

FROM GLOBAL DEPRESSION TO GLOBAL GOVERNANCE: THE ROLE OF THE CORPORATE ELITES' SECRETIVE GLOBAL THINK TANKS¹

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We now stand at the edge of the global financial abyss of a 'Great Global Debt Depression,' where nations, mired in extreme debt, are beginning to implement 'fiscal austerity' measures to reduce their deficits, which will ultimately result in systematic global social genocide, as the middle classes vanish and the social foundations upon which our nations rest are swept away. How did we get here? Who brought us here? Where is this road leading? These are questions I will briefly attempt to answer.

At the heart of the global political economy is the central banking system. Central banks are responsible for printing a nation's currency and setting interest rates, thus determining the value of the currency. This should no doubt be the prerogative of a national government, however, central banks are of a particularly deceptive nature, in which while being imbued with governmental authority, they are in fact privately owned by the world's major global banks, and are thus profit-seeking institutions. How do central banks make a profit? The answer is simple: how do all banks make a profit? Interest on debt. Loans are made, interest rates are set, and profits are made. It is a system of debt, imperial economics at its finest.

In the United States, President Woodrow Wilson signed the Federal Reserve Act in 1913, creating the Federal Reserve System, with the Board located in Washington, appointed by the President, but where true power rested in the 12 regional banks, most notably among them, the Federal Reserve Bank of New York. The regional Fed banks were private banks, owned in shares by the major banks in each region, which elected the board members to represent them, and who would then share power with the Federal Reserve Board in Washington.

In the early 1920s, the Council on Foreign Relations was formed in the United States as the premier foreign policy think tank, dominated by powerful banking interests. In 1930, the Bank for International Settlements (BIS) was created to manage German reparations payments, but it also had another role, which was much less known, but much more significant. It was to act as a "coordinator of the operations of central banks around the world." Essentially, it is the central bank for the world's central banks, whose operations are kept 'strictly confidential.' As historian Carroll Quigley wrote:

"The powers of financial capitalism had another far-reaching aim, nothing less than to create a world system of financial control in private hands able to dominate the political system of each country and the economy of the world as a whole. This system was to be controlled in a feudalist fashion by the central banks of the world acting in concert, by secret agreements arrived at in frequent private meetings and conferences. The apex of the system was to be the Bank for International Settlements in Basel, Switzerland, a private bank owned and controlled by the world's central banks which were themselves private corporations."

¹ Global Research, October 19, 2010. URL of this article: www.globalresearch.ca/index.php?context=va&aid=21504

In 1954, the Bilderberg Group was formed as a secretive global think tank, comprising intellectual, financial, corporate, political, military and media elites from Western Europe and North America, with prominent bankers such as David Rockefeller, as well as European royalty, such as the Dutch royal family, who are the largest shareholders in Royal Dutch Shell, whose CEO attends every meeting. This group of roughly 130 elites meets every year in secret to discuss and debate global affairs, and to set general goals and undertake broad agendas at various meetings. The group was initially formed to promote European integration. The 1956 meeting discussed European integration and a common currency. In fact, the current Chairman of the Bilderberg Group told European media last year that the euro was debated at the Bilderberg Group.

In 1973, David Rockefeller, Chairman and CEO of Chase Manhattan Bank, Chairman of the Council on Foreign Relations and a member of the Steering Committee of the Bilderberg Group, formed the Trilateral Commission with CFR academic Zbigniew Brzezinski. That same year, the oil price shocks created a wealth of oil money, which was discussed at that year's Bilderberg meeting 5 months prior to the oil shocks, and the money was funneled through western banks, which loaned it to 'third world' nations desperately in need of loans to finance industrialization.

When Jimmy Carter became President in 1977, he appointed over two dozen members of the Trilateral Commission into his cabinet, including himself, and of course, Zbigniew Brzezinski, who was his National Security Adviser. In 1979, Carter appointed David Rockefeller's former aide and friend, Paul Volcker, who had held various positions at the Federal Reserve Bank of New York and the U.S. Treasury Department, and who also happened to be a member of the Trilateral Commission, as Chairman of the Federal Reserve. When another oil shock took place in 1979, Volcker decided to raise interest rates from 2% in the late 70s, to 18% in the early 80s. The effect this had was that the countries of the developing world suddenly had to pay enormous interest on their loans, and in 1982, Mexico announced it could no longer afford to pay its interest, and it defaulted on its debt, which set off the 1980s debt crisis – collapsing nations in debt across Latin America, Africa and parts of Asia.

It was the IMF and the World Bank came to the 'assistance' of the Third World with their 'structural adjustment programs', which forced countries seeking assistance to privatize all state owned industries and resources, devalue their currencies, liberalize their economies, dismantle health, education and social services; ultimately resulting in the re-colonization of the 'Third World' as Western corporations and banks bought all their assets and resources, and ultimately created the conditions of social genocide, with the spread of mass poverty, and the emergence of corrupt national elites who were subservient to the interests of Western elites. The people in these nations would protest, riot and rebel, and the states would clamp down with the police and military.

In the West, corporations and banks saw rapid, record-breaking profits. This was the era in which the term 'globalization' emerged. While profits soared, wages for people in the West did not. Thus, to consume in an economy in which prices were rising, people had to go into debt. This is why this era marked the rise of credit cards fueling consumption, and the middle class became a class based entirely on debt.

In the 1990s, the 'new world order' was born, with America ruling the global economy, free trade agreements began integrating regional and global markets for the benefit of global banks and corporations, and speculation dominated the economy.

The global economic crisis arose as a result of decades of global imperialism – known recently as ‘globalization’ – and the reckless growth of– speculation, derivatives and an explosion of debt. As the economic crisis spread, nations of the world, particularly the United States, bailed out the major banks (which should have been made to fail and crumble under their own corruption and greed), and now the West has essentially privatized profits for the banks, and socialized the risk. In other words, the nations bought the debt from the banks, and now the people have to pay for it. The people, however, are immersed in their own personal debt to such degrees that today, the average Canadian is \$39,000 in debt, and students are graduating into a jobless market with tens to hundreds of thousands of dollars of student debt that they will never repay. Hence, we are now faced with a global debt crisis.

To manage the economic crisis, the G20 was established as the major international forum for cooperation among the 20 major economies of the world, including the major developing – or emerging – economies, such as India, Brazil, South Africa and China. At the onset of the financial crisis, China and Russia’s central banks began calling for the establishment of a global currency to replace the U.S. dollar as the world reserve currency. This proposal was backed by the UN and the IMF. It should be noted, however, that the Chinese and Russian central banks cooperate with the Western central banks through the Bank for International Settlements – which the President of the European Central Bank, Jean-Claude Trichet, recently said was the principle forum for “governance of central bank cooperation” and that the G20 is “the prime group for global economic governance.” In 2009, the IMF stated that the BIS “is the central and the oldest focal point for coordination of global governance arrangements.” The President of the European Union, appointed to the position after attending a Bilderberg meeting, declared 2009 as the “first year of global governance.” The 2009 Bilderberg meeting reported on the desire to create a global treasury, or global central bank, to manage the world economy. In 2009, prior to the Bilderberg meeting in fact, the G20 set in motion plans to make the IMF a global central bank of sorts, issuing and even printing its own currency – called Special Drawing Rights (SDRs) – which is valued against a basket of currencies. In May of 2010, the IMF Managing Director stated that “crisis is an opportunity,” and while Special Drawing Rights are a step in the right direction, ultimately what is needed is “a new global currency issued by a global central bank, with robust governance and institutional features.” Thus, we see the emergence of a process towards the formation of a global central bank and a global currency, totally unaccountable to any nation or people, and totally controlled by global banking interests.

In 2010, Greece was plunged into a debt crisis, a crisis which is now spreading across Europe, to the U.K. and eventually to Japan and the United States. If we look at Greece, we see the nature of the global debt crisis. The debt is owed to major European and American banks. To pay the interest on the debt, Greece had to get a loan from the European Central Bank and the IMF, which forced the country to impose ‘fiscal austerity’ measures as a condition for the loans, pressuring Greece to commit social genocide. Meanwhile, the major banks of America and Europe speculate against the Greek debt, further plunging the country into economic and social crisis. The loan is granted, to pay the interest, yet simply has the effect of adding to the overall debt, as a new loan is new debt. Thus, Greece is caught in the same debt trap that re-colonized the Third World.

At the recent G20 meeting in Toronto, the major nations of the world agreed to impose fiscal austerity – or in other words, commit social genocide – within their nations, in a veritable global structural adjustment program. So now we will see the beginnings of the Great Global Debt Depression, in which major western and global nations cut social spending, create mass

unemployment by dismantling health, education, and social services. Further, state infrastructure – such as roads, bridges, airports, ports, railways, prisons, hospitals, electric transmission lines and water – will be privatized, so that global corporations and banks will own the entirety of national assets. Simultaneously, of course, taxes will be raised dramatically to levels never before seen. The BIS said that interest rates should rise at the same time, meaning that interest payments on debt will dramatically increase at both the national and individual level, forcing governments to turn to the IMF for loans – likely in the form of its new global reserve currency – to simply pay the interest, and will thus be absorbing more debt. Simultaneously, of course, the middle class will in effect have its debts called in, and since the middle class exists only as an illusion, the illusion will vanish.

Already, towns, cities, and states across America are resorting to drastic actions to reduce their debts, such as closing fire stations, scaling back trash collection, turning off street lights, ending bus services and public transportation, cutting back on library hours or closing them altogether, school districts cutting down the school day, week or year. Simultaneously, this is occurring with a dramatic increase in the rate of privatizations or “public-private partnerships” in which even libraries are being privatized.

No wonder then, that this month, the Managing Director of the IMF warned that America and Europe, in the midst of the worst jobs crisis since the Great Depression, face an “explosion of social unrest.” Just yesterday, Europe experienced a wave of mass protests and social unrest in opposition to ‘austerity measures’, with a general strike in Spain involving millions of people, and a march on the EU headquarters in Brussels of nearly 100,000 people. As social unrest spreads, governments will likely react – as we saw in the case of the G20 in Toronto – with oppressive police state measures. Here, we see the true relevance of the emergence of ‘Homeland Security States’, designed not to protect people from terrorists, but to protect the powerful from the people.

So while things have never seemed quite so bleak, there is a dim and growing beacon of hope, in what Zbigniew Brzezinski has termed as the greatest threat to elite interests everywhere – the ‘global political awakening’. The global political awakening is representative of the fact that for the first time in all of human history, mankind is politically awakened and stirring, activated and aware, and that generally – as Zbigniew Brzezinski explains – generally is aware of global inequalities, exploitation, and disrespect. This awakening is largely the result of the information revolution – thus revealing the contradictory nature of the globalization project – as while it globalizes power and oppression, so too does it globalize awareness and opposition. This awakening is the greatest threat to entrenched elite interests everywhere. The awakening, while having taken root in the global south – already long subjected to exploitation and devastation – is now stirring in the west, and will grow as the economy crumbles. As the middle classes realize their consumption was an illusion of wealth, they will seek answers and demand true change, not the Wall Street packaged ‘brand-name’ change of Obama Inc., but true, inspired, and empowering change.

In 1967, Martin Luther King delivered a speech in which he spoke out against the Vietnam War and the American empire, and he stated that, “It seems as if we are on the wrong side of a world revolution.” So now it seems to me that the time has come for that to change.