

Forging a “New World Order” Under a One World Government

Global Power and Global Government: Part 4

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Globalization and the New World Order

The 1990s saw the emergence of what was called the New World Order. This was a term that emerged in the early 1990s to describe a more unipolar world, addressing the collapse of the Soviet Union and the newfound role of the United States as the sole and unchallenged global power. The New World Order was meant to represent a new phase in the global political economy in which world authority rested in one place, and for the time, that place was to be the United States.

This era saw the continual expansion and formation of regional blocs, with the formation of the European Union, the signing of the North American Free Trade Agreement (NAFTA) and the creation of the WTO. The World Trade Organization was officially formed in 1995, as the successor to the General Agreements on Tariffs and Trade (GATT), which was formed in 1944 at the Bretton-Woods Conference. The WTO manages the international liberal trading order.

The first Director-General of the WTO was Peter D. Sutherland, who was previously the director general of GATT, former Attorney General of Ireland, and currently is Chairman of British Petroleum and Goldman Sachs International, as well as being special representative of the United Nations secretary-general for migrations. He is also a member of the board of the Royal Bank of Scotland Group, the Foundation Board of the World Economic Forum, goodwill ambassador to the United Nations Industrial Development Organisation, is a member of the Bilderberg Group, and is European Chairman of the Trilateral Commission, and he was presented with the Robert Schuman Medal for his work on European Integration and the David Rockefeller Award of the Trilateral Commission.[1] Clearly, the WTO was an

organ of the western banking elite to be used as a tool in expanding and institutionalizing their control over world trade.

The European Superstate

In 1992, the Maastricht Treaty was signed, which officially formed the European Union in 1993. In 1994, the European Monetary Institute (EMI) was formed, with the European Central Bank (ECB) being formed in 1998, and the single European currency, the Euro, debuting in 1999. In 2004, the European Constitution was to be signed by all 25-member states of the EU, which was a treaty to establish a constitution for the entire European Union.

The Constitution was a move towards creating a European superstate, creating an EU foreign minister, and with it, coordinated foreign policy, with the EU taking over the seat of Britain on the UN Security Council, representing all EU member states, forcing the nations to “actively and unreservedly” follow an EU foreign policy; set out the framework to create an EU defence policy, as an appendage to or separate from NATO; the creation of a European Justice system, with the EU defining “minimum standards in defining offences and setting sentences,” and creates common asylum and immigration policy; and it would also hand over to the EU the power to “ensure co-ordination of economic and employment policies”; and EU law would supercede all law of the member states, thus making the member nations relative to mere provinces within a centralized federal government system.[2]

Vaclav Klaus, President of the Czech Republic, had stated that he feared that the concept of a stronger and more centralized European Union, as “the developments in the E.U. are really dangerous with regard to moving out of a free society and moving more and more toward masterminding control and regulation,” and that, “We [the Czech Republic] spent a half-century under communist eyes. We are more sensitive than some other West Europeans. We feel things, we see things, we touch things that we don’t like. For us, the European Union reminds us of COMECON [Moscow’s organization for economic control of the Soviet bloc].” He elaborated saying that the similarity with COMECON is not ideologically based, but in its structure, “The decisions are made not in your own country. For us who lived through the communist era, this is an issue.”[3]

The Constitution was largely written up by Valéry Giscard d’Estaing, former President of the French Republic from 1974 to 1981. Giscard d’Estaing also happens to be a member of the Bilderberg Group, the Trilateral Commission, and is also a close friend of Henry Kissinger, having co-authored papers with him. In 2005, French and Dutch voters answered the referendums in their countries, in which they rejected the EU Constitution, which required total unanimity in order to pass.

In 2007, a move was undertaken to introduce what was called the Lisbon Treaty, to be approved by all member-states. Giscard d’Estaing wrote an article for the Independent in which he stated that, “The difference between the original Constitution and the present Lisbon Treaty is one of approach, rather than content.” He described the process of creating the Lisbon Treaty: “It was the legal experts for the European Council who were charged with drafting the new text. They have not made any new suggestions. They have taken the

original draft constitution, blown it apart into separate elements, and have then attached them, one by one, to existing treaties. The Treaty of Lisbon is thus a catalogue of amendments. It is unpenetrable for the public.” The main difference was that the word “constitution” was removed and banished from the text.[4]

The Telegraph reported that though the Treaty dropped the word “constitution,” it remained the same in “giving the EU the trappings of a global power and cutting national sovereignty.” It contained plans to create an EU President, who “will serve a two and half year term but unlike democratic heads of state he or she will be chosen by Europe’s leaders not by voters” and “will take over key international negotiations from national heads of government.” The Constitution’s “Foreign Minister” becomes the “High Representative,” who “will run a powerful EU diplomatic service and will be more important on the global and European stage than national foreign ministers.” It sets out to create an “Interior Ministry” which will “centralise databases holding fingerprints and DNA,” and “make EU legislation on new police and surveillance powers.” The ability for EU nations to use vetoes will end, and the Treaty “includes a clause hardwiring an EU “legal personality” and ascendancy over national courts.”[5]

One country in Europe has it written into its constitution that it requires a referendum on treaties, and that country is Ireland. In June of 2008, the Irish went to vote on the Treaty of Lisbon, after weeks and months of being badgered by EU politicians and Eurocrats explaining that the Irish “owe” Europe a “Yes” vote because of the benefits the EU had bestowed upon Ireland. History will show, however, that the Irish don’t take kindly to being bossed around and patronized, so when they went to the polls, “No” was on their lips and on their ballots. The Irish thus rejected the Lisbon Treaty.

North American Integration

The Canada-US Free Trade Agreement of 1989, was signed by President George HW Bush and Canadian Prime Minister Brian Mulroney. The FTA had devastating consequences for the people of Canada and the United States, while enriching the corporate and political elite. For example, GDP growth decreased, unemployment increased the most since the Great Depression,[6] and meanwhile, Brian Mulroney entered the corporate world, of which he now sits as a board member of Barrick Gold Corporation, as well as sitting on the International Advisory Board of the Council on Foreign Relations,[7] of which David Rockefeller remains on as Honorary Chairman.

In 1990, the private sector lobbying groups and think tanks began the promotion of the North American Free Trade Agreement (NAFTA) to expand the Canada-US Free Trade Agreement to include Mexico. NAFTA was signed by then Canadian Prime Minister Jean Chrétien, US President George H.W. Bush and Mexican President Carlos Salinas, in 1993, and went into effect in 1994. It was negotiated during a time in which Mexico was undergoing liberal economic reforms, so NAFTA had the effect of cementing those reforms in an “economic constitution for North America.”[8]

David Rockefeller played a role in the push for NAFTA. In 1965, he had founded the Council for Latin America (CLA), which, as he wrote in a 1966 article in *Foreign Affairs*, was to mobilize private enterprise throughout the hemisphere “to stimulate and support economic integration.” The CLA, David wrote, “provides an effective channel of cooperation between businessmen in the United States and their counterparts in the countries to the south. It also offers a means of continuing communication and consultation with the White House, the State Department and other agencies of our government.”[9]

The CLA later changed its name to the Council of the Americas (CoA) and maintains a very close relationship with the Americas Society, founded at the same time as the CLA, of which David Rockefeller remains to this day as Chairman of both organizations. As David wrote in his autobiography, *Memoirs*, in the lead up to NAFTA, the Council of the Americas sponsored a Forum of the Americas, which was attended by President George H.W. Bush, which resulted in the call for a “Western Hemisphere free trade area.”[10]

In 1993, David Rockefeller wrote an article for the *Wall Street Journal*, in the run up to NAFTA, in which he advocated for the signing of NAFTA as essential, describing it as a vital step on the road to fulfilling his life long work, and that, “Everything is in place — after 500 years — to build a true “new world” in the Western Hemisphere,” and further, that “I truly don’t think that “criminal” would be too strong a word to describe an action on our part, such as rejecting Nafta, that would so seriously jeopardize all the good that has been done — and remains to be done.”[11]

In 1994, Mexico entered into a financial crisis, often referred to as the Mexican peso crisis. The 1980s debt crisis, instigated by the Federal Reserve’s interest rate hikes on international loans, caused Mexico to default on its loans. The IMF had to enter the scene with its newly created Structural Adjustment Programs (SAPs) and reform Mexico’s economy along neoliberal economic policies.

In the late 1980s, “the United States accounted for 73 percent of Mexico’s foreign trade,”[12] and when NAFTA came into effect in 1994, it “immediately opened US and Canadian markets to 84 percent of Mexican exports.”[13] Mexico even became a member of the World Trade Organization (WTO). The peso crisis, which began at the end of 1994, with the ascension of Mexican President Zedillo, went into 1995, and the US organized a bailout worth \$52 billion.[14] The bailout did not help the Mexican economy, as it was simply funneled into paying back loans to banks, primarily American banks, and the “crisis in 1995 was declared [by the IMF to be] over as soon as the banks and international lenders started to get repaid; but five years after the crisis, workers were just getting back to where they were beforehand.”[15]

In 2002, Robert Pastor, Director of the Center for North American Studies at the American University in Washington, D.C., prepared a report that he presented to the Trilateral Commission meeting of that same year. The report, *A North American Community: A Modest Proposal to the Trilateral Commission*, advocated a continuation of the policy of “deep integration” in North America, recommending, “a continental plan for infrastructure and transportation, a plan for harmonizing regulatory policies, a customs union, [and] a common

currency.”[16] The report advocated the formation of a North American Community and Pastor wrote that, “a majority of the public in all three countries is prepared to join a larger North American country.”[17]

In 2003, prior to Paul Martin becoming Prime Minister of Canada, the Canadian Council of Chief Executives (CCCE), formerly the BCNI, published on their website, a press release in which they, “urged Paul Martin to take the lead in forging a new vision for North America.” Thomas d’Aquino, CEO of the Council, “urged that Mr. Martin champion the idea of a yearly summit of the leaders of Canada, Mexico and the United States in order to give common economic, social and security issues the priority they deserve in a continental, hemispheric and global context.” Among the signatories to this statement were all the Vice Chairmen of the CCCE, including David Emerson, who would go on to join Martin’s Cabinet.[18]

The CCCE then launched the North American Security and Prosperity Initiative, advocating “redefining borders, maximizing regulatory efficiencies, negotiation of a comprehensive resource security pact, reinvigorating the North American defence alliance, and creating a new institutional framework.”[19]

The Independent Task Force on the Future of North America was then launched in 2005, composed of an alliance and joint project between the CCCE in Canada, the Council on Foreign Relations (CFR) in the United States, and the Mexican Council on Foreign Relations in Mexico. A press release was given on March 14, 2005, in which it said, “The chairs and vice-chairs of the Independent Task Force on the Future of North America today issued a statement calling for a North American economic and security community by 2010.”[20]

On March 23, 2005, a mere nine days following the Task Force press release, the leaders of Canada, the US, and Mexico, (Paul Martin, George W. Bush, and Vicente Fox, respectively), announced “the establishment of the Security and Prosperity Partnership of North America,” which constituted a course of “action into a North American framework to confront security and economic challenges.”[21]

Within two months, the Independent Task Force on the Future of North America released their final report, Building a North American Community, proposing the continuation of “deep integration” into the formation of a North American Community, that “applauds the announced ‘Security and Prosperity Partnership of North America,’ but proposes a more ambitious vision of a new community by 2010 and specific recommendations on how to achieve it.”[22]

At the 2006 meeting of the SPP, the creation of a new group was announced, called the North American Competitiveness Council (NACC), made up of corporate leaders from all three countries who produce an annual report and advise the three governments on how to implement the SPP process of “deep integration”. The Secretariat in Canada is the CCCE, and the Secretariat of the group in the US is made up of the US Chamber of Commerce and the Council of the Americas.[23] The Council of the Americas was founded by David Rockefeller, of which he is still Honourary Chairman, and other board members include

individuals from J.P. Morgan, Merck, McDonald's, Ford, the Federal Reserve Bank of New York, General Electric, Chevron, Shell, IBM, ConocoPhillips, Citigroup, Microsoft, Pfizer, Wal-Mart, Exxon, General Motors, Merrill Lynch, Credit Suisse and the US Department of Treasury.[24]

The process of integration is still underway, and the formation of a North American Community is not far off, only to be followed by a North American Union, modeled on the structure of the European Union, with talk of a North American currency being formed in the future,[25] which was even proposed by Canada's former Governor of the Bank of Canada.[26]

The New World Order in Theory

In a 1997 article of Foreign Affairs, the journal of the Council on Foreign Relations, Anne-Marie Slaughter discussed the theoretical foundations of the New World Order. Building on George HW Bush's proclamation of a New World Order in 1991, Slaughter wrote that many saw this as "the promise of 1945 fulfilled, a world in which international institutions, led by the United Nations, guaranteed international peace and security with the active support of the world's major powers." However, this concept, she explained, was largely infeasible, as "It requires a centralized rule-making authority, a hierarchy of institutions, and universal membership." Instead, she explains the emergence of what she called a "new medievalism" as opposed to liberal internationalism. "Where liberal internationalists see a need for international rules and institutions to solve states' problems, the new medievalists proclaim the end of the nation-state," where "The result is not world government, but global governance. If government denotes the formal exercise of power by established institutions, governance denotes cooperative problem- solving by a changing and often uncertain cast." [27]

However, Slaughter challenges the assumptions of both the liberal internationalists and the new medievalists, and states that, "The state is not disappearing, it is disaggregating into its separate, functionally distinct parts. These parts—courts, regulatory agencies, executives, and even legislatures—are networking with their counterparts abroad, creating a dense web of relations that constitutes a new, transgovernmental order," and that, "transgovernmentalism is rapidly becoming the most widespread and effective mode of international governance." [28] Slaughter was Dean of the Woodrow Wilson School of Public and International Affairs at Princeton University from 2002-2009, is currently Director of Policy Planning for the United States Department of State, and has previously served on the board of the Council on Foreign Relations.

Reconstructing Class Structure Under a World Government

Bank of Canada Governor Mark Carney, a former executive with Goldman Sachs, stated in his speech at the International Economic Forum of the Americas, that, "Globalized product, capital, and labour markets lie at the heart of the New World Order to which we should aspire. However, the next wave of globalization needs to be more firmly grounded and its participants more responsible," and that, "Within our economies, major stock adjustments in inventories, labour, and capital will be required." It is worth quoting him at length in saying:

Although global demand and trade levels appear to be approaching bottom, and inventory

and labour adjustments have already been substantial, there is still more to come. *Unemployment will likely rise further across the G-7, with the sharpest increases still to come in those economies with the least-flexible labour markets.* Uncertainty over the employment outlook will weigh on consumption in most major economies for some time. The capital stock adjustment process will take longer, and global investment growth is likely to remain negative well into 2010. *This will serve as a significant drag on global growth and can be expected to reduce potential growth in most major economies.*[29] [Emphasis added]

In terms of labour adjustments within the New World Order, there are some important and vital factors to take into account. Primary among these concerns is the notion of transnational classes. Capitalism largely functions through class divides, with the ruling class owning the means of production, which, as a class, is subject to its own hierarchy over which those that control and issue currencies preside.

In Western, industrialized nations, there has been a large middle class which thrives on consumption, enriching the upper class bourgeoisie, while the lower class, (or proletariat in Marxist terms), consists of the labour class. In non-western, industrialized nations, generally referred to as the “Third World”, “developing world” or the “Global South” (consisting of Latin America, Africa, and parts of Asia), there is a greater divide in terms in class lines, where there is a ruling class, and a labour class, largely remaining vacant of a vast, educated middle class. Class structures vary from country to country and region to region.

However, in the past several decades, the reality of class structures has been undergoing drastic changes, and with this, the structure of labour has changed. In the past few decades, a concurrent class restructuring has been taking place, in which the middle classes of the world descend into debt bondage while the upper classes of the world have began a process of transnationalizing. What we have witnessed and are witnessing with recent events, is the transnationalization of class structures, and with that, labour forces.

Social Constructivism

A fascinating theoretical school of thought within the field of Global Political Economy is that of Social Constructivism. Social Constructivists argue that, “The social and political world, including the world of international relations, is not a physical entity or material object that is outside human consciousness. Consequently, the study of international relations must focus on the ideas and beliefs that inform the actors on the international scene as well as the shared understandings between them.” Expanding upon this idea:

The international system is not something ‘out there’ like the solar system. It does not exist on its own. It exists only as an intersubjective awareness among people; in that sense the system is constituted by ideas, not by material forces. It is a human invention or creation not of a physical or material kind but of a purely intellectual and ideational kind. It is a set of ideas, a body of thought, a system of norms, which has been arranged by certain people at a particular time and place.

Examples of socially constructed structures within the global political economy are national borders, as they have no physical line, but are rather formed by a shared understanding between various actors as to where the border is. The nation itself is a social construct, as it

has no physical, over-arching form, but is made up of a litany of shared values, ideas, concepts, institutions, beliefs and symbols. Thus, "If the thoughts and ideas that enter into the existence of international relations change, then the system itself will change as well, because the system consists in thoughts and ideas. That is the insight behind the oft-repeated phrase by constructivist Alexander Wendt: 'anarchy is what states make of it'." [30]

Class Structure and Social Constructivism

William I. Robinson and Jerry Harris write in *Science & Society Journal*, that, "One process central to capitalist globalization is transnational class formation, which has proceeded in step with the internationalization of capital and the global integration of national productive structures. Given the transnational integration of national economies, the mobility of capital and the global fragmentation and decentralization of accumulation circuits, class formation is progressively less tied to territoriality." [31] They argued that a Transnational Capitalist Class (TCC) has emerged, "and that this TCC is a global ruling class. It is a ruling class because it controls the levers of an emergent transnational state apparatus and of global decision making." [32] This class has no borders, and is composed of the technocratic, media, corporate, banking, social and political elite of the world.

As Jackson and Sorenson point out in relation to social constructivist theory, "If 'anarchy is what states make of it' there is nothing inevitable or unchangeable about world politics," and that, "The existing system is a creation of states and if states change their conceptions of who they are, what their interests are, what they want, etc. then the situation will change accordingly." As an example, they stated that states could decide "to reduce their sovereignty or even to give up their sovereignty. If that happened there would no longer be an international anarchy as we know it. Instead, there would be a brave new, non-anarchical world – perhaps one in which states were subordinate to a world government." [33]

As Robinson and Harris explain in their essay, with the rise of the Transnational Capitalist Class (TCC), there is also a rise in the apparatus of a Transnational State (TNS), which is "an emerging network that comprises transformed and externally integrated national states, together with the supranational economic and political forums; it has not yet acquired any centralized institutional form." [34] Among the economic apparatus of the TNS we see the IMF, World Bank, WTO and regional banks. On the political side we see the Group of 7, Group of 22, United Nations, OECD, and the European Union. This was further accelerated with the Trilateral Commission, "which brought together transnationalized fractions of the business, political, and intellectual elite in North America, Europe, and Japan." Further, the World Economic Forum has made up an important part of this class, and, I might add, the Bilderberg Group. Robinson and Harris point out that, "Studies on building a global economy and transnational management structures flowed out of think tanks, university centers, and policy planning institutes in core countries." [35]

The TNS apparatus has been a vital principle of organization and socialization for the transnational class, "as have world class universities, transnationally oriented think tanks, the leading bourgeois foundations, such as Harvard's School of International Business, the Ford [and Rockefeller] and the Carnegie Foundations, [and] policy planning groups such as the Council on Foreign Relations." These "elite planning groups are important forums for

integrating class groups, developing new initiatives, collective strategies, policies and projects of class rule, and forging consensus and a political culture around these projects.”[36]

Robinson and Harris identify the World Economic Forum as “the most comprehensive transnational planning body of the TCC and the quintessential example of a truly global network binding together the TCC in a transnational civil society.”[37] I would take issue with this, and instead propose the Bilderberg Group, of which they make no mention in their article, as THE quintessential transnational planning body of the TCC, as it is composed of the elite of the elite, totally removed from public scrutiny, and acts as “a secretive global think-tank” of the world’s 130 most powerful individuals.[38]

Many Bilderberg critics will claim that the group acts as a “secret world government” or as the organization “that makes all the key decisions for the world.” However, this is not the case. Bilderberg is simply the most influential planning body, sitting atop a grand hierarchy of various planning bodies and institutions, and is itself a key part of the apparatus of the formation of a Transnational State, but is not, in and of itself, a “world government.” It is a global think tank, which holds the concept of a “world government” in high regard and often works to achieve these ends, but it should not be confused with being the end it seeks.

The economic crisis is perhaps the greatest “opportunity” ever given to the TCC in reshaping the world order according to their designs, ideals and goals. Through destruction, comes creation; and for these high-placed individuals within the TCC, destruction is itself a form of creation.

In terms of reshaping labour and class structures, the economic crisis provides the ground on which a new global class structure will be built. A major problem for the Transnational Capitalist Class and the formation of a Transnational State, or world government, is the lack of continuity in class structures and labour markets throughout the world. A transnational ruling class, or “Superclass” as David Rothkopf referred to it in his book of the same name (and is, himself, a member of the Superclass), has emerged. It has no borders, yet has built a general continuity and consensus of goals among its members, albeit there are differences and conflicts within the class, but they are based upon the means of achieving the stated ends, rather than on the ends itself. There is not dissent within the ruling class on the aims of achieving a world governing body; the dissent is in how to achieve this, and in terms of what kind of structure, theoretical and philosophical leanings, and political orientation such a government would have.

To achieve these ends, however, all classes must be transnationalized, not simply the ruling class. The ruling class is the first class to be transnationalized, because transnationalization was the goal of the ruling classes based in the powerful Western European nations, (and later in the United States), that started the process of transnationalization or internationalization. Now that there is an established “Superclass” of a transnational composition, the other classes must follow suit. The middle class is targeted for elimination in this sense, because most of the world has no middle class, and to fully integrate and internationalize a middle class, this would require industrialization and development in

places such as Africa, and certain places in Asia and Latin America, and would represent a massive threat to the Superclass, as it would be a valve through which much of their wealth and power would escape them. Their goal is not to lose their wealth and power to a transnational middle class, but rather to extinguish the notion of a middle class, and transnationalize a lower, uneducated, labour oriented class, through which they will secure ultimate wealth and power.

The economic crisis serves these ends, as whatever remaining wealth the middle class holds is in the process of being eliminated, and as the crisis progresses, or rather, regresses, and accelerates, the middle classes of the world will suffer, while a great percentage of lower classes of the world, poverty-stricken even prior to the crisis, will suffer the greatest, most probably leading to a massive reduction in population levels, particularly in the “developed” or “Third World” states.

Many would take issue with such a thesis as being an objective of the Transnational Capitalist Class, as capitalism needs a large population, specifically a middle class population, in order to have a market of consumers for their products. Though this is true with how we presently understand the capitalist system and structure, we must also take note that capitalism, itself, is always changing and redefining itself. Through a social constructivist perspective, which I would argue, is very apt in this analysis, such a notion is not inconceivable, as if the capitalist class were to redefine capitalism itself, capitalism itself would change.

It must be addressed that there would be a great many individuals within the TCC or Superclass (Rothkopf estimates the number at 6,000 individuals within the ruling class), who would take issue with eliminating their base for profit making, however, as a total restructuring of the capitalist system and global political economy as a whole is undertaken, the TCC itself is not immune to such drastic and rapid changes itself. In fact, it would be unimaginable to think that it would remain as it currently is.

Rothkopf explains that with 6,000 members of the Superclass, that equals roughly one member of the superclass for every 1 million people in the world. As the composition, class structures, and numbers of the world population drastically alter over the next years and decades, so too will the superclass itself. It too, will be subject to a “cleansing” so to speak, in which the big players will collapse and consolidate many of the smaller players.

The Monetary Structure of a Global Government

A Global Currency

Following the April 2009 G20 Summit, leaders issued a communiqué which set the groundwork for the creation of a global currency to replace the US dollar as the world reserve currency. The communiqué stated that, “We have agreed to support a general SDR allocation which will inject \$250bn (£170bn) into the world economy and increase global liquidity.” SDRs, or Special Drawing Rights, are “a synthetic paper currency issued by the International Monetary Fund.” As the Telegraph reported, “the G20 leaders have activated

the IMF's power to create money and begin global "quantitative easing". In doing so, they are putting a de facto world currency into play. It is outside the control of any sovereign body. Conspiracy theorists will love it."[39]

In 1988, the Economist featured an article called "Get Ready for the Phoenix," which said, "THIRTY years from now, Americans, Japanese, Europeans, and people in many other rich countries and some relatively poor ones will probably be paying for their shopping with the same currency. Prices will be quoted not in dollars, yen or D-marks but in, let's say, the phoenix. The phoenix will be favoured by companies and shoppers because it will be more convenient than today's national currencies, which by then will seem a quaint cause of much disruption to economic life in the late twentieth century." The article, written in the wake of the 1987 stock market crash, stated that, "*Several more big exchange-rate upsets, a few more stockmarket crashes and probably a slump or two will be needed before politicians are willing to face squarely up to that choice.*" This points to a muddled sequence of emergency followed by patch-up followed by emergency, stretching out far beyond 2018-except for two things. As time passes, the damage caused by currency instability is gradually going to mount; and the very trends that will make it mount are making the utopia of monetary union feasible."[emphasis added][40]

Paul Volcker, former Governor of the Federal Reserve System, said in 2000, that, "If we are to have a truly global economy, a single world currency makes sense," and a member of the Executive Board of the European Central Bank reaffirmed Volcker's comment, stating that, "we might one day have a single world currency. Maybe European integration, in the same way as any other regional integration, could be seen as a step towards the ideal situation of a fully integrated world. If and when this world will see the light of day is impossible to say. However, what I can say is that this vision seems as impossible now to most of us as a European monetary union seemed 50 years ago, when the process of European integration started."[41]

A Central Bank of the World

Jeffrey Garten has written several articles calling for the creation of a global central bank, or a "global fed." Garten was former Dean of the Yale School of Management, former Undersecretary of Commerce for International Trade in the Clinton administration, previously served on the White House Council on International Economic Policy under the Nixon administration and on the policy planning staffs of Secretaries of State Henry Kissinger and Cyrus Vance of the Ford and Carter administrations, former Managing Director at Lehman Brothers, and is a member of the Council on Foreign Relations.

In 1998, he wrote an article for the New York Times stating that the world "needs a global central bank," and that, "An independent central bank with responsibility for maintaining global financial stability is the only way out. No one else can do what is needed: inject more money into the system to spur growth, reduce the sky-high debts of emerging markets, and oversee the operations of shaky financial institutions. A global central bank could provide more money to the world economy when it is rapidly losing steam."[42]

Following the outbreak of the current financial crisis, Garten wrote an article for the

Financial Times in which he called for the “establishment of a Global Monetary Authority to oversee markets that have become borderless.”[43] In October of 2008, he wrote an article for Newsweek stating that, “leaders should begin laying the groundwork for establishing a global central bank.” He explained that, “There was a time when the U.S. Federal Reserve played this role [as governing financial authority of the world], as the prime financial institution of the world’s most powerful economy, overseeing the one global currency. But with the growth of capital markets, the rise of currencies like the euro and the emergence of powerful players such as China, the shift of wealth to Asia and the Persian Gulf and, of course, the deep-seated problems in the American economy itself, the Fed no longer has the capability to lead single-handedly.”[44]

Regionalism

Building upon the model of the European Union, the world is being divided into large continental regional blocs, with regional monetary systems and governments. This will make up the managed blocs of a global government, and mark a significant process in the “hard road to world order,” as Richard N. Gardner called it, in which national sovereignty is eroded piece by piece. Regionalism marks the current phase of the move to the formation of a global government. Friedrich List critiqued liberal cosmopolitanism, stating that economic integration had never preceded political integration, however the elites have and are successfully challenging this notion. In the New World Order, economic integration is preceding political integration into a world governance structure.

The European Union began as a series of free trade agreements, became a monetary union, and is in the process of being formed into a single continental superstate. North American integration began with a series of free trade agreements, defense and security agreements, and is in the process of moving towards monetary and bureaucratic integration into a North American Community. A Union and North American superstate are not far in the distance. A North American currency is openly discussed and proposed by leading think tanks, billionaire investors, as well as the Governor of the Bank of Canada. The likely name of such a currency is the Amero.[45]

Meanwhile, globally, markets are heavily integrating. In 2007, it was reported that the European Union and the United States were beginning the process of transatlantic economic integration.[46] In 2008, it was announced that, “Canadian and European officials say they plan to begin negotiating a massive agreement to integrate Canada’s economy with the 27 nations of the European Union,” under “deep economic integration negotiations,” and “The proposed pact would far exceed the scope of older agreements such as NAFTA.”[47] This, essentially, is a means of integrating with the North American Community before the Community is officially formed; an act of pre-emptive integration.

In 2007, the Council on Foreign Relations journal, *Foreign Affairs*, ran an article titled, “The End of National Currency.” Discussing the volatility of national currencies, the article stated that, “The right course is not to return to a mythical past of monetary sovereignty, with governments controlling local interest and exchange rates in blissful ignorance of the rest of the world. Governments must let go of the fatal notion that nationhood requires them to make and control the money used in their territory. National currencies and global markets simply do not mix; together they make a deadly brew of currency crises and geopolitical

tension and create ready pretexts for damaging protectionism. In order to globalize safely, countries should abandon monetary nationalism and abolish unwanted currencies, the source of much of today's instability."

Further, "Monetary nationalism is simply incompatible with globalization. It has always been, even if this has only become apparent since the 1970s, when all the world's governments rendered their currencies intrinsically worthless." The author states that, "Since economic development outside the process of globalization is no longer possible, countries should abandon monetary nationalism. Governments should replace national currencies with the dollar or the euro or, in the case of Asia, collaborate to produce a new multinational currency over a comparably large and economically diversified area." [48]

In 2008, the Union of South American Nations (UNASUR) was formed, "a regional body aimed at boosting economic and political integration in the region," [49] which will "seek a common currency as part of the region's integration efforts," as well as a common central bank. [50]

The Gulf Cooperation Council, a regional bloc of Arab Middle Eastern governments, is pursuing economic integration in the form of a common central bank and a common currency. [51] Similarly, there has been much discussion of an Asian Monetary Union and East Asian economic integration, specifically being touted as a solution to the prevention of future economic crises in East Asia like that which hit it in 1997. [52] Integration would be modeled upon the East Asian regional block of ASEAN (Association of Southeast Asian Nations), and in 2008, "ASEAN bank deputy governors and financial deputy ministers have met in Vietnam's central Da Nang city, discussing issues on the financial and monetary integration and cooperation in the region." [53] Further, Africa is being organized as a regional bloc under the African Union, and is also pursuing regional economic integration, and has even set the agenda for the creation of a continental African central bank and the formation of a single African currency. [54]

In 2006, the Bank for International Settlements "suggested ditching many national currencies in favour of a small number of formal currency blocks based on the dollar, euro and renminbi or yen." [55]

Constructing the Political Structure of a Global Government

Strobe Talbott, Deputy Secretary of State in the Clinton administration from 1994 to 2001, is also a member of the Council on Foreign Relations and the Trilateral Commission and is currently President of the Brookings Institution, a prominent US think tank. In 1992, before becoming Deputy Secretary of State, he wrote an article for Time Magazine originally titled, "The Birth of the Global Nation," which has now, in the Time Magazine archives, been renamed "America Abroad." In the article, he states that within the next 100 years, "nationhood as we know it will be obsolete; all states will recognize a single, global authority. A phrase briefly fashionable in the mid-20th century — "citizen of the world" — will have assumed real meaning by the end of the 21st."

Interestingly, Talbott endorses the social constructivist perspective of nation-states and international order, stating that, “All countries are basically social arrangements, accommodations to changing circumstances. No matter how permanent and even sacred they may seem at any one time, in fact they are all artificial and temporary. Through the ages, there has been an overall trend toward larger units claiming sovereignty and, paradoxically, a gradual diminution of how much true sovereignty any one country actually has.”

He explained that empires “were a powerful force for obliterating natural and demographic barriers and forging connections among far-flung parts of the world,” and following that, “Empire eventually yielded to the nation-state,” and that, “The main goal driving the process of political expansion and consolidation was conquest. The big absorbed the small, the strong the weak. National might made international right. Such a world was in a more or less constant state of war.” Talbott states that, “perhaps national sovereignty wasn’t such a great idea after all.”

He continued, saying that, “it has taken the events in our own wondrous and terrible century to clinch the case for world government. With the advent of electricity, radio and air travel, the planet has become smaller than ever, its commercial life freer, its nations more interdependent and its conflicts bloodier.” Further, “Each world war inspired the creation of an international organization, the League of Nations in the 1920s and the United Nations in the ’40s.” He explained, “The plot thickened with the heavy-breathing arrival on the scene of a new species of ideology — expansionist totalitarianism — as perpetrated by the Nazis and the Soviets. It threatened the very idea of democracy and divided the world. [Thus] The advocacy of any kind of world government became highly suspect.” However, as Talbott points out, Soviet expansion led the way for NATO expansion, and “The cold war also saw the European Community pioneer the kind of regional cohesion that may pave the way for globalism.”

On top of that, “the free world formed multilateral financial institutions that depend on member states’ willingness to give up a degree of sovereignty. The International Monetary Fund can virtually dictate fiscal policies, even including how much tax a government should levy on its citizens. The General Agreement on Tariffs and Trade regulates how much duty a nation can charge on imports. These organizations can be seen as the protoministries of trade, finance and development for a united world.” In addressing crises, Talbott wrote that, “Globalization has also contributed to the spread of terrorism, drug trafficking, AIDS and environmental degradation. But because those threats are more than any one nation can cope with on its own, they constitute an incentive for international cooperation.” Thus, out of crisis, comes opportunity; out of chaos comes order.

In prescribing a solution, Talbott postulates that, “The best mechanism for democracy, whether at the level of the multinational state or that of the planet as a whole, is not an all-powerful Leviathan or centralized superstate, but a federation, a union of separate states that allocate certain powers to a central government while retaining many others for themselves.”[56]

In a 1974 issue of *Foreign Affairs*, Richard N. Gardner wrote about the formation of the New World Order. Gardner, a former American ambassador to the United Nations, Italy and Spain, is also a member of the Trilateral Commission. In his article, *The Hard Road to World Order*, Gardner wrote that, "The quest for a world structure that secures peace, advances human rights and provides the conditions for economic progress—for what is loosely called world order—has never seemed more frustrating but at the same time strangely hopeful." [57] He explained that, "few people retain much confidence in the more ambitious strategies for world order that had wide backing a generation ago—'world federalism,' 'charter review,' and 'world peace through world law'." Further, "The same considerations suggest the doubtful utility of holding a [UN] Charter review conference." [58]

Gardner wrote, "If instant world government, Charter review, and a greatly strengthened International Court do not provide the answers, what hope for progress is there? The answer will not satisfy those who seek simple solutions to complex problems, but it comes down essentially to this: The hope for the foreseeable future lies, not in building up a few ambitious central institutions of universal membership and general jurisdiction as was envisaged at the end of the last war, but rather in the much more decentralized, disorderly and pragmatic process of inventing or adapting institutions of limited jurisdiction and selected membership to deal with specific problems on a case-by-case basis, as the necessity for cooperation is perceived by the relevant nations."

He then stated, "In short, the 'house of world order' will have to be built from the bottom up rather than from the top down. It will look like a great 'booming, buzzing confusion,' to use William James' famous description of reality, but an end run around national sovereignty, eroding it piece by piece, will accomplish much more than the old-fashioned frontal assault." [59]

In the 2001 issue of *Foreign Affairs*, Richard Falk and Andrew Strauss wrote an article titled, "Toward Global Parliament." They wrote that, "International governance is no longer limited to such traditional fare as defining international borders, protecting diplomats, and proscribing the use of force. Many issues of global policy that directly affect citizens are now being shaped by the international system. Workers can lose their jobs as a result of decisions made at the WTO or within regional trade regimes." [60] In 2006, a UN report stated that, "the nation-state is an old-fashioned concept that has no role to play in a modern globalised world." [61]

Further, "As with citizen groups, elite business participation in the international system is becoming institutionalized. The best example is the World Economic Forum in Davos, Switzerland. In the 1980s, the WEF transformed itself from an organization devoted to humdrum management issues into a dynamic political forum. Once a year, a thousand of the world's most powerful business executives get together with another thousand of the world's senior policymakers to participate in a week of roundtables and presentations. The WEF also provides ongoing arenas for discussion and recommendations on shaping global policy." They continue in explaining that, "The Davos assembly and overlapping networks of corporate elites, such as the International Chamber of Commerce, have been successful in shaping compatible global policies. Their success has come in the expansion of international trade regimes, the modest regulation of capital markets, the dominance of neoliberal

market philosophy, and the supportive collaboration of most governments, especially those of rich countries.”[62]

In explaining the purpose of a global parliament, essentially to address the “democratic deficit” created by international organizations, the authors wrote that, “Some business leaders would certainly oppose a global parliament because it would broaden popular decision-making and likely press for transnational regulations. But others are coming to believe that the democratic deficit must be closed by some sort of stakeholder accommodation. After all, many members of the managerial class who were initially hostile to such reform came to realize that the New Deal—or its social-democratic equivalent in Europe—was necessary to save capitalism. Many business leaders today similarly agree that democratization is necessary to make globalization politically acceptable throughout the world.” Essentially, its purpose would be to give globalization “grassroots acceptance and legitimacy.”[63]

David Rothkopf, a scholar at the Carnegie Endowment for International Peace, former Deputy Undersecretary of Commerce for International Trade in the Clinton administration, former managing director of Kissinger and Associates, and a member of the Council on Foreign Relations, recently wrote a book titled, *Superclass: The Global Power Elite and the World They are Making*. As a member of that “superclass,” his writing should provide a necessary insight into the construction of this “New World Order.” He states that, “In a world of global movements and threats that don’t present their passports at national borders, it is no longer possible for a nation-state acting alone to fulfill its portion of the social contract.” He wrote that, “progress will continue to be made,” however, it will be challenging, because it “undercuts many national and local power structures and cultural concepts that have foundations deep in the bedrock of human civilization, namely the notion of sovereignty.” He further wrote that, “Mechanisms of global governance are more achievable in today’s environment,” and that these mechanisms “are often creative with temporary solutions to urgent problems that cannot wait for the world to embrace a bigger and more controversial idea like real global government.”[64]

Jacques Attali, founder and former President of the European Bank for Reconstruction and Development, and economic adviser to French President Nicholas Sarkozy, interviewed on EuroNews, said that, “either we’re heading towards a world government or we’re going to put national issues first.” The interviewer stated that the idea of world government will frighten many people, to which Attali responded, “Indeed, that’s only to be expected, because it seems like a fantasy. But there is already global authority in many areas,” and that, “even if it’s hard to think of a European government at the moment, which is there, but very weak, Europe can at least press on its experience to the world. If they’re not capable of creating an economic framework along side a political framework, then they’re never going to do it on a global scale. And then the world economic model will break up, and we’ll be back to the Great Depression.”[65]

In December of 2008, the Financial Times published an article titled, “And Now for A World Government,” in which the author, former Bilderberg attendee, Gideon Rachman, wrote that, “for the first time in my life, I think the formation of some sort of world government is plausible,” and that, “A ‘world government’ would involve much more than co-operation

between nations. It would be an entity with state-like characteristics, backed by a body of laws. The European Union has already set up a continental government for 27 countries, which could be a model. The EU has a supreme court, a currency, thousands of pages of law, a large civil service and the ability to deploy military force.”

He stated that, “it is increasingly clear that the most difficult issues facing national governments are international in nature: there is global warming, a global financial crisis and a ‘global war on terror’.” He wrote that the European model could “go global” and that a world government “could be done,” as “The financial crisis and climate change are pushing national governments towards global solutions, even in countries such as China and the US that are traditionally fierce guardians of national sovereignty.” He quoted an adviser to French President Nicolas Sarkozy as saying, “Global governance is just a euphemism for global government,” and that the “core of the international financial crisis is that we have global financial markets and no global rule of law.” However, Rachman states that any push towards a global government “will be a painful, slow process.” He then states that a key problem in this push can be explained with an example from the EU, which “has suffered a series of humiliating defeats in referendums, when plans for ‘ever closer union’ have been referred to the voters. In general, the Union has progressed fastest when far-reaching deals have been agreed by technocrats and politicians – and then pushed through without direct reference to the voters. *International governance tends to be effective, only when it is anti-democratic.* [Emphasis added]”[66]

In November of 2008, the United States National Intelligence Council (NIC), the US intelligence community’s “center for midterm and long-term strategic thinking,” released a report that it produced in collaboration with numerous think tanks, consulting firms, academic institutions and hundreds of other experts, among them are the Atlantic Council of the United States, the Wilson Center, RAND Corporation, the Brookings Institution, American Enterprise Institute, Texas A&M University, the Council on Foreign Relations and Chatham House in London.[67]

Outlining the global trends that the world will be going through up to the year 2025, the report states that the financial crisis “will require long-term efforts to establish a new international system.” It suggests that as the “China-model” for development becomes increasingly attractive, there may be a “decline in democratization” for emerging economies, authoritarian regimes, and “weak democracies frustrated by years of economic underperformance.” Further, the dollar will cease to be the global reserve currency, as there would likely be a “move away from the dollar.”[68]

Further, the dollar will become “something of a first among equals in a basket of currencies by 2025. This could occur suddenly in the wake of a crisis, or gradually with global rebalancing.”[69] The report elaborates on the construction of a new international system, stating that, “By 2025, nation-states will no longer be the only – and often not the most important – actors on the world stage and the ‘international system’ will have morphed to accommodate the new reality. But the transformation will be incomplete and uneven.” Further, it would be “unlikely to see an overarching, comprehensive, unitary approach to global governance. Current trends suggest that global governance in 2025 will be a patchwork of overlapping, often ad hoc and fragmented efforts, with shifting coalitions of

member nations, international organizations, social movements, NGOs, philanthropic foundations, and companies.” It also notes that, “Most of the pressing transnational problems – including climate change, regulation of globalized financial markets, migration, failing states, crime networks, etc. – are unlikely to be effectively resolved by the actions of individual nation-states. The need for effective global governance will increase faster than existing mechanisms can respond.”[70]

The report discusses regionalism, and stated that, “Asian regionalism would have global implications, possibly sparking or reinforcing a trend toward three trade and financial clusters that could become quasi-blocs (North America, Europe, and East Asia).” These blocs “would have implications for the ability to achieve future global World Trade Organization agreements and regional clusters could compete in the setting of trans-regional product standards for IT, biotech, nanotech, intellectual property rights, and other ‘new economy’ products.”[71]

In discussing democracy and democratization, the report stated that, “advances are likely to slow and globalization will subject many recently democratized countries to increasing social and economic pressures that could undermine liberal institutions.” This is largely because “the better economic performance of many authoritarian governments could sow doubts among some about democracy as the best form of government. The surveys we consulted indicated that many East Asians put greater emphasis on good management, including increasing standards of livings, than democracy.” Further, “even in many well-established democracies, surveys show growing frustration with the current workings of democratic government and questioning among elites over the ability of democratic governments to take the bold actions necessary to deal rapidly and effectively with the growing number of transnational challenges.”[72] In other words, “well established democracies,” such as those in Western Europe and North America, will, through successive crises (climate, finance, war), erode and replace their democratic systems of government with totalitarian structures that are able to “take the bold actions necessary” to deal with “transnational challenges.”

David Rockefeller wrote in his book, *Memoirs*, that, “For more than a century ideological extremists at either end of the political spectrum have seized upon well-publicized incidents such as my encounter with Castro to attack the Rockefeller family for the inordinate influence they claim we wield over American political and economic institutions. Some even believe we are part of a secret cabal working against the best interests of the United States, characterizing my family and me as ‘internationalists’ and of conspiring with others around the world to build a more integrated global political and economic structure—one world, if you will. *If that’s the charge, I stand guilty, and I am proud of it.*” (Empahsis added) [73]

The Global Economic Crisis in Context

The current global economic crisis has its roots not in the Bush administration, which is linear and diluted thinking at best, but in the systematic nature of the global capitalist system. Crisis is not separate from capital; crisis is capitalist expansion. In addressing the foundations of the economic crisis, neo-Marxist theory can help explain much of the actions and functions that led to the crisis.

In 2006, Walden Bello wrote an article for Third World Quarterly, in which he explained that, “The crisis of globalisation and over-accumulation is one of the three central crises that are currently eroding US hegemony. The other two are the over-extension of US military power and the crisis of legitimacy of liberal democracy.” He explained that, “Monetary manipulation, via the high interest rate regime initiated by Federal Reserve Chief Paul Volcker in the late 1980s, while directed at fighting inflation, was also geared strategically at channeling global savings to the USA to fuel economic expansion. One key consequence of this momentous move was the Third World debt crisis of the early 1980s, which ended the boom of the economies of the South and led to their resubordination to the Northern capitalist centres.”[74]

The economic foundations of the current crisis were laid in the “Clinton globalist project.” As Bello explained, “The administration embraced globalisation as its ‘Grand Strategy’—that is, its fundamental foreign policy posture towards the world.” Further, “The dominant position of the USA allowed the liberal faction of the US capitalist class to act as a leading edge of a transnational ruling elite in the process of formation—a transnational elite alliance that could act to promote the comprehensive interest of the international capitalist class.”[75]

Bello then explained that, “the dominant dynamic of global capitalism during the Clinton period—one that was the source of its strength as well as its Achilles’ Heel—was not the movement of productive capital but the gyrations of finance capital.” The dominance of finance capital was “a result of the declining profitability of industry brought about by the crisis of overproduction. By 1997 profits in US industry had stopped growing. Financial speculation, or what one might conceptualise as the squeezing of value from already created value, became the most dynamic source of profitability.” This was termed “financialization,” and it had many components that composed its structure and led way for its dominance. Among these were the “Elimination of restrictions dating back to the 1930s that had created a Chinese Wall between investment banking and commercial banking in the USA opened up a new era of rapid consolidation in the US financial sector.”[76]

Specifically, this is in reference to the repealing of the Glass-Steagall Act, put in place in 1933 in response to the actions that created the Great Depression, which undertook banking reforms, specifically those designed to limit speculation. In 1987, the Federal Reserve Board voted to ease regulations under Glass-Steagall, after hearing “proposals from Citicorp, J.P. Morgan and Bankers Trust advocating the loosening of Glass-Steagall restrictions to allow banks to handle several underwriting businesses, including commercial paper, municipal revenue bonds, and mortgage-backed securities.” And, “In August 1987, Alan Greenspan — formerly a director of J.P. Morgan and a proponent of banking deregulation - [became] chairman of the Federal Reserve Board.” In 1989, “the Fed Board approve[d] an application by J.P. Morgan, Chase Manhattan, Bankers Trust, and Citicorp to expand the Glass-Steagall loophole to include dealing in debt and equity securities in addition to municipal securities and commercial paper.” In 1990, “J.P. Morgan [became] the first bank to receive permission from the Federal Reserve to underwrite securities.”

In 1998, the House of Representatives passed “legislation by a vote of 214 to 213 that allow[ed] for the merging of banks, securities firms, and insurance companies into huge

financial conglomerates.” And in 1999, “After 12 attempts in 25 years, Congress finally repeal[ed] Glass-Steagall, rewarding financial companies for more than 20 years and \$300 million worth of lobbying efforts.”[77]

It was in “the late 1990s, with the stock market surging to unimaginable heights, large banks merging with and swallowing up smaller banks, and a huge increase in banks having transnational branches, Wall Street and its many friends in congress wanted to eliminate the regulations that had been intended to protect investors and stabilize the financial system. Hence the Gramm-Leach-Bliley Act of 1999 repealed key parts of Glass-Steagall and the Bank Holding Act and allowed commercial and investment banks to merge, to offer home mortgage loans, sell securities and stocks, and offer insurance.”[78]

One of the architects of the repeal of Glass-Steagall was Clinton Treasury Secretary Robert Rubin. Rubin spent 26 years with Goldman Sachs before entering the Treasury. Robert Rubin worked closely with Alan Greenspan to oppose the regulation of derivatives, and was backed up by his Deputy Treasury Secretary, Lawrence Summers. Rubin, upon leaving the Treasury, went to work as an executive with Citigroup.[79] Robert Rubin is currently the Co-Chairman of the Council on Foreign Relations. Lawrence Summers was a former Chief Economist for the World Bank before being Deputy Treasury Secretary in the Clinton administration. He then became President of Harvard University, and is now Director of the White House National Economic Council in the Obama administration. The current Treasury Secretary, Timothy Geithner, was former President of the Federal Reserve Bank of New York, and is also a Robert Rubin protégé.

The Clinton years saw the rise of derivatives, which are financial instruments (or contracts), the prices of which are derived from one or more underlying assets, indexes, or other items. The value of a derivative changes as the value of the underlying asset changes. They are used to hedge risks but also as instruments of speculation. Derivatives, “which monetised and traded risk in the exchange of a whole range of commodities,” are a key factor that led to the economic crisis.

Another cause of the crisis was “The creation of massive consumer credit to fuel consumption, with much of the source of this capital coming from foreign investors,” which “created a dangerous gap between the consumers’ debt and their income, opening up the possibility of consumer collapse or default that would carry away both consumers and their creditors.” Further, the stock market’s role in driving growth played a part in paving the way for a financial crisis. “Stock market activity drove, in particular, the so-called technology sector, creating a condition of ‘virtual capitalism’ whose dynamics were based on the expectation of future profitability rather than on current performance, which was the iron rule in the ‘real economy’.”[80]

The Federal Reserve, under Alan Greenspan, initially created the dot-com bubble, providing liquidity for speculation into the stock market and “virtual capitalism,”[81] and when that dot-com bubble burst, as all bubbles do, Greenspan and the Fed created the housing bubble by cutting interests rates and offering more Adjustable Rate Mortgages (ARMs), with Fannie Mae and Freddie Mac encouraging banks to make the high-risk loans.[82]

Speculation had proven itself to be a powerful weapon of finance capital. In the 1990s, this was first exemplified by “a speculative attack on the peso that had investors in panic cashing their pesos for dollars, leading to the devaluation and collapse of the Mexican economy in 1994,” and later in “East Asia in 1997. One hundred billion dollars in speculative capital flooded into the region between 1994 and 1997 as countries liberalised their capital accounts.” This speculative money flowed into real estate and the stock market, which resulted in over-investment, and “Smelling crisis in the air, hedge funds and other speculators targeted the Thai baht, Korean won and other currencies, triggering a massive financial panic that led to the drastic devaluation of these currencies and laid low Asia’s tiger economies. In a few short weeks in the summer of 1997 some \$100 billion rushed out of the Asian economies, leading to a drastic reversal of the sizzling growth that had marked those economies in the preceding decade. In less than a month, some 21 million Indonesians and one million Thais found themselves thrust under the poverty line.”[83] This was known as the East Asian Financial Crisis.

This crisis “helped precipitate the Russian financial crisis in 1998, as well as financial troubles in Brazil and Argentina that contributed to the spectacular unraveling of Argentina’s economy in 2001 and 2002, when the economy that had distinguished itself as the most faithful follower of the IMF’s prescriptions of trade and financial liberalisation found itself forced to declare a default on \$100 billion of its \$140 billion external debt.”[84]

The current crisis is not over. The parallels between the current crisis and the Great Depression are frightening. This trend of building speculative bubbles is reminiscent of the 1920s stock market speculation-driven bubble; built by the Federal Reserve, which eased interest rates, provided liquidity to the banks and actively encouraged speculation. Bubbles that were created then burst.

In 1932, Congressman Louis T. McFadden stated before the Congress that the Federal Reserve banks are not government agencies, but “are private credit monopolies which prey upon the people of the United States for the benefit of themselves and their foreign customers; foreign and domestic speculators and swindlers; and rich and predatory money lenders.”[85] Following the creation of the Fed in 1913, Congressman Charles A. Lindbergh said, “From now on, depressions will be scientifically created.” Indeed, he was right. The current crisis, likely leading to a Great Depression, is being used as the primary means through which a global government is being constructed.

In 2007, UK Prime Minister Gordon Brown called for a new world order in reforming the UN, World Bank, IMF and G7.[86] When the bank Bear Stearns collapsed, due to its heavy participation in the mortgage securities market, the Federal Reserve purchased the bank for JP Morgan Chase, whose CEO sits on the board of the New York Federal Reserve Bank. Shortly after this action, a major financial firm released a report saying that banks face a “new world order” of “consolidation and acquisitions.”[87]

In October of 2008, Gordon Brown said that we “must have a new Bretton Woods – building a new international financial architecture for the years ahead.” He continued in saying that,

“we must now reform the international financial system around the agreed principles of transparency, integrity, responsibility, good housekeeping and co-operation across borders.” An article in the Telegraph reported that Gordon Brown would want “to see the IMF reformed to become a ‘global central bank’ closely monitoring the international economy and financial system.”[88] In an op-ed for the Washington Post, Gordon Brown wrote that the “new Bretton Woods” should build upon the concept of “global governance.”[89] There were also calls for a “global economic policeman,” perhaps in the form of the Bank for International Settlements (BIS).[90] In November of 2008, it was reported that Baron David de Rothschild “shares most people’s view that there is a new world order. In his opinion, banks will deleverage and there will be a new form of global governance.”[91]

Out of the ashes of the financial crisis, a new world order will emerge in constructing a global government.

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