal Family's eugenicist traditions and the close ties between the Crown, the City of London and the think tanks that created the bail-in scheme already suggests what the answer to that question is, but it is important to ask it specifically. Contrary to the nonsense peddled by self-deluded suckers that "the Queen is above politics and acts only on the advice of her ministers", in fact the Crown and its Privy Council sit at the centre of all UK and Commonwealth politics, and Her Majesty intervenes whenever and wherever she feels she has to, a reality of which Australians have had bitter experience. When Prime Minister Gough Whitlam and his "Old Labor" party came to power in 1972, it was with the openly stated intention to "buy back the farm", to regain control over Australia and its

23. "The British Crown Created Green Fascism", *The New Citizen*, Oct./Nov./Dec. 2011, is a CEC special report including a detailed history of the relations of Huxley and his fellow eugenics fanatic Privy Council Secretary Max Nicholson, with the Crown.

24. *The True Story behind the Fall of the House of Windsor*, *EIR Special Report*, 1997, documents the murderous nature of Prince Philip and his WWF, including through such crimes as their sponsorship of the mass slaughter of game in Africa, the use of private mercenary armies to incite "divide-and-conquer" wars within and among African nations, and locking up huge swathes of the continent's raw materials in supranationally administered "game parks". The report also chronicles the vast "corporate SS" that funds the WWF (now headed by Prince Charles in the UK), including leading banks, corporations and wealthy individuals—a virtual "Who's Who" of the global financial oligarchy centred on the British Crown.

25. In his *Essay on the Principle of Population* (1798, with subsequent expanded editions), Malthus defined an imperial economic system that required mass population reduction: "All the children born beyond what would be required to keep up the population to this level, must necessarily perish, unless room be made for them by the deaths of grown persons. … [T]herefore, we should facilitate, instead of foolishly and vainly endeavouring to impede, the operations of nature in producing this mortality; and if we dread the too frequent visitation of the horrid form of famine, we should sedulously encourage the other forms of destruction, which we compel nature to use. … But above all, we should reprobate specific remedies for ravaging diseases, and those benevolent, but much mistaken men, who have thought they were doing a service to mankind by projecting schemes for the total extirpation of particular disorders."

The British East India Company (BEIC), which was the core of the British Empire, founded Haileybury College in 1805 to train its officials, and installed Malthus there as the world's first lecturer in political economy. For several decades he indoctrinated the BEIC's imperial administrators in the policies and rationale for mass genocide, which are still the essence of British imperial policy today. Implemented most notably in Ireland and India, they resulted in the deaths of tens of millions of people. Malthus's ideas are cited today by Prince Philip and his toadies as the "scientific" rationale for the Royal family's agenda of reducing the world's population to less than one billion people, including through the global green movement. Hitler credited Malthus as the source of his own mass-murderous policies of "race science".

Ann Lawler (CEC national chairman), "The Humbuggery of Charles Darwin", *The New Citizen*, Oct./Nov. 2011, contains an exposition and refutation of the theories of Malthus, including as they were popularised by the quack scientist cum-eugenicist Charles Darwin.

vast resources from the London-centred mining cartel typified by Rio Tinto (in which the Queen herself was the largest single private shareholder), in order to develop the continent through great projects in manufacturing, agriculture and infrastructure. Terrified at the prospect of an actually sovereign Australia, Queen Elizabeth acted from behind the mask of her Governor-General Sir John Kerr, and in conjunction with Prince Charles personally directed every step of the process leading to the sacking of Whitlam in 1975. It is also not unknown in the UK itself, to speak openly about the Crown's political interventions. In the months before his sudden resignation the year after Whitlam was sacked in Australia, British PM Harold Wilson charged that the Crown and Lord Mountbatten were out to overthrow him.

A more recent example of the Crown's intervention into politics came on the eve of Scotland's independence referendum of September 2014. As reported by Lord Ashcroft in his recent book *Call Me Dave* (London: Biteback Publishing, 2015), the Queen was "deeply troubled" by the prospect of Scottish independence. "Inside Whitehall", Ashcroft wrote, "there were discussions on whether she could somehow speak out against Scottish independence while remaining within the constitutional boundaries of neutrality. Under a cloak of secrecy, the Cabinet secretary, Sir Jeremy Heywood, and the Queen's private secretary, Sir Christopher Geidt, held talks to work out how she might express her concerns in a suitably coded way. The result was a remark overheard after a Sunday service in Crathie Kirk, the small church that the Royals attend when staying at Balmoral. 'I hope people will think very carefully about the future', the Queen was reported to have said—to the delight of the No camp. The carefully chosen words were no accident. Her supposedly off-the-cuff remark was a deliberate intervention—and it left no one in any doubt about which side she was on."

Elizabeth and Charles have also repeatedly intervened in legislation on a variety of matters, as reported in a 15 January 2013 article in the *Guardian* about the Freedom of Information request filed by legal scholar John Kirkhope. "There has been an implication that these prerogative powers are quaint and sweet, but actually there is real influence and real power, albeit unaccountable", is how Kirkhope summed up the revelations wrung from the Royals.[26]

26. The same article reported, "The extent of the Queen and Prince Charles's secretive power of veto over new laws has been exposed after Downing Street lost its battle to keep information about its application secret. Whitehall papers prepared by Cabinet Office lawyers show that overall at least 39 bills have been subject to the most senior royals' little-known power to consent to or block new laws. They also reveal the power has been used to torpedo proposed legislation relating to decisions about the country going to war. The internal Whitehall pamphlet was only released following a court order and shows

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The 'Dismissal': When the Queen Sacked Australian Prime Minister Whitlam

Before their respective deaths in 2003 and 2008, the Citizens Electoral Council had collaborated closely with Treasurer Jim Cairns and Labour Minister Clyde Cameron of ousted Prime Minister Gough Whitlam's government, thus coming to know from the inside the story of how Whitlam was axed. On seemingly the opposite side of the political spectrum, the CEC also collaborated closely with former Liberal Prime Minister Malcolm Fraser, who had succeeded Whitlam, for several years preceding his death in March 2015.

These senior figures, whether "conservative" or "labor", reflected the nation-building aspirations of the "postwar settlement". Whitlam and his government were the last gasp of "Old Labor" in Australia, which had always been locked in a mortal struggle with the Crown- and City of London-centred "Money Power", as long-time Labor MP Frank Anstey, mentor of PM John Curtin, described it in his 1921 book, *The Money Power*: "London is, so far, the web centre of international finance. In London are assembled the actual chiefs or the representatives of the great financial houses of the world." To Anstey, this Money Power was something more than "capitalism"; it was "the financial oligarchy".

From his own experience as Britain's chancellor of the Exchequer (later prime minister) beginning in 1852, William Gladstone explained the ruling principle long earlier: "The hinge of the whole situation was this: the government itself was not to be a substantive power in matters of finance, but was to leave the Money Power supreme and unquestioned." Their great accomplishments notwithstanding, post-World War II British Prime Minister Clement Attlee and his Chancellor of the Exchequer Hugh Dalton likewise expressed their belief that it was impossible to defeat the Money Power. Dalton, who had even managed to nationalise the Bank of England, wrote in his memoirs, "The forces against me, in the City and elsewhere, were very powerful and determined … I felt I could not count on a good chance of victory. I was not well armed. So I retreated." (Cited in Ann Pettifor, *The Coming First World Debt Crisis*, Palgrave Macmillan, 2006.)

On 11 November 2015, 40 years to the day after "the dismissal", as Whitlam's ouster is known, and on the eve of a tour of Australia by Prince Charles, the CEC issued a Media Release titled "40th Anniversary of 'the Dismissal': Prince Charles Helped His Mum Sack Whitlam". The events in Australia four decades ago illustrate the ability and willingness of the Crown to run roughshod over democracy, when it suits the interests of the Money Power.


The secretary to the governor-general of Australia proclaims the Queen's personal decision to axe elected PM Gough Whitlam (l.) in 1975. Today, UK officials in charge of bail-in are Crown and City of London men, while Australia's bail-in chief is appointed by the Queen's governor-general. Photo: National Archives of Australia

CEC Media Release, 11 November 2015

For his multiple crimes against humanity, and against this nation in particular, Charles should be run out of Australia, not feted. One among these crimes is his role in the sacking of Prime Minister Gough Whitlam on 11 November 1975. He knows what he did, and knows that many other people do as well, especially after the revelations in Jenny Hocking's latest book, *The Dismissal Dossier: Everything You Were Never Meant to Know about November 1975*. It is typical of Charles's arrogant, sadistic nature that he has chosen to tour Australia precisely now, on the 40th anniversary of that action, which profoundly changed our nation for the worse.

Most Australians childishly believe that since "the Crown is above politics" and the Queen is a benign, powerless figurehead, Governor-General and former MI6 agent Sir John Kerr must have dismissed Whitlam on his own initiative, without the Queen's knowledge, and that he did so over "Supply" (bills to fund the government). The fact that the Opposition of the day had for weeks blocked passage of the Government's Supply bills, the legend goes, forced him to act. Thus in his "Statement of Reasons" for the dismissal, Kerr wrote: "Because of the principles of responsible government a Prime Minister who cannot obtain supply, including money for carrying on the ordinary services of government, must either advise a general election or resign. If he refuses to do this I have the authority and indeed the duty under the Constitution to withdraw his Commission as Prime Minister."

Already 15 years ago, the CEC demonstrated that only someone self-blinded could believe that the issue were "Supply", or that such a notorious Crown toady as Kerr had acted without the Queen's knowledge and approval. In 2012 Monash University historian Professor Jenny Hocking used Kerr's personal archives, which she accessed upon the expiry of a decades-long embargo, to show in her book *Gough Whitlam, His Time* that Kerr had not merely "informed" the Queen ahead of his action, but had coordinated the whole operation with her. Kerr, Hocking wrote, "had already conferred with the palace on the possibility of the future dismissal of the prime minister", and had acted to ensure that Whitlam, should he learn of this, would be prevented from exercising his own constitutional power to remove Kerr first.

Hocking has amplified this account in her new book, timed to coincide with the 40th anniversary of Whitlam's sacking. The *Guardian's* Gabrielle Chan summarised some of its key arguments in a 26 October column:

• Kerr wrote "regular and extended" letters to the Queen and her private secretary Sir Martin Charteris during the period before the dismissal.

• Kerr was assured that every one of his letters was read by Charteris and the Queen, "and she herself told me that if I found the need to write to her direct to feel entirely at liberty to do so".

• One week before the dismissal, Charteris informed the Governor-General of the Queen's intentions, if Whitlam moved against Kerr: "Charteris told him that should this 'contingency' occur, the Queen would 'try to delay things' for as long as possible", so that Kerr could sack Whitlam.

In fact, the coup had been long in the making. Nine months before the dismissal and eight months before the constitutional crisis over "Supply", Kerr had established a secret "brains trust" of legal minds to concoct the "legal" preparations to oust Whitlam. Hocking reveals that High Court Justice Sir Anthony Mason played a key role in it, but the real leader was Chief Justice of the High Court and member of the Privy Council Sir Garfield Barwick, with Mason acting mainly as a conduit between Barwick and Kerr. Barwick was an intimate of the Royal Family and the first president of the Australian Conservation Foundation, founded by Prince Philip. Their fellow High Court Justice and Privy Counsellor Sir Ninian Stephen, who lied that "I knew nothing until the news broke publicly", was also involved.

Weeks before the supply issue emerged, Kerr in September 1975 briefed Prince Charles during a visit to Papua New Guinea, confiding his concern that Whitlam might get wind of his intention and ask the Queen to sack Kerr, before Kerr could sack him. According to Kerr's notes uncovered by Hocking, Charles's attitude was the Australian Constitution be damned, telling Kerr that he thought the Queen should not have to accept Whitlam's advice. It was after Charles reported back to the Palace that Charteris wrote the above-mentioned 7 October letter, essentially to assure Kerr that the Queen had no intention of taking Whitlam's advice, but would disguise her disregard of Australian constitutional process behind delaying tactics.

The Governor-General's Evidence

The Guardian reported that Buckingham Palace refuses to release these letters between Kerr and the palace, including the Queen and Prince Charles. The Queen herself ordered them embargoed for 50 years, until 2027, stipulating that even then their release will require the consent of both the then-Sovereign, most likely Charles, and Australia's then-governor-general. However, with those involved determined to maintain that Kerr acted alone, it is unlikely they will ever be released. *The Guardian* continued, "As late as 2011, the Queen's assistant private secretary at the time of the dismissal, Sir William Heseltine [an Australian—ed.] said categorically, 'the Governor-General gave no clue to any of us at the palace what was in his mind'."

But, as summarised by Hocking, "Kerr's journal, and his direct quotations in it from his correspondence with the Queen and with Charteris, show that the palace was kept informed of his consideration of the dismissal of the Whitlam government months before there was even any 'political crisis' [blocking Supply] to report". In *The Australian* of 11 October 2012, Paul Kelly and Troy Bramston quoted Kerr's journal entry noting that he had regularly spoken with the Queen by telephone, not just via correspondence: "Kerr writes in the journal of his 'regular and thorough reporting to the Queen' throughout the constitutional crisis. 'Conversations with the Queen and with Sir Martin Charteris, her private secretary, as well as questions raised by me in the correspondence itself left me with the comfortable assurance that what I was writing, and the way I was going about the task, were welcomed in the Palace,' Kerr writes." Indeed, Kerr, as insecure as he was, would never have established his judicial "brains trust" without approval from the highest levels.

Following his sacking, Whitlam called Buckingham Palace to ask if the Queen had known of Kerr's intentions ahead of time. When Charteris averred that "The Queen knew nothing about" her viceroy's plan, Whitlam swallowed the lie, hook, line and sinker, and pathetically recorded in his autobiography, "It is a fact that the Queen's representative in Australia had kept the Queen in the same total ignorance of his actions as he had the Prime Minister of Australia." And though Whitlam also described Kerr as a grovelling toady who would sell his soul for Royal honours, he refused to draw the conclusion that Kerr was in cahoots with the Crown, even as he drily observed that following his sacking the Crown showered Kerr with so many gongs that he "had become in a single *annus mirabilis* the Rt Hon. Sir John Kerr, AK, GCMG, GCVO, K St J."

Kerr bragged in his own book, *Matters of Judgment,* that shortly after Whitlam's dismissal the Queen inducted Kerr into her Privy Council, among other honours: "In Canberra I was sworn in as a member of Her Majesty's Privy Council at a meeting presided over by the Queen at Yarralumla. During an audience on board the [Royal Yacht] *Britannia* in Fremantle harbour Her Majesty invested me as a Knight Grand Cross of the Royal Victorian Order. (I had previously, in 1975 when the Queen established the Order of Australia of which she is Sovereign, became the first Chancellor and a Companion of the Order and later, when the rank of knighthood was introduced, the first Knight of the Order of Australia. In 1976 Her Majesty had promoted me to the rank of Knight Grand Cross in the Order of St Michael and St George. Throughout my governor-generalship I was Prior in Australia and a Knight in the Order of St John of Jerusalem)".

The Queen also rewarded Kerr's private secretary and co-conspirator, Sir David Smith, who publicly read the proclamation dismissing Whitlam, anointing him a Knight Commander of the Royal Victorian Order—the third-highest honour in the British Empire. It is granted by the Queen herself, without any government recommendation, in "recognition of personal service to the reigning Sovereign".

The Real Reason for the Coup: 'Buying Back the Farm'

Whatever his flaws, Gough Whitlam was a patriot. His Minister for Minerals and Energy Rex Connor and Treasurer Dr Jim Cairns put it this way: that he intended to "buy back the farm", to wrest control of Australia's raw materials wealth from the transnational minerals cartel led by Rio Tinto (in which the Queen was the largest private shareholder) and utilise it to develop the nation for the common good, in the classic "old Labor" tradition. "We have an objective of full Australian ownership in development projects involving uranium", Whitlam had announced in 1973. "We also regard this as a desirable objective in oil, natural gas and black coal". Whitlam's program threatened the basis of British imperial power—the City of London's control of global finance and global raw materials. Were he allowed to succeed, others would surely follow suit, and the Empire's house of cards come tumbling down. His removal ended that threat. Whitlam, the first Labor leader in 23 years when he was elected in 1972, was the last true Labor PM. By the time the ALP returned to power in 1983, its leaders had sold their own and the party's soul to the Thatcherite dogma of austerity, privatisation and free trade, which both the ALP and its supposed opposition, the Liberal/National party coalition, have lauded ever since as the "bipartisan consensus on economic reform". That agenda's similarity to Thatcher's was no accident, because it was designed by the same Mont Pelerin Society and Institute of Economic Affairs (IEA), set up by the Crown and the City of London, that produced Thatcher in the first place. Former IEA boss Lord Harris of High Cross bragged in a phone call to a CEC researcher in 1996, "We weren't Thatcherites, she was an IEA-ite". The MPS/IEA think tanks have run Australia's economic policy since the advent of the Hawke/Keating Labor governments in 1983.

Now the longest-reigning head of the British oligarchical power structure which sits above any supposed democratic institutions, Queen Elizabeth is no guarantor of the rights of her subjects, as royal sycophants fantasise. Rather, her untrammelled powers ensure that a popularly elected government can never touch the network of wealthy families, private banks, corporate boardrooms, elite schools, permanent civil servants and secretive security agencies—"the Establishment"—who wield real power in Britain, Australia, New Zealand and every other state where the Queen is monarch.

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Particularly sensitive to the Crown are any matters affecting the multibillion-pound holdings of the Queen and Prince Charles, the Duchies of Lancaster and Cornwall, respectively, which are major financial powers in their own right. The councils responsible for oversight of these duchies are packed with City magnates, making them an important interface between the Crown and the City.

A case in point was the 2008 bailout of the City's TBTF banks. In their 19 October 2008 account of how PM Gordon Brown arranged the matter, "Britain's £500bn banking bail-out: The inside story of a dramatic week", the *Telegraph's* Louise Armitstead and Philip Aldrick reported that the plan was hatched in the London offices of that old lynchpin of the Empire, Standard Chartered Bank, one weekend in October. Chosen to run the bailout, pouring untold billions into the banks, was Credit Suisse's London head, James Leigh-Pemberton. The son of 1983-93 Bank of England Governor Sir Robin Leigh-Pemberton, James had been a personal protégé of the leading London financier of the post-war period, Sir Siegmund Warburg, inventor of the Eurodollar market and of hostile corporate takeovers, as well as an architect of the EU and the simultaneous rise of the City of London as a virtually lawless, "offshore" world banking power.Many of those present such as Brown's long-time aide and top financial advisor Baroness Shriti Vadera, had also been associated with S.G. Warburg, but bailout chief James Leigh-Pemberton wore another hat as well—that of Receiver-General for Prince Charles's Duchy of Cornwall. This post reflected the Leigh-Pembertons' intimate relation to the Crown, dating back to the mid-19th century when a family member served as the chief legal gun for the Duchy. Often referred to as "Prince Charles's financial advisor", James by his own account is one of the big movers behind the plan for an "ultimate convergence of the U.S. and EU capital markets", which is now happening under the BoE/BIS fascist international regulatory apparatus, currently focused on bail-in.

The Australian Prudential Regulation Authority, identified above for its dictatorial control over the bail-in process in Australia, is an unelected, secretive body established in 1998 as a de facto subsidiary of the BoE's Prudential Regulation Authority and the BIS. Its officials are appointed by the Crown through the governor-general of Australia. APRA boss Wayne Byres is a former chairman of the BIS's Basel Committee on Banking Supervision, which specified in the bland, technocratic jargon of its September 2012 "Core Principles for Effective Banking Supervision", that there must be "no government or industry interference that compromises the operational independence of the supervisor."

ministers and civil servants are obliged to consult the Queen and Prince Charles in greater detail and over more areas of legislation than was previously understood. The new laws that were required to receive the seal of approval from the Queen or Prince Charles cover issues from higher education and paternity pay to identity cards and child maintenance. In one instance the Queen completely vetoed the Military Actions Against Iraq Bill in 1999, a private member's bill that sought to transfer the power to authorise military strikes against Iraq from the monarch to parliament. … Charles has been asked to consent to 20 pieces of legislation and this power of veto has been described by constitutional lawyers as a royal 'nuclear deterrent' that may help explain why ministers appear to pay close attention to the views of senior royals."

3. Glass-Steagall, National Credit, and a New World Economic Order

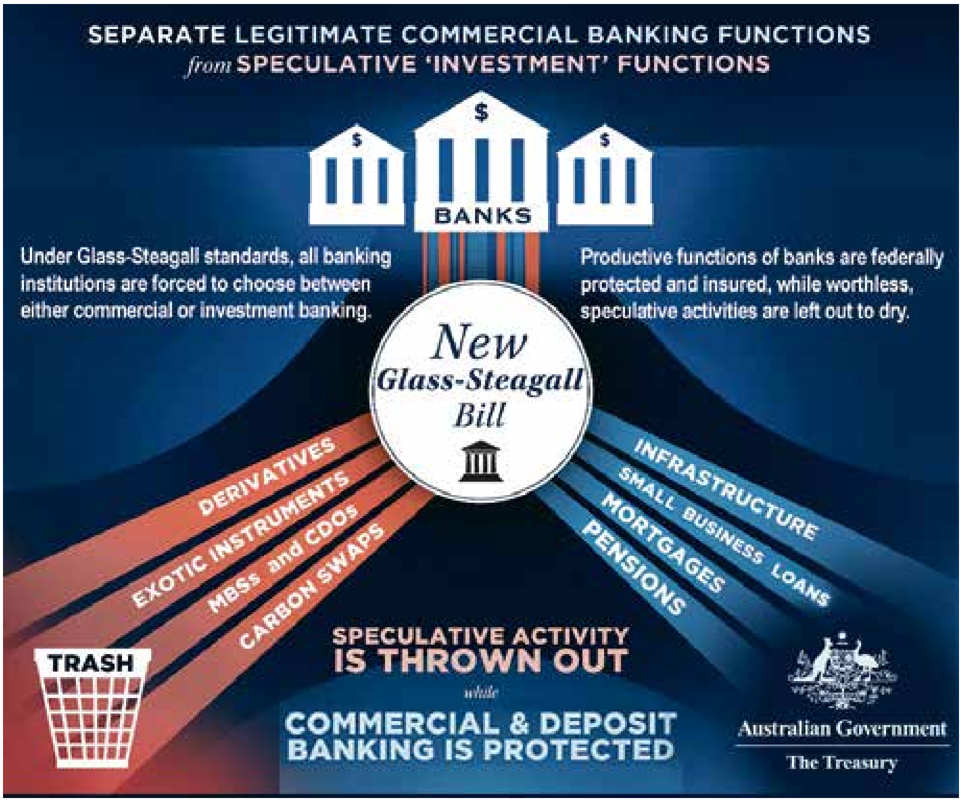
In the first 100 days of his Presidency, Franklin Roosevelt in 1933 enacted a set of measures to turn the U.S. economy around and end the Great Depression. Foremost among them was the *Glass-Steagall Act*. It mandated a total separation of all commercial banking from the speculative investment banking that had caused the crash. This law put the Wall Street predators on a leash, enabling Roosevelt to mobilise enormous quantities of public credit, through the Reconstruction Finance Corporation (RFC), for investment in the USA's physical economic recovery.[27]

Near the end of World War II, the Allied nations met in the town of Bretton Woods, New Hampshire, to construct a stable international monetary system to facilitate economic recovery from the war, and the rise of sovereign nation-states, freed from the shackles of what FDR had called the "economic royalists" of Wall Street, and from the system of British and other colonialisms built upon looting subject populations. A cornerstone of the "Bretton Woods system" was fixed exchange rates among currencies, to allow for stable international trade in a setting of reliable economic growth, while the International Monetary Fund and World Bank would assist nations in achieving prosperity and national sovereignty. But almost from the day the Bretton Woods agreements were signed in 1944, London and Wall Street set out to subvert them, by taking over the World Bank and IMF and forcing "conditionalities" (looting) down the throats of subject nations, and crusading to end fixed exchange rates, so as to open up all currencies to unlimited speculation. That did happen on 15 August 1971, when, under pressure from Wall Street and London, U.S. President Richard Nixon allowed the U.S. dollar—the main world currency—to float against others. Today, derivatives (gambling bets) based on interest rate changes and rates of foreign exchange are the cornerstones of the quadrillion or more dollars in speculation internationally.

At the direction of London and Wall Street, further

27. Richard Freeman, "How Roosevelt's RFC Revived Economic Growth, 1933-45", *EIR*, Mar. 17, 2006.

deregulatory measures followed the end of Bretton Woods, ushering in a series of financial shocks and crises of which the present one is only the most recent. These included the U.S. Savings and Loans collapses of the 1970s, the 1986 Big Bang in the City of London, the 1987 Wall Street crash, and the junk bond crises tied to the rash of leveraged buy-outs in the 1980s. But the dam fully broke when U.S. President Bill Clinton signed the repeal of Glass-Steagall in 1999, allowing the explosive growth of derivatives speculation and the creation of the TBTF banks.



What must be done now

1. Enact Glass-Steagall banking separation in all countries;

2. Cancel all derivatives, as worthless gambling debts;

3. Enact enabling legislation for national credit-creation, because if trillions can be created by the BoE, the U.S. Fed, et al. to bail out the TBTF banks, then clearly trillions can be created to revive the actual physical economy; and

4. Join the BRICS nations to create a new, just world economic order.

Two CEC pamphlets, *Glass-Steagall Now!* (2014) and *The World Land-Bridge: Peace on Earth, Good Will towards All Men* (proceedings of the March 2015 CEC International Conference), provide essential information on these points. The former reports on the worldwide movement for Glass-Steagall banking separation, as well as the status of such legislation in many countries as of January 2014 (since which time support for it has increased). It excerpts the original 1933 *Glass-Steagall Act*, which opens: "An Act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes", and includes the full text of *The 21st Century Glass-Steagall Act* now pending before the U.S. Congress, as well as a summary of the CEC's national banking legislation, "The Commonwealth National Credit Bank Bill". The conference pamphlet sets forth the BRICS process and the potential for other nations to cooperate with it. Download at www.cecaust.com.au.

What *you* can do

1. Call your MP to demand that he or she act with full force to secure the passage of Glass-Steagall legislation to separate speculative investment banking from government-protected normal commercial banks serving the real economy, thus wiping out the TBTF banks and their plot for bail-in *now*, before the next crash.

Under pressure from an aroused citizenry, that is entirely possible, given that more and more prominent figures—even leading bankers who championed the repeal of Glass-Steagall two decades ago—have realised what a disaster that has been and are calling for its reinstatement. A Glass-Steagall amendment to the UK's Financial Services (Banking Reform) Bill 2013 failed to pass the House of Commons that year by 49 votes, and missed passage in the House of Lords by only nine.

2. Demand that your MP act to establish the power of sovereign national credit-creation for the common good, as in the original Commonwealth National Bank of Australia, the CEC's ready-to-enact draft legislation for an Australian National Bank, or UK Labour leader Jeremy Corbyn's call for "People's Quantitative Easing"—masses of new government credit to be directed into great infrastructure projects, manufacturing, agriculture, health care and other areas vital to the general welfare of the population.

3. Contact Buckingham Palace and demand to know where the Queen stands on bail-in.

Telephone: 020 7930 4832

Let us know the responses!