World Government: A synoptic outline

Bureau d'études , avril 2004, traduction Stephen Wright

World government is described here as an intellectual complex, which is able to coordinate, accumulate and concentrate the means for defining the norms and determining the development of capitalism. This complex is made up of financial cores, strategic and diplomatic think tanks, scientific and technical research planning offices, political-influence networks, mafias, intelligence-gathering services and legal and accounting consultants. It is premised on the conviction that a government made up of old families and new brainpower is preferable to peoples' right to choose their own destiny.

In fact, there is no such thing as the "dictatorship of the financial markets" or "free-marketeering," but rather a government that is structured in networks and coordinated hierarchies, which, by making small decisions on dominant points and by delegating successive responsibilities throughout all the organizations under their control, implement strategies and push forward their agendas on a national, regional and planetary scale. Given their position, their social, cultural, symbolic and financial capital, certain individuals, groups and families are able to directly or indirectly determine a decisive portion of the planet's potential. They reinforce their coherency through alliances, overlapping or coordinated strategies, returned favors and intermarrying. Thus, a part of this governmental complex is stable and enduring, but it is also diverse in that it is made up of multiple lines of capital accumulation spanning several generations.

Another part of the world government, like the *popolo grasso* of the Republic of Venice, is made up of new brainpower, whose ambitions, interests and strategies converge with those of at least some sectors of the old aristocracy and the old bourgeoisie, over whom they exert a certain amount of influence. This group is composed of individuals, young condottiere, who have been “promoted” to key governing positions in business or in public, military, religious and civil institutions.

The G8 meetings and summits of the World Trade Organization (WTO), with their closed-door and sometimes secret negotiations, are but the visible and public tip of this complex, which is busily designing for its own purposes a new order – a new apparatus of reproduction – capable of constraining any recalcitrant actors to submit to its new regimen, to compel them to cooperate, or failing that, to weaken and neutralize them. This complex of conception, consultation and coordination in the planetary factory integrates ideological, tactical and diplomatic conflict management into the internal composition of a global social class, dividing up the bad-guy, good-guy and go-between roles. Thus, conflicts spread out around the world, opposing certain class factions with others. In some cases, antagonistic factions manage to cut coordinated deals with respect to how the world pie is to be divvied up. In other cases, different factions are only able to reach a new compromise through warfare.

The world government, however powerful it may be, is always seeking to consolidate further. Since September 11th 2001, its violence has intensified. It seems intent on wiping out all and any antagonistic forces in a position to displace or interfere with its lines of governance.

The following text merely attempts to touch on some of the salient features, past or present, which have contributed to forming a world government. This government cannot be seen, at least not in the way one sees the signs of the state on American national territory. There are no flags, no costumes and no flowcharts showing the distribution of powers. Which is why the expression “world government” seems more appropriate than that of a world state.

We would like to warn against any nationalist or sovereignist, leftwing or rightwing reading of the material, which would be a manifestly false interpretation. Politics of this kind are today incapable of resistance. We would also like to warn users against any reductive reading of the information concerning certain families which are mentioned only by way of example. Though we are convinced of the importance of such families as the Rockefellers and the Rothchilds in twentieth-century capitalism, other family groups could well have served as examples to describe the dynamics of financial, cultural, symbolic and social capital (Schneider, Krupp, Ibn Saud, Windsor, Bush, Mitsui…).

Financial Networks and Nexus
Elements of a genesis

From the beginning of the nineteenth century, the British Empire sought to govern the world by creating a common market of nations (the Commonwealth), controlled by the political and financial aristocracy. This market first took shape in 1816 with the adoption of the Gold Standard, a currency of international credit, used in France, Germany, Japan, Russia and the United States. This international monetary system, underwritten against the gold held by the Bank of England, was based upon the cooperation of the latter with the private banks in the City, the Houses of Baring (whose fortune stemmed from the British East India Company), Hambros and Rothschild, all of whom were staunch supporters of a worldwide free market. In the early-nineteenth century, these Houses set up a network of alliances: thus in February 1824, the Barings and the Rothchilds established The British and Foreign Life & Fire Insurance Company. (See, Larry Neal, *The Financial Crisis of 1825 and the Restructuring of the British Financial system*, 22nd Annual Economic Policy Conference at the Federal Reserve Bank of St. Louis, October 16-17, 1997).

The longstanding relationship between the American Federal Reserve Bank (FED) and the Bank of England, as well as the work done after the First World War by Montagu Norman, member of the British Round Table, and Benjamin Strong, governor of the Federal Reserve Bank of New York and member of the American Round Table (*The Bank of England, Money, power and influence, 1664-1994*, Oxford-Clarendon Press, 1995) paved the way for setting up the first-ever world financial institution, based on cooperation between different central banks. Thus, in 1930, the Bank of International Settlements (BIS), bringing together the governors of the central banks of the Group of Ten (Japan, Germany, France, United Kingdom, Italy, Canada, Netherlands, Belgium and Sweden, who were joined by Switzerland and three private American banks, J. P. Morgan, The First National Bank of New York and The First National Bank of Chicago) was founded (see the founding Charter of the BIS that came into effect on 26 February 1930). This financial institution was completed in 1944 with the Bretton Woods Agreement, and the establishment of the International

Monetary Fund (IMF) and the World Bank.

Unlike its English predecessor, the Bretton Woods system did not provide an international currency functioning like a currency of credit: Milton Keynes' proposal to establish a currency made up of national currencies (the Bancor), making it possible to ensure the international monetary order against political and speculative pressure, was abandoned in favor of the (American) White Plan, that made the dollar the international postwar currency. But the adoption of the White Plan was to lead to the collapse of the monetary system in the 1970s. With the dollar no longer pegged against the gold standard, the expansion of the euro-dollar market, technological innovations facilitating the movement of information and accelerating the transfer of capital, along with financial, legal and accounting inventions, and the explosion of an offshore financial market in the 1970s pushed neo-monetarist theories and partisans of deregulation to the fore. These transformations partially modified the capitalist order of the "club," which had hitherto relied on a business aristocracy, desirous to uphold its rank.

In Great Britain, this financial revolution was, to a great extent, imposed by the Bank of England, which, "by coming out in favor of eliminating fixed commissions, gave the nod to a renewal of competition, which culminated in deep-seated structural reforms: the elimination between brokers and jobbers, followed by the buying up of the old houses in the City by international conglomerates." (Yves Dezalay, "Des notables aux conglomérats d'expertise," *Revue d'économie financière*, 25, summer 1993). The need to regulate all these transformations led to the increasing power of American legal and accounting technologies and firms (Price Waterhouse, Ernst & Young, Deloitte

Touche Tohmatsu, Booz Allen & Hamilton, Arthur Anderson…). It also contributed to the increasing power of economic intelligence firms, intended to enhance business visibility and governance. And it fostered the proliferation of neo-monetarist institutes and reinforced the influence of advocates of deregulation.

With the crisis of the Keynesian model, the anti-Communist policies of the Atlantic Alliance came to be entirely devoted to neo-monetarism and neo-liberalism, throwing into question both solidarity and redistribution, the two fundamental principles of the welfare state. Neo-monetarism and neo-liberalism were theorized by Von Hayek – founder, in the 1930s, of the Society for the Renovation of Liberalism, which, in 1947, became the Mont Pelerin Society (members of the MPS included Karl Popper, Max von Thurn und Taxis, Otto von Habsburg, Henry Simons). This society spearheaded the development of the research institutes and neo-liberal think tanks which were to flourish from the 1970s on all around the world.

Neo-liberalism was also disseminated in graduate schools including the London School of Economics (where Friedrich von Hayek was on the faculty and where David Rockefeller and George Soros studied) and the University of Chicago, founded by John D. Rockefeller Sr. (where, in addition to Von Hayek himself, other faculty members included such neo-liberal economists as Jacob Viner, Gary Becker and Milton Friedman). Anthony Fisher of the Mont Pelerin Society set up such think tanks as Vancouver-based Fraser Institute in 1974 in Canada, and the Manhattan Institute in New York in 1977. The Manhattan Institute, which first developed the “Zero Tolerance” policy as well as other criminal-justice policies subsequently implemented in the United States, was established with the benediction of then CIA director Frank Carlucci, future CIA director William Casey and such financial firms as J.P. Morgan and the pharmaceutical giant Eli Lilly (George Bush Sr. was also a board member of Eli Lilly when the Manhattan Institute was founded).

Today there are more than one hundred such institutes and think tanks throughout the world propounding deregulation and the creation of police states. Some of these institutes are present simultaneously in different countries (the Aspen Institute exists in Italy, Germany, Japan, France and the United States). Others, though overtly or tacitly part of the network, operate exclusively at the national level. In France, this network is represented today by the Montaigne Institute (with Alain Mérieux and Claude Bébéar) and the Institut Euro 92, established by former finance minister Alain Madelin (and presided by French Prime Minister Jean-Pierre Raffarin). The Soros Foundations oversaw the transitional integration of the different countries of Central and Eastern Europe into world capitalism (establishing foundations in Hungary in 1984, China in 1986, the USSR in 1987 and Poland in 1988…). In Latin American, the Fundacion Internacional para la Libertad (FIL) counts amongst its members such neo-conservative think tanks as the Cato Institute, the Heritage Foundation, the Manhattan Institute, he Atlas Economic Research Foundation and other South-American institutes, including Brazil’s Instituto Atlantico, Chile’s Instituto Libertad y Desarrollo and the Centro de Estudios Legales, Ecuador’s Instituto de Politicas Publicas (IPPE) and the Cedice (Venezuela). Leonard Liggio, vice-president of the Atlas Economic Research Foundation, was selected as the new president of the Mont Pelerin Society on 10 October 2002. Though some of these institutes are classed in the neo-conservative “camp,” others belong to the more liberal or socialist faction (the Institute for Public Policy Research as well as Anthony Giddens' Demos in Great Britain, or former French finance minister Dominique Strauss-Kahn's Cercle de l'Industrie in France), thereby occupying the entire field of mainstream visibility in democracies everywhere.

The financial core

From a structural point of view, both world financial transformations and the deregulation movement pushed for the integration of national financial cores, while at the same time began to set up a world financial core. In the 1970s, financial cores were still national. In France, the financial core had been built up around two commercial banks, the Suez and the Paribas (François Morin, *Structure du capitalisme français*, Paris: Calmann-Levy, 1974); in Italy, around such banks and industrial concerns as Mediobanca, Generali, Agnelli and Benedetti; in Germany around the Dresdner Bank (Allianz), Commerzbank and Deutschebank; in England, around Barclays, Prudential and Morgan Guarantee. In France and in England, ownership concentration has always been very high: in 1999, in 80% of the top 170 companies registered on the Paris and Frankfurt stock markets, a single shareholder held 25% of the stock (Colin Mayer, *Firm Control*, London: University of Oxford, 18 February 1999).

A report published in 1976 claimed to show the existence of a stable international financial core in the 1970s… in the wake of some fifty years of intrigue, influence peddling, and financial or political incest (Federal Reserve Directors, *A Study of Corporate and Banking Influence. Staff Report*, Committee on Banking, Currency and Housing, House of Representatives, 94th

Congress, 2nd Session, August 1976). The exactitude of the report is easily confirmed by reading the biographies of the different people involved in writing it. Such overlapping readings make it possible to understand the links between the big financial groups of the day (J. P. Morgan, Chase Manhattan, Rothschild, Brown Brothers, Lazard, Harriman, National City Bank, Warburg, J. Henry Schroder – today the IBJ Whitehall Bank & Trust Company, a filial of the Industrial Bank of Japan) and the Bank of England and the New York Federal Reserve (the bank that defines policy for the different American Federal Reserve banks that comprise the FED). Such overlapping readings also make it possible to grasp the alliances above and beyond the disagreements which opposed nations against one another in the course of the twentieth century: Prescott Bush, the father of George Herbert Walker Bush, president of the United States between 1988 and 1992, executive director of Brown Brothers Harriman (directed by Averell Harriman, married to the mother of Winston Churchill (www.churchill-society-london.org.uk/wscminor.html), looked after the banking affairs of Germany’s National-Socialist government on Wall Street.

The Union Banking Corporation, a subsidiary of Harriman, directed by Prescott Bush, was the New York branch of the Thyssen-Flick German Steel Trust, a notorious slave-trading firm (Webster G. Tarpley & Anton Chaitkin, *George Bush: The Unauthorized Biography*). At the time, Prescott Bush’s Wall Street lawyers were none other than Allen Dulles (working for the Schroder Bank, future director of the OSS, creator of the CIA and the future present of the Rockefeller Foundation) and his brother John Foster Dulles. The latter worked for many years for the Rockefeller Group (he was director of the International Nickel Company of

Canada, owned by Rockefeller, from 1922-49) and was director of the Consolidated Silesian Steel Company in the 1930s (66% of which was owned by Friedrich Flick).

The Dulles family story provides a clear example of the mutual ties between financial, industrial, legal (J.F. Dulles was a Wall Street lawyer), political and diplomatic sectors (he was advisor to the United States at the Treaty of Versailles conference in 1919 and advisor to the American delegation during the organization of the United Nations in San Francisco in 1945). It also makes it possible to grasp the strategic and ideological ties between former Nazis and Japanese imperialist and the leaders of the United States after the war. The American government declared its intention to dismantle the German Konzerns and proceeded to close down the German commercial coal company (known as the DKV-Deutsche-Kohl Verkaufs Gesellschaft), enabling the steel industries to gain control over the coal mines. Yet, in 1951, American High-Commissioner to Germany, John Jay McCloy (former president of the World Bank) ordered that the war criminals and industrialists Alfred Krupp and Friedrich Flick be released from jail; both soon recovered their fortunes (Friedrich Flick was considered the fifth richest man in the world in 1955). John McCloy subsequently became director of the Chase bank between 1953 and 1972, after having been in charge of the Rockefeller account at the Rockefeller law firm, Milbank Tweed. At the same time, John Foster Dulles took steps to ensure that Japan would not have to pay war reparations and that the government return into the hand of the former managers of the Nippon Empire. Through the 1951 Peace Treaty, he prevented prisoners of war and forced laborers from taking legal action against exactions committed by the Japanese. The

British demand that “Japan hand over to the governments of the United Nations all the gold which it had unduly appropriated” (Foreign Office Records, 7 March 1951) was also swiftly abandoned by England, which in April 1951 fell into line with the American position, demanding reparations of 60-million gold pounds. The United States thus appropriated the immense Japanese treasure (“Yamashita’s black gold”), made up of the 175 imperial treasures that the Japanese had pillaged in a dozen countries in East and South-East Asia during the World War Two (see the inquiry carried out over an eighteen-year period by Sterling and Peggy Seagrave, recounted in: *Gold Warriors: America’s Secret Recovery of Yamashita’s Gold*, London, Verso, 2003). This treasure, whose existence was kept secret by President Truman, made it possible, in particular, to finance the United States’ anti-communist policies, by corrupting governments and armies, and buying votes. It also contributed to completing the American gold reserves (the United States held half the world’s gold supply at the end of the Second World War).

After the war, Nelson Rockefeller invited “the worst fascists and the worst Nazis to Washington,” according to Tucci, head of the Latin-American Research Bureau at the State Department. Rockefeller’s reply was simple: “Everybody is useful; we are going to bring these people around to adopting a friendly attitude toward the United States.” (Quoted in Peter Collier & David Horowitz, *The Rockefellers. An American Dynasty*, New York: Holt, Rhinehart and Winston, 1976). David Rockefeller clearly stated that it is “impossible to dissociate a large international bank from the government and its policymaking.” The Chase (the Rockefeller’s bank) provides stunning evidence in support of that. “In 1948, after the rupture between

Tito and Stalin, the Chase became the principal banking link with the Bank of Yugoslavia and in 1950 was one of the first banks to make loans to Franco's Spain. Twenty years later, it was the first American bank to open a branch in Moscow and the first to open operations in China following Nixon's visit to Beijing." (Peter Collier & David Horowitz, *op. cit*.).

The links between investment funds and politics remains as important today as in the past. Parisbas-Geneva hosted a numbered account in the name of Zairian dictator Mobutu (www.ppp.ch/devPdf/Mobutisme.pdf), while the Crédit Lyonnais and the Union Bancaire Privée host accounts of the Algerian generals (www.maroc-hebdo.press.ma and www.anp.org/apelbanques/appelauxbanques.html). Citibank (now Citigroup) hosts the accounts of Mexican President Carlos Salinas and Gabonese President Omar Bongo. Citibank is moreover deeply implicated in the Colombia Plan (and is one of the leading foreign investors in that country, see www.under.ch). Conversely, many political leaders take advantage of their position to constitute financial fortunes (dictators such as Duvalier in Haiti, Marcos in the Philippines, Suharto in Indonesia, Saddam Hussein in Iraq, to mention but four).

The process of fusion between family-based financial power and politics reaches its most extreme with the al-Saud clan, who sit at the United Nations (in the name of Saudi Arabia) and who finance numerous political-religious organizations worldwide (including the World Islamic League, Organization of the Islamic Conference, World Islamic Youth Organization). In Canada, such fusion is far less visible, though no less real: the leaders of the three principal political parties have, for instance, all had ties with Paul Desmarais and his company, Power Corp. John Rae, electoral advisor to former Canadian Prime Minister Jean Chrétien was executive vice-president of Power Corp., while the former prime minister’s sister is married to André, Paul Desmarais’ son. The former leader of the recently defunct Progressive-Conservative Party, as well as the leader of the New Democratic Party – though political opponents of Prime Minister Chrétien – have both had professional ties with Power Corp. And the current Prime minister, Paul Martin, has also worked for Power Corp. in the past.

The strategic continuity between investment and diplomacy explains the presence of former CIA (Central Intelligence Agency) operatives on the boards-of-administration of the largest American investment funds (Robert Gates is on the board of Fidelity, John Deutsch on the board of Citygroup, Maurice “Hank” Greenburg on the board of the American International Group-AIG), or the presence of former MI5 and MI6 (British secret services) agents on the boards of funds in the United Kingdom. It also explains the choices of the various presidents of the World Bank successively holding positions in regulatory offices and in financial conglomerates (John McCloy worked with Rockefeller, particularly in the law firm Milbank, Tweed, Hadley & McCloy; Eugene R. Black and Eugene Meyer were presidents of the Federal Reserve Bank; Black was a Trustee on the Population Council set up by Rockefeller, of the Ford Foundation, the Brooking Institute as well as director of the Rockefeller’s Chase Manhattan Bank; Robert McNamara a member of the Rockefeller foundation; George D. Woods was director of the First Boston Corporation; Lewis T. Preston was president of the Morgan Guarantee and General Electric (Rockefeller); James Wolfensohn, who founded a company with Rothschild (Rothschild, Wolfensohn &

Co.), worked with the Salomon Brothers, the Schroder Banking Group, Darling & Co. and was also part of the Rockefeller Foundation the Population Council.

The transformations of the financial cores within the Trilateral influence the international political order and climate. Inside the beltway of world government, the complex of investment funds and banks – including Barclays Plc (world’s largest private investment fund), the Rockefeller family and Fidelity (world’s largest institutional investment fund, owned by Edward C. Johnson), J.P. Morgan Chase (Rockefeller/Rothschild), Rothschild, Citigroup, UBS, Merrill Lynch, Deutsche Bank, Mellon, Goldman Sachs, Axa, Pargesa – forge alliances, cut deals and form regional partnerships. Concentrations in the American financial world have been reinforced following the abrogation, on 22 October 1999, of the Glass-Steagall Act (enacted in 1933, after the crash of 1929), which enforced partitioning between merchant banks, commercial banks and insurance companies.

The norms of capitalism defined by the governmental beltway naturally apply to Russian, Japanese, Indian, Chinese, Brazilian conglomerates on the lookout for clients and partners. The Chinese or Russian conglomerates have to comply with the rules and practices of the world financial core, if they want to be evaluated by such agencies as Fitch, Standard & Poor’s or Moody’s, or to be audited by Ernst and Young (essentially companies from the English-speaking world) and thus to have access to the instruments of the banking, insurance and financial system of the Trilateral. Nevertheless, certain class fractions intend to uphold their control of state-run enterprises. In Russia, the recent arrest of oil magnate Mikhail Khodorkovsky (who sold off his shares in Yukos to Rothschild) makes it clear that Russian President Vladimir Poutine intends to maintain the conditions of reproduction of his clan (a further example is the detention of Vyacheslav Sheremet, executive assistant to the president of Gazprom and CEO of Sibur, and his replacement by the “Poutinist” Alexei Miller). In the same way, in China, in spite of the massive influx of offshore investment, the admission of André Desmarais (Canada) into the capital of a state conglomerate (CITIC Pacific) remains an exception. In Japan, foreign – European or American – participation in such family-run conglomerates as Mitsui, Mitsubishi and Sumitomo is rare. There is no American or British participation in the world-leading Mizuho Financial Group, or in the world’s third largest financial institution, the Sumitomo Mitsui Banking Corp. The world class is not only “White” or WASP; it is “multicultural,” made up of longstanding bourgeois (or imperial and noble) families from Japan and China (or those of Chinese extraction), from old Arabic families, whether Jordanian or Lebanese, from Korea, Thailand, India and so on.