

JE KINDLE-NOTITIES VOOR:

The Tainted Source: The Undemocratic Origins of the European Idea

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92 Highlights

Highlight (Geel) | Locatie 168

> Laced with the soporific language of inevitability and determinism, this administrative approach to government evacuates the notion of political choice and leadership. It thereby makes government anonymous, and befogs the lines of responsibility which are the very sinews of democracy. It leaves no room for the notion which is at the heart of the doctrine of the ‘rule of law’: that citizens interact intelligently with one another within the framework of the law, on the basis of their understanding of the situation in which they find themselves. By ignoring or downplaying this, the basic fabric of a free society – by failing to see that the very unpredictability of individual economic behaviour is a strength – this plannificatory vision also risks destroying the sources of prosperity. The belief that parliamentary rule is anarchic, that the market is disorganised, and that the free interaction between nations leads to war, is an old one. It is time to look at the pedigree of these ideas, and to ask what are the political, constitutional and economic implications of following them.

Highlight (Geel) | Locatie 244

> Racialism, moreover, as a form of materialist determinism, is a non-national concept. Race transcends the boundaries of the nation and of the state, and racialist theory is thus, by definition, an international doctrine. It is also non-political, because it was predicated on the view that polities and political behaviour are determined by biological forces, not by free choice or intelligible public behaviour. Indeed, racialism often regards choice and freedom as irrational, in comparison with the ‘science’ it pretends to be. But if individuals are not or should not be free, then there is no reason why groups of people, or nations, should be either.

Highlight (Geel) | Locatie 299

> Like modern pro-Europeans, the Nazis believed that the nation-state system encouraged division and war in Europe, and that, if it could be overcome, wars in Europe would end. One Nazi propagandist insisted that the New Order in Europe would remove the causes that have led to internal European wars in the past. The nations of Europe would no longer be one another’s enemies, and the age of European particularism would be gone for ever. ‘In a peaceful Europe organised as a higher unity all European nations will find a rightful and worthy place.’22 Similarly, Vidkun Quisling, the Norwegian collaborationist leader, argued that Europe would be strong and peaceful only if united: ‘We must create a Europe that does not squander its blood and strength in internecine conflict, but forms a compact unity. In this way it will become richer, stronger and more civilised, and will recover its old place in the world.’23 An official in the Nazi Foreign Ministry similarly wrote that it

> would be the purpose of the New European Order to remove the causes that had in the past given rise to wars in Europe, to end the period of intestine wars and to ‘overcome European particularism’. ‘Europe has become too small for feuding and self-contained sovereignties. A fragmented Europe is too weak to preserve its individual nature and keep the peace while maintaining itself as a force in the world.’24 Another Nazi official concurred: ‘National tensions and petty jealousies will lose their meaning in a Europe freely organised on a federal basis. World political development consists inevitably in the formation of larger political and economic spheres.’25 Even Hitler, who was less interested in the European idea than his propaganda chief, Joseph Goebbels, or his foreign minister, Joachim von Ribbentrop, expressed the view that a European system based on independent nation-states was anarchic. In August 1941, he and Mussolini issued a joint communiqué which said that the New European Order which would follow the Axis victory should remove the causes which have led to European wars in the past. ‘The destruction of the Bolshevik danger and of plutocratic exploitation will create the possibility for a peaceful, harmonious and fruitful co-operation between all the peoples of the European continent, in the political as in the economic and cultural domains.’

Highlight (Geel) | Locatie 317

> In a similar vein, Hitler insisted in 1943 that ‘the clutter of small nations’ (for which he used the contemptuous word ‘Kleinstaatengerümpel’) must be liquidated. (The word ‘Kleinstaaterei’ is used by modern Germans to dismiss as anachronistic the division of Europe into individual states.) The aim of the Nazi struggle was to create a unified Europe instead.27 After the invasion of the Soviet Union, Hitler spoke warmly about this ‘feeling of European solidarity’ to Count Ciano, the Italian ambassador.28 He was reported as saying that the future ‘did not belong to the ridiculous half-civilised America, but to the newly arisen Europe that would also definitely prevail with its people, its economy, and its intellectual and cultural values, on condition that the East was made to serve the European idea and not work against Europe … The older culture and the higher intellectual level of Europe would in the end be victorious.’

Highlight (Geel) | Locatie 372

> is perhaps not surprising that in August 1943, that is, after the Allied landings in Italy, Pellizi was contacted by the ‘Movimento Federalista Europeo’ because of his work on European integration under Mussolini. Although the federalists seemed to have broken off contact with him almost immediately, he did not abandon his fundamental convictions. Indeed, his writings after the Allied landings in Italy sound like a plan of action for the kind of ‘behind-the-scenes’ integration which Jean Monnet was to make his hallmark in the European Economic Community: ‘The problem of the hierarchy of states will no longer arise, at least in its usual form, once we have cut off the dragon’s head, that is, the notion of state sovereignty. Moreover, this does not have to be done outright, but can be achieved indirectly, e.g. by creating interstate European bodies to look after certain common interests (exchange rates, communications, foreign trade etc., then defence and colonies and so on).’39

Highlight (Geel) | Locatie 379

> Post-war fascists continued to realise that the multiplicity of the nation-state system was an obstacle to their grand designs for the continent. The former leader of the British Union of Fascists, Sir Oswald Mosley, devoted considerable effort to working for European integration after the war. In 1953 he founded a magazine called The European, and in 1958 he published a book, Europe: Faith and Plan – A Way Out from the Coming Crises and

> an Introduction to Thinking as a European.40 There he wrote, ‘We need the swing and idealism of the people to break through the maze of diplomacy and haggling which today obstructs European union. The statesmen of divided nations are lost in the detail of their search for small individual advantage, and the whole which alone can serve the real advantage of all is forgotten.’41 Without unity, Europe was doomed to

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Highlight (Geel) | Locatie 393

> One of the main reasons why fascists were convinced that the nation-state was at an end was because of technological development. They felt that notions of national sovereignty were simply anachronistic in a modern world with an interdependent economy, international transport, and electronic telecommunications. It is worth looking closely at just what they said. Camillo

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Highlight (Geel) | Locatie 408

> The leader of the Dutch Nazis, Anton Adriaan Mussert, also argued that technological development was bringing the peoples of the world closer together. ‘In economics and communications,’ he claimed, ‘the development is towards larger units. After centuries of separatism and decentralisation there has again come a time when the European peoples are conscious of their need for solidarity.’47

Highlight (Geel) | Locatie 412

> Joseph Goebbels, Hitler’s propaganda wizard, was also persuaded that technology brought peoples together and made borders anachronistic – a thought which is common among modern pro-Europeans and others who speak of the demise of the nation-state. In a speech

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Highlight (Geel) | Locatie 438

> The Nazis proposed to use economic integration to do away with European particularism once the war had ended. Here, indeed, are the most striking similarities between Nazi thought and the pro-Europeanism of our own day. An early Nazi plan for European integration said that the most important precondition was to do away with ‘the economic Balkanisation of Europe’:

Highlight (Geel) | Locatie 446

> other words, the hatred of the nation-state and the desire to create a great European economic space were two sides of the same coin. Indeed, it was an understatement for Vidkun Quisling to say that there was no opposition between European economic co-operation and National Socialism.53 This was not least because of the geo-economic aims of the war which Hitler started. The Nazis were convinced that they needed to ensure economic autarky against the British blockade. Independence, they held, was increased if the Europeans could provide for themselves. What they really meant was that state power was threatened by free trade: as one ideologist limpidly put it, ‘The creation of a world economy would have meant the destruction of the economic sovereignty of Europe.’54

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> From the middle of 1941, therefore, Goebbels began to take a stronger hand in the ‘European question’ and he devoted numerous speeches, meetings and newspaper articles to it. He filled the pages of his weekly newspaper Das Reich with European slogans: ‘the New Europe’, ‘the new European order’, ‘Europe’s Lebensraum’, ‘the vision of a new Europe’ and so on. Meanwhile, Ribbentrop insisted that the fight against Bolshevism, which united many peoples in the East of Europe, was evidence of ‘a constantly growing moral unity of Europe within the New Order that our great leaders have proclaimed and prepared for the future of civilised nations. Herein lies the deep meaning of the war against Bolshevism. It is the sign of Europe’s spiritual regeneration.’79

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> In a similar vein, Arthur Seyss-Inquart wrote that no one wanted to see a Europe dominated by Germany. ‘Our only wish is that a Europe shall arise that is truly European and conscious of its European mission.’91 After the invasion of the Soviet Union, the mass circulation periodical, Signal, also wrote that there would not be a German Europe: ‘In reality the soldiers of the Reich are not just defending the cause of their own homeland so much as protecting every European nation worthy of that name.’

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> ‘the European sense of community’.93 Dr Anton Reithinger of I. G. Farben, speaking at the 1942 ‘European Economic Community’ conference, spoke of the balance between the different interests of the individual partners of the European economic space, on the one hand, and of the common interests of all European peoples on the other: ‘To put these interests into practice requires … a belief in the European idea and in Germany’s European task …’94 Like many modern Germans, Goebbels believed that German regionalism could be a model for Europe because the sensitive absorption of the German states into the German Empire had worked. European states could thus be integrated harmoniously without infringing their identity: ‘If we with our Greater German outlook have no interest in infringing the economic, cultural or social peculiarities of, say, the Bavarians or the Saxons, so it is equally not in our interest to infringe the economic, social or cultural individuality of, say, the Czech people.’95 His mistake – shared by modern pro-Europeans – was obviously to assume that the nations of Europe were just ‘regions’ of it. But his lackeys around Europe also agreed that Germany was a model: Vidkun Quisling declared that ‘a Germanic Confederation’ could serve as a model for co-operation with other European states.96 Indeed, a later version of the note on the European Confederation claimed that Germany’s role in Europe was ‘to reconcile the particular interests of the European states with the interests of Europe as a whole’. To this already rather Genscherite sentiment, it added the view that ‘the interests and needs of Germany are essentially and inseparably linked with those of Europe’.97

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> As Germany expanded into Western and Eastern Europe, questions of foreign exchange began to arise, especially in relation to German plans for the future reorganisation of the continent. Like many of his colleagues, Walther Funk placed importance on having a ‘central clearing system’, to replace the old multilateral clearing system. He had already broached this issue in one of the earliest Nazi statements on the European economy, in 1940, when he had argued in favour of stable exchange rates between the European currencies and the dominant

Reichsmark, and an integrated European clearing system.114 He thought that talk of currency union was premature. Indeed, it is amusing that when Dr Horst Jecht, a Professor at the Economics University in Berlin, addressed the conference on the European Economic Community in 1942, he said that monetary union was undesirable because it would infringe respect for the independence of the states concerned.115 In fact, these so-called 'clearing' (or 'compensation') arrangements were to become one of the Nazis' main instruments of domination. The idea was that states would buy and sell to and from each other without payment, until a specific date, when the net value of imports and exports was calculated and net payments made. If a Frenchman sold a good to someone in Germany, he was paid by a caisse de compensation ('compensation office') in Paris. Meanwhile, the German purchaser paid the sum he owed to the Frenchman to a Franco-German compensation office in Berlin. But this sum remained in Berlin until the day when the accounts were calculated. The system was supposed to function both ways, but in fact the Reich bought far more from its partners than it sold to them (while making them pay very high prices for what it sold, because of the artificially high exchange rate for the Reichsmark). Thus goods arrived in Germany immediately after purchase, whereas the money itself stayed in Germany.

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In 1942, Funk was still defending the need for state control of foreign exchange by saying that it would prevent uncontrollable capital flows from disturbing the planning of the economy. The Germans, of course, maintained price stability through price controls, and Funk saw this as the only alternative to inflation.116 But the control of prices was not the only way of stabilising the economy: wages had to be kept under control too. Public spending had to be controlled, as did money, credit and consumption.117 Funk explained that no one need fear for the stability of the Reichsmark, and he believed that economic convergence was necessary to achieve stabilisation of exchange rates.

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The Nazis were determined to replace a market-based monetary system with a state-controlled one. Werner Daitz wrote, 'In future, gold will play no role as a basis for the European currencies, because a currency does not depend on what it is covered by, but rather it is dependent on the value which is given it by the state, or in this case by the economic order which is controlled by the state.'119 Joachim Radler, in a paper subtitled 'Can one already speak of a European economic community?', wrote, 'Since we abandoned the gold cover, there is only "state money" which has a purchasing power only in the economic space ruled by the state.'120 Walther Funk realised that in order to establish the greatest possible degree of economic and political autarky, a monetary regime would have to be set up to protect Europe from outside influences. 'We in Germany,' he declared, 'will under no circumstances ever try the so-called gold currency again … which would deliver our economy to uncontrollable international influences, and could be used as an instrument for power-political attempts to suppress us.'121 Because the free world market was in reality 'an Anglo-American world hegemony' the whole purpose of the continental economy was to protect the European 'living and economic space' against manipulation by foreign powers.122 Elsewhere, he repeated that 'we certainly refuse to hand our economy over to the automatism of gold, and thus to swings in the international economy which are out of our control'.123

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> Indeed, the speaker on ‘European Currency Questions’ at the ‘European Economic Community’ conference in 1942, Dr Bernhard Benning, the head of the Reich Credit Company, was also hostile to the gold standard – even if he emphasised the importance of the goal of price stability in currency management.124 He praised the nineteenth-century German economist, Georg Friedrich Knapp, for having destroyed the philosophical bases of the gold standard in his book The State Theory of Money.125 Benning claimed that gold subjected countries to swings and influences from abroad, because it accorded primacy to the exchange rate. He was thus in favour of a system of fixed but flexible exchange rates, with the Reichsmark as the leading currency. He held that full employment and purchasing power stability should be the primary goals of currency management, and that exchange rate stability should be secondary. He was proud of the fact that German monetary policy had been directed towards price stability since 1936, for whose success price controls were responsible. Benning

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> In general, fascists and Nazis formulated plans for a ‘labour-standard’ as opposed to a gold standard.129 Daitz certainly proposed that labour, not capital, be the monetary standard.130 After the war, Sir Oswald Mosley was to advocate economic theories almost identical to those of the Nazis – such as the creation of large trading blocs and a common agricultural policy – and he, too, took pride in something called ‘the wage-price mechanism’. This involved fixing the levels of wages and of prices to one another.131 He also advocated ‘planned investment and development policy’. This was because the Nazis thought of themselves as champions of social policy. ‘Special collective efforts must be made to develop the backward economies of Europe,’ said one memorandum. ‘The living standards of the broad masses of Europe … must be systematically improved, and far-seeing provision must be made for social stability.’

Highlight (Geel) | Locatie 778

> But perhaps the most accomplished theoretician of fascist monetary theory – and of hostility to gold – was Francis Delaisi. Before the war, Delaisi had been a trade unionist, and a long-time believer in European integration. He had first called for it in his book Les Contradictions du monde moderne (The Contradictions of the Modern World) in 1925, and was subsequently active (as a member of the Committee of Honour) in an aggressively federalist magazine called Jeune Europe, published in Brussels and Geneva. After the fall of France, Delaisi became a prominent Vichyite and Nazi apologist – notably for economic reasons – and he explained why in his book La Révolution européenne (1942). The ‘European Revolution’ to which the title referred was the definitive abandonment of economic liberalism and internationalism – especially of that which Delaisi considered to be its heart, the gold standard – and their replacement by rationing, price-fixing, and the creation of a unified European economy. Delaisi was convinced that the economic history of Europe after 1918 had shown the capitalist system to be on the verge of collapse. He argued (correctly) that the explosion of credit between 1919 to 1929 in the United States had led to the crash of 1929, and that the consequent depression had brought massive unemployment in the Anglo-Saxon economies. This threatened to destroy the entire social structure of Europe. But Delaisi was determined to throw the baby out with the bath-water by condemning the very principle of the gold standard, when in fact it was certain arrangements within the perverted post-First World War Gold Exchange Standard which were to blame.

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> The abandonment of gold was no incidental matter of monetary policy, according to Delaisi: it was an integral part of totalitarian economics. He showed that Hitler wanted to abolish the price mechanism (which liberal philosophers understand to be the numerical expression of the rights enjoyed by the holders of money) and that he did this by price-fixing and rationing. There is no ambiguity in Delaisi's writing about the totalitarian nature of the economic controls he advocated: 'How can one effectively survey even the smallest transactions in distant villages, and how can one suppress fraud about which buyers obviously never complain? This is where the National Socialist Party has intervened.'136 Delaisi held that the gold standard restricted social progress because, being a world currency, it opened labour markets to world competition and thereby forced down wages. He held the gold standard to be an instrument of inhumane competition.137 It was important to liberate producers from the competition of exotic countries whose standard of living was too low.138 Instead of a monetary standard, therefore, he proposed a standard based on labour: 'It is man, not gold, which is the measure of all things.'139 He believed that the Reich's social policy was its 'most beautiful success'.140 Hitler had needed to get 6 million people back to work, and so he had had to abolish the effects of foreign competition: it was therefore essential to abolish the gold standard, which he did on coming to power in 1933.141 The European Revolution, Delaisi argued, protected salaries from low wage competition elsewhere.142 Instead of 'the yoke of trade and of competition from exotic countries',143 he proposed 'a single economic vital area with a single currency'.144 With a charming solicitude for the well-being of people living under National Socialism, he pointed out that rationing may have reduced the choice available to consumers (there was no more coffee or bananas, for instance) but this made life much more simple. Because of price controls and rationing, he explained, the worker could not spend all his salary anyway. 'Moreover,' he concluded, 'the state thinks for him.'145 Fascist

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> For the Italians, corporatism was at the heart of European fascism (as it was of Vichy France). One of the most prolific theoreticians of corporatism was Bottai. He described the new European economic order, indeed, as 'the projection of the corporative regime on to relations between nations'.151 Like the Nazis, the Italians Fascists were convinced that, if left to their own devices, nation-states would anarchically pursue their own individualistic self-interest. Just as it is unacceptable for individuals to pursue their own interest, so state control at the supranational level was a more rational way of arranging the European economy.

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> Corporatism, as first formulated by Mussolini, held that, because people are not politically articulate, their interests could be consulted only through institutions related directly to their occupations. A small ruling elite placed in charge of those institutions would be both the guide of, and guided by, the people. In Vichy France, for instance, the Charter of Labour was announced as one of the main pillars of the National Revolution: by replacing a single and obligatory syndicalist system and social committees, it was supposed to put an end to the class struggle. Like the Nazis, the Italian Fascists were in favour of economic planning. Indeed, as in Vichy France, Italian Fascism's twin main impulses came from, firstly, theoreticians of the 'new civilisation' and, secondly, technocrats. Thus, many Italians thought that economic planning required the creation of a European supranational political authority.152

Highlight (Geel) | Locatie 888

> Another collaborationist ideologue said, in 1941, that Marshal Pétain had understood that France's destiny could not be separated from that of the world which was 'forming itself under our eyes'.161 Or again, another declared that, 'Our actions will prove to Germany, before it is too late, that there are many people here in France for whom the word "collaboration" is not a dead letter, and who do not want Europe to be built without France.'162

Highlight (Geel) | Locatie 899

> Ribbentrop continued to soothe French fears that they were going to be dominated by Germany. He insisted that, while the union of the German nation with the states related to it would make Germany the preponderant centre of power in the new Europe, the other nations would nevertheless be guaranteed the honourable places to which they were entitled. He said that the Führer believed that on this basis a real and sincere collaboration between France and Germany in the course of future developments could be assured. The decisive question was whether France was genuinely desirous of carrying out this collaboration. Ribbentrop said he was aware that there were circles in France which were toying with the idea of a new coalition against Germany.

Highlight (Geel) | Locatie 946

> Thus the Comité became, in Abetz's words, an important 'short-circuit' during the numerous Franco-German crises of the 1930s. It was recognised and subsidised by the French government, and had representatives all over France. Jean Weiland, indeed, boasted that the Comité had contributed to the 'success' of the Munich conference in 1938. Its magazine, the Cahiers franco-allemands, founded in 1935, grew out of the Cahiers du Sohlberg ('Sohlbergkreis' in German), which in turn grew out of meetings between friends who first met in Sohlberg in the summer of 1930 under Abetz's patronage. The group debated such themes as 'French and German Youth Before the European Union' and 'The European Tasks of French and German Youth'.170 It brought together many of the great pro-Europeans of the period from France, Germany and Belgium, including Henri de Man, the future leader of the Belgian socialists; Moeller van den Bruck, the star of the Young Conservative movement in Germany; Bertrand de Jouvenel, Jean Luchaire, numerous sympathisers of French fascism, L'Action française, and the French Romantic nationalist movement inspired by Maurice Barrès.171 Abetz presented himself as a peace-loving democrat, but in fact he wrote regular reports for the German foreign office on the group's meetings, which he began to sign 'Mit Hitlerheil' in 1934.172

Highlight (Geel) | Locatie 988

> From the beginning of the war, Grimm became semi-officially in charge of Nazi propaganda in France. He particularly tried to capture the most anti-Bolshevik and anti-Semitic sections of the French Right, trying to convince them that only a Franco-German accord would save Europe from the Bolsheviks and the Jews. He helped to set up the Groupe 'Collaboration', and he spent the rest of the war calling for a 'new European order' to stand up to 'the Judeo-English domination' and 'Jewish Bolshevism'.182 It is rather surprising to find a modern pro-European commentator describing him as 'a German patriot and a convinced European'.183 The culmination of all this was the foundation of the Groupe 'Collaboration'. From 1940 onwards, the Group held a series of conferences with a distinctly pro-European flavour; it organised public discussions of collaborationist themes; and it showed films produced in Axis countries, and sponsored lectures by visiting Germans.184 It

> promoted ‘French renewal, Franco-German reconciliation, and European Solidarity’185 and the expression ‘European community’ was used at its first session.186 One of the Group’s earlier lectures,

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Highlight (Geel) | Locatie 1065

> Interest in the subject had also been expressed by Bertrand de Jouvenel in 1938. De Jouvenel was a leading intellectual in France in the 1930s, and some of his books on political philosophy – Du pouvoir (On Power), for instance – remain legitimate classics to this day. But before and during the war, Jouvenel was very close to the anti-capitalist and corporatist thinking which characterised the French, Belgian, Italian and German fascists and proto-fascists. At a Franco-German meeting in Berlin in 1934, Jouvenel had famously expressed admiration for the planned economy in Germany.208 It was in this spirit that, at the very height of the implementation of the Nazi economy in 1942, he wrote Napoleon, or The Directed Economy: The Continental Bloc, published by the pro-fascist publisher Les Editions de la Toison d’Or in Brussels.

Highlight (Geel) | Locatie 1071

> Not surprisingly, Jouvenel’s views on economic planning inevitably led him to be pro-European and even one-worldist. He had written Europe’s Awakening in 1938 and Towards the United States of Europe in 1930. In 1931, he published From European Economic Unity to the World Directed Economy. Jouvenel was also notorious for having written a very laudatory interview with Hitler in 1936209 – even though, to his credit, he resigned from the Comité France–Allemagne over Munich in 1938. The

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Highlight (Geel) | Locatie 1094

> The two principal personalist reviews in the 1930s were Esprit, founded and edited by Emmanuel Mounier, and Ordre Nouveau, founded by Alexandre Marc. Both circles were united by a deep hatred of the nation-state. A third figure, the Swiss philosopher Denis de Rougemont, belonged to both groups. He was a lifelong European federalist and a fervent supporter of the notion of ‘revolution’ throughout the 1930s. Like many others confronted with the economic turbulence of the period and with the endemic weakness of France’s parliamentary system, Denis de Rougemont was profoundly anti-liberal, anti-capitalist and anti-parliamentarian. He was also the link between the two magazines, being the only person to write for both of them over a sustained period. De Rougemont, indeed, unites with

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> His hatred of the nation-state, of parliamentary rule, and of liberalism were all part of the same thought. He believed that the parliamentary regime only took account of people’s interests, and not of their needs. He felt that cosy small-scale communitarianism could produce harmony based on spiritual togetherness and a teleological view of society. He thought that liberalism and the parliamentary regime based on the nation-state were nothing but crass materialisms. There

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Highlight (Geel) | Locatie 1132

> Marc was central to the personalist link between Emmanuel Mounier’s Esprit and the Nazi Left – those ‘dissident’ National Socialists dissatisfied with Hitler’s leadership of the Workers’ Party Movement in the early

> 1930s. Before founding Ordre Nouveau he had collaborated on a magazine called Plans, launched in 1931 by a young lawyer, Philippe Lamour. Lamour had been a militant Blue Shirt in Georges Valois' fascist 'Faisceau' party, before he tried to found his own 'Revolutionary Fascist Party'. Interested in the planism of the Belgian socialist and future Nazi collaborator Henri de Man (who was to write in 1943 in a German magazine that 'the sovereignty of nation-states in customs and trade matters is economic nonsense'223), Plans had collected assorted scientists and artists, including Le Corbusier, and published romantic pictures of Hitler and Mussolini. Jacques Maritain, who was otherwise Emmanuel Mounier's spiritual godfather, was to reproach Mounier for having anything to do with the 'goose-stepping philosophy' of Marc and his friends.224

Highlight (Geel) | Locatie 1175

> Mounier and Esprit were active in Brussels as well as Paris. By May 1934, the friends of Esprit in Brussels had become numerous. They were particularly interested in the planist socialism of the future Belgian collaborator, Henri de Man, as well as in the initiatives of a young leader of Catholic Action, Raymond de Becker, who was the great inspiration of Esprit-Belgium. Mounier declared that De Becker's new review, Esprit Nouveau, was remarkably similar to his own. De Becker, meanwhile, was himself impressed with Léon Degrelle, the future leader of the Belgian fascist movement, the Rexists. In 1934, De Becker became director of L'Avant Garde, the Louvain student newspaper which Degrelle had made influential among Belgian youth.

Highlight (Geel) | Locatie 1248

> When De Becker opted for Belgian national socialism in early 1938, the fears of Jacques Maritain and others were confirmed: Mounier's personalism had become a crypto-Nazism. During the war, Raymond de Becker edited the leading Brussels daily, Le Soir, which Abetz secretly funded, and, aided by the talented Rexist author of L'Europe aux européens (Europe for the Europeans),246 Pierre Daye, he was soon publishing 25,000 copies a day. As John Hellman says, 'Personalism had transcended the world of small-circulation reviews and become, in the imaginations of De Becker and Spaak, the future orientation of the whole of Belgian society … De Becker, enthralled by the vision of a dawning European golden age which came to him at the Ordensburg in Bavaria, soon called for a Europe dominated by Adolf Hitler.'247 Mounier never disowned or even commented on his friend's option, even though he lost many followers in Belgium to Spaak's national socialism from the autumn of 1938 onwards. Uriage: the crucible of post-war

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Highlight (Geel) | Locatie 1303

> Like many of his ilk, Beuve-Méry hated the 'anarchic individualism' of liberalism and capitalism, and 'the reign of money'. He wanted instead a more authoritarian state, offset by intermediary bodies. In this, he was influenced by the corporatism of François Perroux (himself an admirer of Germany's conservative revolution) and the planism of Henri de Man. John Hellman writes, 'He endorsed the idea of a Europe-wide return to the ancient provinces, on the Swiss model, as an antidote to tyranny. At Uriage, a sort of völkisch federalism, similar to that nurtured in groups like the Ordre Nouveau circle before the war, shone in contrast to the concern for the fundamental liberal and democratic values which others considered essential to the resistance against world totalitarianism and fascism.'256 Indeed, as one of the other main historians of Uriage has commented, 'It was perhaps on the European question that the importance of the Uriage spirit for Le Monde was most clearly seen.'257

Highlight (Geel) | Locatie 1315

> The founding congress took place at Montreux from 27–31 August 1947: Denis de Rougemont was charged with writing the initial report, entitled ‘The Federalist Attitude’. Less than a year later, in May 1948, the Council of Europe met at The Hague, chaired by Churchill. Denis de Rougemont and Alexandre Marc were co-rapporteurs of the Council of Europe’s cultural commission. In the manifesto published by De Rougemont, ‘Message to the Europeans’, the Council of Europe and the European Community are prefigured. Rougemont also had the idea of setting up a European Court for Human Rights. Spaak, meanwhile – as we have seen – played a determining role in the creation of the European Economic Community.

Highlight (Geel) | Locatie 1392

> There are, therefore, some direct links between Nazi, Vichyite and fascist thought, and the ideology of European integration in our own day. One contemporary pro-European even writes of the ‘achievements’ of the Nazis’ Großraum (great space) economic policy, and to say that the European solutions formulated after the victories of 1940 were ‘almost practical’.258 The same commentator adds that the idea of Mitteleuropa (central Europe) was based on ‘hard facts of economic policy’. He goes on, ‘It was no accident that all attempts to integrate Europe originated in economic concepts, and it is no surprise that Germany took the lead in planning for Europe: as early as 1940 far-reaching plans of economic transformation and integration were evolved not by politicians but by industrial managers.’259 In a similar vein, another pro-European commentator has drawn attention to the influence of the theories of Friedrich List (whom many Nazi economists admired) on the economic integration of the post-war European Community – in a book published by the College of Europe in Bruges.260

Highlight (Geel) | Locatie 1603

> For France, indeed, her interest in a weak and divided Empire was very direct. Her capital, Paris, was not far from territories which belonged to the Emperor. In the sixteenth and seventeenth centuries, France was actually encircled by imperial possessions – from Spain in the South to the Spanish Netherlands in the North, with the Empire itself to the East including Burgundy, Franche-Comté, Luxembourg and Savoy. It was at this point that Louis XIII’s First Minister, Cardinal Richelieu – imbued with modern secularism despite being a prince of the Church – invented a novel idea, raison d’état. Rather than acting according to the dictates of religion, which would have required him to support the Catholic Emperor, he put the interests of his state first, and supported the Protestants in North Germany and the King of Sweden instead.

Highlight (Geel) | Locatie 1609

> Richelieu is usually portrayed as the worst kind of Machiavellian cynic. Indeed, Henry Kissinger, one of the foremost modern proponents of the theory of the balance of power, argues that Richelieu’s policy (which shaped French diplomacy for three centuries) was ultimately self-defeating: ‘For all the glory raison d’état brought France, it amounted to a treadmill, a never-ending effort to push France’s boundaries outward to become the arbiter of the conflicts among the German states and thereby to dominate Central Europe, until France was drained by the effort and progressively lost the ability to shape Europe according to its design.’21 In other words, the sheer cold-blooded pursuit of power, unaided by any moral vision of politics, was not enough. It often made France aggressive rather than defensive (the policy might perhaps have been defended in the latter case) such as under Louis XIV or Napoleon.

Highlight (Geel) | Locatie 1616

> However, it has been left to a German historian to show that this view of Richelieu, which is widely held in Germany, is false. Richelieu was certainly the first great practitioner of the balance of power, but he was neither a cold-blooded pursuer of French national interest nor someone who wanted to banish morality from international affairs. On the contrary, he cared deeply for peace in Europe and for the future of the Church. Indeed, he was convinced that the Emperor's proclaimed role as the protector of Catholicism would endanger both. In fact, Richelieu saw it as a mere pretext for the Emperor's own aspirations to universal monarchy. In a cutting phrase, the Cardinal accused the Spanish, the self-appointed defenders of a religiously united Europe, of nothing but sheer hypocrisy.

Highlight (Geel) | Locatie 1622

> 'They have God and the Virgin Mary on their lips, a religious appearance, a rosary in their hand – and nothing but temporal interests in their heart,' he wrote.22

Highlight (Geel) | Locatie 1623

> Far from being cynical, Richelieu was deeply imbued with Catholic natural law theory. He drew heavily on the thought of the late Spanish Scholastics, especially those in Salamanca, who used traditional Thomist legal philosophy to elaborate a modern theory of international law, a development which had been given new urgency by the establishment of colonies in the New World. A key element in the political ethics of one of the greatest Salamancans, Francisco de Vitoria, a contemporary of Luther, was the idea of a universal natural law which applied not just to Christendom but to the whole of humanity. This notion – which is in some respects an antecedent of modern phenomena like the Universal Declaration of Human Rights – was an important intellectual weapon in the fight in Spain against the absolutist pretentions of the Habsburgs, and against Charles V's aspirations to universal monarchy.

Highlight (Geel) | Locatie 1630

> Richelieu, in other words, thought that people's natural rights could be preserved only if there was a balance of power or equilibrium between states, and that these rights would be threatened if one state became too powerful and dominated the whole of Europe. Like John of Salisbury before him, Richelieu understood the organic link between the rule of law in Europe, peace and the balance of power. He knew that all of these would be destroyed if one European state exercised hegemony over the whole continent, in the name of whatever ideology or religion. It

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Highlight (Geel) | Locatie 1977

> Bethmann-Hollweg was not the only one to advance the idea of an economic union in Europe. The industrialist Walther Rathenau, chairman of the Allgemeine Electricitäts-Gesellschaft (AEG), was convinced that it would be 'civilisation's greatest conquest'. Although he called for the creation of a larger Central European trading space, he never thought in terms of autarkic blocs. He saw the matter as a goal in itself, whereas Bethmann-Hollweg considered it to be the essential goal of the war, but only as a means to ensuring German security. Rathenau was

> also convinced that the greatest threat to it was ‘the rise of Anglo-Saxon and Russian economic spaces’. He wrote that only the victory of the Reich could ensure the realisation of Mitteleuropa and that, by ‘merging Europe together through practical common interest’, it would enable Germany to accept her dominant role within it.61

Highlight (Geel) | Locatie 2213

> Indeed, hostility to the British policy of the balance of power was so central to Nazi thinking that there was even a propaganda sheet devoted entirely to it. Entitled The New Europe: A Magazine of Struggle Against the English-American World and Historical View and edited by Walther Körber, it is a veritable monument to Nazi European propaganda. Calling itself ‘a press service’, it was inspired by the geopolitical theories which Karl Haushofer had developed. It published article after article about England’s determination to divide the continent. It attacked England’s ‘insular mentality’;95 its ‘enmity towards Europe’;96 its ‘particularism’;97 and American ‘Dollar imperialism’.98 It carried articles with titles like ‘Europe is Fighting for Unity’;99 ‘England, Victim of its Own European Policy’;100 ‘Germany, the Heart of Europe’;101 ‘European Tasks in the East’;102 ‘Jewish Attempts to Establish World Domination Against Europe’;103 ‘Völkisch Economy in the New Europe’;104 ‘The Co-operation of European Science’; Dr Hans Baatz, op. cit., No. 15, 1 August 1942, p. 3. ‘The Enemies of the European Construction’ (about British hostility to the continent);105 ‘The New Europe: A Victory Over Anglo-Saxon Hostility to the Reich and to Europe’;106 ‘Youth Ensures Europe’s Future’;107 ‘The Economic Unity of Europe’;108 ‘European Economic Community’;109 and ‘Building Blocks of the New Europe’ (a chronology of political events which had led to European unity).110 It attacked things like ‘The World Lodge of Jewry against Europe’s New Order.’111 It extolled ‘the birth of European solidarity’112 and of ‘the European spirit’113 or ‘European consciousness’;114 reported on books which were ‘fighting for a new Europe’, and on ‘Voices of the New Europe’ from publications across the continent. It reported with glee, for instance, the publication of a magazine called The New Europe in Britain, which called, with Mackinder, for Britain to take a ‘positive interest’ in Europe in order to be able to influence it.115

Highlight (Geel) | Locatie 2237

> In contrast to Britain’s peripheral, cynical and anti-European geopolitical agenda, Germany was at the centre of Europe: she therefore represented the real Europe. One of the foremost ideologues of Nazi Europeanism, Friedrich Stieve, explained how, from Charlemagne’s day onwards, the unity of Europe had always been advanced from ‘die deutsche Mitte’, by the German middle (that is, of Europe). ‘The middle never lost its longing for European unity,’ he wrote.116 He

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Highlight (Geel) | Locatie 2265

> Walther Darré, the Nazi minister of agriculture and prominent advocate of green policies, also spoke eloquently on the central role which Germany was to assume in Europe. ‘If Greater Germany achieved this task of creating order, then other states will crystallise around this central European block of order of their own accord, in balanced and constant economic relationships. Thus will the foundation for a true European order be created.’124 Once again, therefore, just as the Customs Union had created a ‘core’ around which other states gravitated, so, according to Darré, Germany should become the hard core of a Europe of concentric circles.

Highlight (Geel) | Locatie 2289

> Finally, Martin Heidegger, the prominent philosopher who belonged to the Nazi party for a year (1933–34),131 similarly believed that the necessary reaction against the technical revolution coming from America and Russia had to come from the 'real' Europe, from Central Europe – that is, from Germany. In 1953, he still subscribed to the view, espoused by the Nazi geopoliticians who saw the world divided up into 'great areas', that 'This Europe, which in its state of incurable blindness is always on the point of stabbing itself in the back, lies today in the great pincer between Russia on one side and America on the other. Russia and America are both, from a metaphysical point of view, the same: the same desolate madness of technology and rootless organisation of the normalised man.'132

Highlight (Geel) | Locatie 2340

> This suggestion seems plausible. Political geography, as Michel Korinman points out, is a specifically German discipline which was taught in German universities for a hundred years before it was taught in French or British ones.139 The German understanding of the geopolitical significance of die Mittellage - Germany/Prussia's central position in Europe - and especially the belief that Germany/Prussia needed to achieve safety through territorial expansion - a belief which was to nourish German geopolitical action for centuries - was born at the time of Frederick the Great.140 And the ideological source of this new belief may well have been (among other people) Immanuel Kant. For decades, Kant taught geography at Königsberg. His courses were read by Frederick the Great's minister, von Zedlitz.141 Kant's theories of time and space are profoundly idealistic, in the metaphysical sense of the word. Time and space, for Kant, are postulates of the human mind. Reality as it is in itself is unknowable. Nothing is given, everything is invented.

Highlight (Geel) | Locatie 2349

> Kant, in other words, is the ultimate author of the modern human hubristic revolt against all that which is given. Not reality as it is, but human reason, is supreme. As Kant writes in the preface to the second edition of the Critique of Pure Reason, "To be sure, reason will be instructed by nature, but not in the quality of a schoolboy who lets the teacher tell him whatever he likes, but rather like a judge appointed to a case ("eines bestallten Richters") who compels witnesses to answer the questions which he puts to them."142 "Objects," he went on, "must orient themselves according to our knowledge."143 In other words, political boundaries and the vagaries of history are not "givens" to which human reason should incline itself with respect and humility. Instead, supreme human reason is itself the source of all the structures of reality. Therefore, reality can be restructured according to the laws of human reason if necessary - in the geographical domain as much as in the political. Kantianism is, to some extent, the source of what Hayek called constructivism and what became, in some cases, totalitarianism.

Highlight (Geel) | Locatie 2358

> We can see similar thought-processes in operation in the project of European integration today. The single currency project is, after all, a plan to create a new political geography on the European continent. In the words of the Maastricht treaty, it is to create an "irrevocable" union of formerly independent states; in the vision of successive German governments, including the present one, it is designed to put and end to literally centuries of history.

Highlight (Geel) | Locatie 2438

> It was therefore inevitable that ideas of pan-European reunification should resurface, yet again, in Germany after the war. While the architects of Ostpolitik, Willy Brandt and Walter Scheel, were always at pains to insist that their efforts would not be allowed to compromise the coherence of the Western alliance and Germany's commitment to it, they persisted in thinking that East–West relations could be harmonised. The great ideologue of Ostpolitik, Egon Bahr, produced a working paper in June 1968 which defined the goal of the Federal Republic as 'the overcoming of the status quo through a European peace order' at the centre of which it clearly placed 'the overcoming of the division of Germany'. It concluded that the best way to do this was via the creation of a pan-European security system replacing NATO and the Warsaw Pact. It headquarters were to be in … Berlin.158

Highlight (Geel) | Locatie 2484

> Moreover, a crucial event had taken place during Gorbachev's visit which casts important light on the atmosphere in which the paper was produced. Gorbachev had all but told Helmut Kohl outright that the Soviet Union would not oppose German reunification. During a moonlit talk at the bottom of the Chancellery garden overlooking the Rhine, Kohl had compared the unification of Germany to the flowing of the river. Both, he said, were unstoppable. Gorbachev did not contradict him. Kohl has since said on various occasions that this was the moment when he realised that German reunification had become possible. In other words, the paper produced by two senior advisers in the Chancellor's office was prepared with German reunification in mind. They probably knew what Gorbachev had said.

Highlight (Geel) | Locatie 2606

> After all these victories, German pressure continued to try to ensure that the monetary instruments used by the future European central bank would be the same as those used by the Bundesbank. In particular, the President of the Bundesbank, Hans Tietmeyer, stressed the need for monetary targets (instead of inflation targets) as the primary instrument of monetary control.169 As Bernard Connolly has shown, the Bundesbank does not like the precision of inflation targets, for it compromises its discretionary room for manoeuvre.170 Secondly, he emphasised the need for minimum reserve requirements, a favourite instrument of the Bundesbank. Minimum reserve requirements oblige the clearing banks to make non-interest bearing deposits with the central bank. The central bank uses these funds to release money into the market when liquidity is required, and take it out when there is too much: it is an added means by which the central bank can maintain its control over the financial marketplace, especially over the big banks which themselves control German industry.

Highlight (Geel) | Locatie 2776

> Instead, the old medieval dream of a universal empire has never quite left the Germans' fantasy. This is why modern Euro-federalists evoke Charlemagne: the Holy Roman Empire was the very archetype of universal monarchy. (Charlemagne's empire was also very highly regulated: 'in capitulary after capitulary, Charlemagne and his successors laid down detailed regulations for every aspect of economic, political and religious life throughout the empire'.187) Germany's fluid frontiers; the special role of the Holy Roman Emperor as the secular half of a bicephalous universal empire; the country's tardiness or even failure to achieve political

existence as a nation; the unpolitical mentality which accompanied this – all these encouraged the Germans to think of their country as an embodiment of universal sovereignty.

Highlight (Geel) | Locatie 3166

Moreover, the market is not something ‘out there’. It is, rather, a form of human interaction based on justice and the rule of law which should govern citizens of the state themselves, as well as those outside. The foreign exchange traders who go short on the franc are just as likely to be French as American or British, and if a sovereign state upholds the rule of law then it should accept this contractual censure of its executive actions, from whomever it comes. To say that the markets are wrong to sell francs is tantamount to saying that there can be no higher law than what the French government (the executive) decides. But this is obviously incompatible with any commitment to the rule of law either domestically or internationally. It is a pretty safe bet that governments which blame foreigners in this way would be happy to deny normal contractual rights to their own citizens too.

Highlight (Geel) | Locatie 3744

Technocrats have long been fascinated by the power of banks, as Saint-Simon’s story shows. Jacques Attali and Jacques Delors are also instances of this: the former, the biographer of Warburg, wanted his career in the corridors of power to be crowned with the presidency of the ‘European bank’. The latter, meanwhile, began his career as an official in the Bank of France, and finished it with the single currency project. The arguments in favour of monetary union are thus seldom explicitly political. Supporters of it usually tend to hide the political significance of what they propose behind a fog of technocratic jargon about currency management, transaction costs, and the requirements of the single market. This only serves to obscure political and constitutional issues of the first importance.

Highlight (Geel) | Locatie 3790

Under such circumstances, money is not ‘political’, in the sense of being the subject of daily partisan dispute; but it is eminently political, in the sense that it is a vitally important element in the constitution of a state. Like a constitution, indeed, money defines the terms of (constitutes) citizens’ interaction with one another.

Highlight (Geel) | Locatie 3793

The view that money is the creation of the state is, unfortunately, very old – even if the opposite view has an even older and nobler pedigree. From the earliest times, the head of the king or emperor was imprinted on coins, and this gave the impression that money was an emanation of his power. In truth, however, a state emblem on a coin no more gives the state the right to tamper with the value of money than the state emblem in a courtroom gives the king or the prince the right to interfere in the judicial process. As Edmund Burke wrote, who had a rare and brilliant understanding of the constitutional role of money, ‘We entertain a high opinion of the legislative authority; but we have never dreamt that parliaments had any right whatever to violate property, to overrule prescription, or to force a currency of their own fiction in the place of that which is real, and recognised by the law of nations.’7

Highlight (Geel) | Locatie 3807

> But his destruction in 1308 of the wealthy Order of the Templars, whose spiritual control over currency and foreign exchange gave it a crucial role in the growth of international finance,10 was not simply a matter of grabbing its funds for the royal treasury. It was part of his overall attack on spiritual authority – it was he who seized the Pope in Rome and transferred the Papacy to Avignon – which at that time represented a check on the otherwise despotic power of a rapacious king. (From the time of ancient Babylon, indeed, power over money had been vested in the spiritual domain. Temples had had important banking functions, providing credits and raising taxes, which explains why there were money-changers at the temple in Jerusalem for Christ to chase out.) As we shall see, because it was part of an overall project to increase state power, Philip the Fair's attack on the Templars is therefore a historical precedent for the nationalisation of central banks by governments in the twentieth century.

Highlight (Geel) | Locatie 3815

> Modern dictators have similarly cemented their oppression of their own people with stringent restrictions on the way money is used. One of the most vicious Communist dictatorships of all, Pol Pot's – famous mainly for exterminating one third of the Cambodian population – perfected the Communist system by actually outlawing money altogether.11

Highlight (Geel) | Locatie 3821

> The maintenance of the rule of the law thus requires the state to have the power of coercion over malefactors: property law defines when and where the police should intervene. This is why free economic activity itself is an outgrowth from the general juridical structure which imposes social peace, and why the principle of sound money is a central element of classical liberalism. If human action is intrinsically linked to the desire to exchange goods and services in a spirit of mutuality and sociability, and according to the law, then it is clear that sound money lies at the very heart of all civilised human society. Conversely,

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Highlight (Geel) | Locatie 3835

> In this sense, the fair operation of the price mechanism is a true plebiscite (not a majoritarian representative system) in which each individual, however humble he may be, can make his voice heard. By contrast, the function of money, which is to express rights and duties, is destroyed in a planned economy because demand has no influence on supply: the latter is not governed by the needs of consumers and producers, as expressed through the price mechanism, but rather by central diktat.

Highlight (Geel) | Locatie 3840

> Like the theory of legal positivism which underpins it (legal positivists hold that there are no independent moral or judicial values, and that justice is what the state says it is), this theory reached its apogee in the late nineteenth-century Germany, culminating in Georg Friedrich Knapp's The State Theory of Money. But although it may have been nurtured in Germany, it is now a very widely held view. In 1953, for instance, the US Chamber of Commerce declared abruptly, 'Money is what the government says it is.'13 Apart from its obvious

> authoritarianism, the state theory of money tends to ignore the fundamental function of money, which is to act as a means of exchange between individuals. It tends to regard it only from a macro-economic point of view. At best, it regards the currency as an expression of the total value of the economy's production; at worst, as an instrument with which the state can control it. In general, this monetary nominalism – the view is nominalist because it believes that money has no essence in itself, but derives its value only from the imprimatur of the state – corresponds to the view that there is no natural justice in the world, and that the role of the state, in the absence of independent standards or values, is to issue commands to society. By contrast, the view that money is a commodity which has a value, independently of its role as money, corresponds directly to the view that there are judicial and moral values which are independent of the will of the state, and which the state has a duty to uphold. The state has a duty to ensure the soundness of the currency, just as it has a duty to ensure the respect of the rule of law. Thus, from the earliest times, it

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Highlight (Geel) | Locatie 3920

> In other words, it was only by an incremental process of increasing government control that central banks came to play the role they all play today, that is, of discretionary monetary management, and the regulation and support of the banking system. The 'lender of last resort' function completes the state's control over the credit system, for it gives the central bank the responsibility of accommodating demand for high-powered money in times of crisis, thus preventing panic-induced contractions of the money stock.

Highlight (Geel) | Locatie 3975

> It is therefore strange that modern economists denounce the Gold Standard as an excessively rigid system. Perhaps some people find the obligation to pay debts unnaturally constricting, but all that the regime of metallic convertibility ensures is that there is no free lunch, not even for central banks. On the contrary, far from being inflexible, the Gold Standard, like any other market regime, is far more flexible than the statist control of the money supply under which we suffer today. Precisely what that regime did was to allow the market, not the state, to regulate the amount of credit in the economy, and therefore the money supply. Letters of credit, or any other market-generated means of payment, expanded or contracted in number according to the needs of commerce: a stock of precious metal easily served as the basis for a circulation of other means of payment which greatly exceeded it. The only essential point was that, however complex the network of credit, everyone respected their promises.

Highlight (Geel) | Locatie 3982

> Indeed, given what we know about the growth of finance and trade in the nineteenth century, the charge of inflexibility is historical nonsense. There was a huge growth in credit instruments: public bank notes, private bank notes, cheques, transfer orders, certificates of deposit, commercial bills, financial bills, drafts, storage certificates, stock market securities, T-bonds, mortgages, warehouse receipts and clearing-house loan certificates: these represented over 90 per cent of the growth in the collective money supply of the eleven leading economies of the time.25 It was precisely the growth of these credit instruments (always subject to the ultimate demands of convertibility) which kept national gold stocks from varying more than they might have under the exclusive use of gold in national and international transactions.

Highlight (Geel) | Locatie 3989

> Indeed, the international system of credit functioned under the Gold Standard precisely because of the public and private confidence in international convertibility. This is why the international Gold Standard coincided with an explosion in foreign investment, and why the world enjoyed highly abundant capital flows compared with periods before and since. Liquidity was plentiful (with foreign exchange increasingly supplementing gold), elastic (because of limited capital controls) and geographically dispersed.26 This monetary regime, based primarily on domestic and private interest, contrasts with the growth in 'international co-operation' after the Second World War. This is why our historian concludes that 'the most pervasive element in the workings of the gold standard was the liberal [that is, decentralised] nature of the regime'.27 He argues,

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Highlight (Geel) | Locatie 4008

> Crucially, the Gold Standard also ensured a near perfect stability in prices. For example, Britain had a constant definition of the pound sterling in gold terms for 220 years from 1711 to 1931, during which time prices rose by a mere 29 per cent. By contrast, prices in a typical European country, France, have risen by a factor of 2,558 (in terms of gold) in less than eighty years.29 Indeed, it is an indication of the degradation of the modern world that 'price stability' can mean annual inflation rates of several per cent a year, even when 'price stability' is laid down as a constitutional or legal obligation, as in Germany. The supposedly stable D-Mark, indeed, has in fact depreciated in value by some 200 per cent in a single generation. Such constant inflation (albeit at supposedly low annual rates) is a phenomenon which is now taken for granted, but which did not exist systematically before 1914. Even in periods when new gold was discovered, inflation was very low by modern standards. During the sixteenth century, for instance, when the amount of gold tripled because of Spain's exploitation of South America, prices tripled.30 A comparison with the figure for twentieth-century France just quoted shows this to be a minute level of inflation in modern terms. This gives the lie to the very common (yet absurd) claim that the Gold Standard handed influence over the gold price to gold-producing countries. This system was abandoned in 1914. European states, faced with the need to fight the First World War, had to arrange quick access to funds. They therefore absolved their central banks of the duty to honour their debts. In the words of the Act by which France suspended convertibility in 1914, 'Until it is decided otherwise by a law, the Bank of France … is released from the obligation to reimburse its bank notes in cash.'31 At the time, the measure was intended to be only provisional. It is therefore erroneous to say that the Gold Standard 'broke down'. It did not 'break down': the whole grim apparatus of state intervention was needed to destroy it. Very often, these included measures which were even more obviously authoritarian than the basic suspension of convertibility itself: when convertibility was suspended in the United States in 1933, for instance, Americans were forbidden by law from holding gold. Contracts which had been concluded in gold convertible dollars were retrospectively declared null and void. The

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Highlight (Geel) | Locatie 4067

> Because the Gold Exchange Standard provided no brake on the deficit country, therefore, it could continue creating credit indefinitely until the whole house of cards came crashing down, as it did in 1929. The crash of 1929, based on an artificial credit boom in 1927–28, made the depression into a great depression: during 1927–28, money had flowed from the USA and the United Kingdom to the Continent in great quantities, but the monetary reserves of those countries remained unchanged. The Gold Exchange Standard thus accumulated

> indefinite amounts of new credit made on the basis of a mass of gold which did not exist. Indeed, because of this endless duplication of credit, all countries with convertible currencies suffered from permanent inflation. This exposed all countries to the dangers of recession which the collapse of the double pyramid of credit caused by the Gold Exchange Standard inevitably brought about.

Highlight (Geel) | Locatie 4073

> In other words, what collapsed in the 1930s (and again in 1971–73) was not the Gold Standard, but a grotesque caricature of it. But the Gold Exchange Standard was defended precisely because of the characteristics which Rueff spent so much of his life attacking: governments, like most people, like to think that there is a free lunch, and they were delighted with a system which increased their discretionary room for manoeuvre.

Highlight (Geel) | Locatie 4237

> Authoritarian government is government which acts without using tax to pay for its actions. The cost merely falls on society instead. Authoritarian government takes the form of a command. It implies the subjection of individual wills to governmental decisions, by the institution of sanctions which render undesirable all acts other than those which the government commands to be accomplished. In a liberal regime, government accountability is concentrated largely in control over tax. But Parliament's control over government finances is severely attenuated when convertibility is suspended.

Highlight (Geel) | Locatie 4288

> But this is exactly how modern economies function. The monetary operations of governments and central banks are deliberately aimed at influencing the performance of the nation's economy. They do this by raising or lowering interest rates – the price the central bank charges for lending money to other banks – in order to influence the amount of credit in the economy. Unlike the regime of convertibility – in which credit, and therefore the money supply, are allowed to expand or contract according to the needs of the market, and where prudent credit is encouraged because of the basic soundness of the currency – with forced currencies the state arrogates to itself the role of deciding how much money there should be in the economy.

Highlight (Geel) | Locatie 4298

> This extraordinary degree of central control over the economy is, surprisingly, not even contested by most economists who claim to favour the free market. Monetarists, for instance, hold that the quantity of money has a major influence on economic activity and the price level, and that monetary policy should target the rate of growth of the money supply. Thus, although it is supposed to be a free market system, monetarism in effect advocates the rationing of credit by the state: if it is deemed that there is too much money in circulation, the state tries to turn down the credit tap by raising interest rates, and vice-versa. The state thus tries to operate comprehensive economic dirigisme using the bluntest of instruments, the money supply. As such, the right-wing doctrine of monetarism, which asserts that the state must restrict the money supply in order to control inflation, is little but a kind of perestroika of what is essentially a Soviet-style system.

Highlight (Geel) | Locatie 4417

> To centralise European monetary policy in the hands of an independent European central bank, but in the absence of a properly constituted state, will be to wield monetary power with no parliamentary control whatever. It is not even clear that this power will be exercised with any formal consent: after all, it is the declared intention of Chancellor Kohl to use the single currency to make European union 'irreversible'. This suggests that member states are not expected to be able to revoke their consent to the monetary union. As the President of the Bundesbank has said, 'The path to monetary union is a path of no return.'56 Not

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Highlight (Geel) | Locatie 4506

> As the century draws to its close, however, there seems to be an alliance between the United States and the Western European powers, with the tacit support of Russia, in support of an explicitly globalist position. This became clear during the attacks led by Nato against Yugoslavia from 24th March to 4th June 1999. That war radically changed the international system and represented a clear departure from the principles of national sovereignty which had underpinned the international order since the Second World War and, in some respects, since the 17th century. It also represented the culmination of a decade-long process in which numerous international institutions had been created with a specifically supranational remit.

Highlight (Geel) | Locatie 4523

> This civil war had been stimulated by terrorist attacks against Serb police and military conducted by the Kosovo Liberation Army. The KLA grew out of the disaffected Stalinists, Maoists and Hoxha supporters in neighbouring Albania, although its existence was very shadowy before early 1998. These elements had been out of favour in Albania ever since 1992, when the Democratic Party of Sali Berisha ousted Enver Hoxha's successor, Ramiz Alia. Between 1992 and 1997 Albania enjoyed more or less democratic, pro-Western rule. In 1996, however, President Berisha started to move against the Mafia which had grown so powerful in his country. Albania and Kosovo were important staging posts for the trade in drugs and prostitutes into Western Europe. The Mafia retaliated, in alliance with the Albanian Socialist Party, by organising massive popular unrest following the collapse of pyramid savings schemes. Once the country was swamped with arms, rigged elections were held and the Democratic Party was removed from office. It is likely that there is a direct link between the consolidation of the power of the Mafia-Communist government in Tirana and the commencement of the KLA terrorist campaign in Kosovo only a few months later.

Highlight (Geel) | Locatie 4532

> That campaign involved thousands of attacks against citizens, state officials, police, soldiers and others. In the first ten months of 1998, 152 citizens were killed, of which 69 were Albanian, 37 Serbs and Montenegrins, 3 gypsies and 42 persons whose identity was not established. 2 "The terrorists killed civilians, women, children and elderly people, in fields, in the yards of their houses, in vehicles. The murders were committed in cruel and ruthless ways, often in front of the members of their families or in from of the peasants in order to scare the population and in order to make them participate in the terrorists' actions."3 The purpose of these attacks was to provoke reprisals by the Serbs and then to present those reprisals as ethnic oppression. It worked. The Serbs replied to these attacks in such a way that caused many thousands to leave their homes and seek shelter with

> relatives as civil war raged in the province. The internal displacement of people was presented to the West systematically as evidence of “ethnic cleansing” by Serbs of Albanians, while news reports systematically neglected to mention the context of the KLA’s insurrection.

Highlight (Geel) | Locatie 4544

> The few reports which came out of Kosovo itself during the Nato attacks confirmed that there were hundreds of thousands of Albanians living peacefully in the province without being molested by the Serbs.4 Instead there was a classic counter-insurgency operation against a terrorist insurrection.

Highlight (Geel) | Locatie 4573

> So wide-ranging, indeed, were the demands made by Nato for rights across the whole territory of Yugoslavia that many historians were reminded of the ultimatum delivered to Serbia by Austria in 1914: that, too, demanded that Austrian police have the right to roam freely all over Serbia with the power to arrest whomever they wanted. Naturally enough, given the draconian terms of the Rambouillet ultimatum - which amounted to a demand for wholesale occupation - Yugoslavia rejected the terms and the bombing started forthwith. And, as with the ultimatum presented in 1914, there was speculation that Rambouillet had been deliberately phrased in such a way as to make it impossible for the Serbs to accept. George

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Highlight (Geel) | Locatie 4591

> The outbreak of hostilities coincided with the 50th anniversary of the creation of the Atlantic alliance. Since the end of the Cold War, Nato had seemed to be an institution in search of a role. The idea of giving itself the role of world policeman therefore had some appeal. After all, the seeds of such an international doctrine had been sown years previously in the United States. Following the collapse of the Warsaw Pact, President George Bush had spoken of a “new world order”, while the US Secretary of State, Madeleine Albright, had made it clear from the moment of her appointment in 1996 that she subscribed to the (then) standard US State Department view that the world was divided between good states and “rogue” ones. The “rogue states” were those who refused to accept the values of the Western world and who could expect rough treatment from it.

Highlight (Geel) | Locatie 4598

> When the bombing started, other members of the Nato establishment were quick to state what they saw as the principle underlying it. Javier Solana, the Secretary-General of Nato, said that it was part of Nato’s “new strategic concept”. Clintonian and Blairite rhetoric abounded with references to “the new internationalism”. One German strategist said that the Kosovo war was “a military euro”, “an invigorating, unifying parallel to the achievement of a single European currency.”13 The British Prime Minister even formulated a new theory of the international system in a keynote foreign policy speech delivered in Chicago on 22nd April. “I want to put these events (i.e. the war against Yugoslavia) in a wider context,” he said, “because I do not believe Kosovo cannot be seen in isolation.” Rubbishing Bismarck’s famous remark that the Balkans were not worth the bones of a single Pomeranian grenadier - even though Nato’s own military strategy of dropping bombs from a height which no Yugoslav anti-aircraft missile could reach seemed to confirm that the alliance had the same approach to casualties as Bismarck - Blair hammered away at his favourite theme: “This is a just war, based not on any

territorial ambitions but on values." He then went on to say that globalisation was "not just economic" but "also a political and security phenomenon."14 For him, the just war as part of the onward march of history, a crucial step in the very progress of which he was chief prophet. He claimed that "twenty years ago we would not have been fighting in Kosovo. We would have turned our backs on it."

Highlight (Geel) | Locatie 4611

Blair had made the same comparison between war-mongering and modernity before, having told Jim Hoagland of the Washington Post in April. The he had compared the bomb attacks on Yugoslavia with the process by which "globalisation is opening up the world's financial architecture for discussion, re-evaluation and improvement."15 War, it seemed, had become the continuation of economic integration by other rmeans.

Highlight (Geel) | Locatie 4622

However, Blair went on to elaborate a general theory of international relations in the light of the Nato attacks on Yugoslavia. "We are all internationalists now," he said. "We cannot refuse to participate in global markets if we want to prosper. We cannot ignore new political ideas in other countries if we want to innovate. We cannot turn our backs on conflicts and the violations of human rights within other countries if we want still to be secure. On the even of the Millennium we are now in a new world. We need new rules for international co-operation and new ways of organising our international institutions." The

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Highlight (Geel) | Locatie 4652

Perhaps even more importantly, the war also flaunted numerous national constitutions, notably Germany's and that of the United States. Article 87a, paragraph 2 of the German constitution says explicitly, "Except for defence, military forces may be used only as far as this constitution allows." Article 26 explicitly forbids wars of aggression and even makes their authors criminally justiciable under German criminal law. The "2 + 4" treaty signed between the two German states, the Soviet Union, Britain, France and the United States on 12th September 1990, says, "The governments of the Federal Republic of Germany and of the German Democratic Republic declare that a united Germany will never use its weapons except in accordance with its constitution and with the principles of the United Nations." In other words, the entire political and philosophical foundations of the post-war German state were destroyed by the war. They were also, incidentally, destroyed by Austria when it sent troops to Kosovo after the war under German command. This is the first time Austrian troops have been under German command since 1945, since the Austrian constitution specifically commits the country to strict neutrality.

Highlight (Geel) | Locatie 4667

In other words, the purpose of the Nato intervention - or at least its indisputable consequence - was to overturn the existing post-war international system and replace it with a globalist system instead. Henceforth the international system was not to be considered as a free collection of different individual political units, nation-states, contracting with each other to produce treaty law and international agreements. It was instead to be considered fundamentally as one single polity, with the Great Powers imposing "human rights" around the globe. Preparations

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Highlight (Geel) | Locatie 4694

> Other bases for the new world order had been laid by the new power given to a host of international organisations whose purpose it is to promote “human rights” in the “transition” countries of Eastern Europe and the former Soviet Union. The OSCE is a key institution in this respect. Created as the CSCE (Conference on Security and Cooperation in Europe) out of the Helsinki summit in 1975, its stated aim is to ensure peace and security “from Vancouver to Vladivostock”. In other words, the aim is to interlock the Western powers (i.e. Nato) and Russia (plus all her satellite states) to create what is perhaps best described as a Eurasian-Atlantic system of collective security. But the OSCE does not deal with “security” in the traditional manner. Instead, it represents an embryonic supranational government. The organisation itself grew out of the Carter-Brezhnev period of “détente” which culminated in the Helsinki summit in 1975. This created the CSCE, a moribund body which was reactivated in 1990 following the sudden collapse of communist regimes in Eastern Europe. At a meeting of heads of state and government in Paris in November 1990, a “Charter for a New Europe” was signed which spoke of the signatories’ will to create a Europe “from Vancouver to Vladivostock”. The CSCE thereby received institutions, as Gorbachev had proposed, and in 1994 became the OSCE (Organisation for Security and Co-operation in Europe) on a German/EU proposal. This reflected “the intention of Russia to emphasise the OSCE as a regional organisation”23 which it did by obtaining a commitment that the CSCE should design a “concept of security for the 21st century.” It was rather like Edward Shevardnadze’s declaration in 1992 that, “Perestroika has substantially determined the movement towards a new united Europe”24 or like the declaration of his successor, Andrei Kozyrev, “The CSCE has become the irreplaceable instrument of the construction of the new Europe”25 and “part of the pan-European process”.26 Like

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Highlight (Geel) | Locatie 4719

> The notion that the whole world is a hot-bed of unrequited “rights” and potential sources of instability came to grip the Western imagination during the 1990s. It had originally been launched in Moscow: Mikhail Gorbachev had called in 1990 for the creation of a “European Conflict Prevention Centre” - even though no conflicts had erupted anywhere at that point. The worry that loosening the iron grip of Communism would create instability had the desired effect of co-opting the West in the creation of the supranational institutions which communism had always desired. Numerous Western commentators joined in propagating the central argument of this originally Gorbachevite ideology that nationalism caused wars: Robert Kaplan (whose book Balkan Ghosts propagated the familiar argument about “ancient ethnic hatreds” in that peninsula); Misha Glenny (whose The Rebirth of History adopted a similar position) and, above all, Patrick Moynihan who wrote Pandemonium: Ethnicity in International Politics. Gerald Ford, the former US president, spoke of “a stubborn ethnic conflict which was ancient before I was born” (in the Balkans)29; Richard Holbrooke, the US special envoy to the Balkans, said that the Balkan states had to liberate themselves from “the unresolved legacies of their own tragic, violent and angry past”.30 Jacques Poos, the foreign minister of Luxembourg, said in 1992 that the notion of national self-determination as “dangerous as the basis for the international order”.31 The French Foreign Minister, added, “The right of peoples to self-determination cannot be allowed to be a cause of instability. France will not support anything which seems in danger of causing such instability.”32 The most limpid (and terrifying) statement of this belief came from the British prime minister, John Major, who told the House of Commons on 23rd June 1993 that the Bosnian wars had been caused by “the collapse of the Soviet Union and of the discipline which that exerted over the ancient hatreds in the old Yugoslavia.” Apart from the fact that any “discipline” exerted by the Soviet Union over Yugoslavia had disappeared in 1948, this remark showed the firm

> belief of the international political elite that nations had to be crushed by supranational coercive structures (even Communist ones) to prevent them from becoming forces for instability.

Highlight (Geel) | Locatie 4745

> A key element in this ideological struggle was the question of national minorities within states. The Carnegie document had referred to the matter and it had also formed the basis of numerous other documents produced throughout the 1990s by various international organisations, especially the OSCE. Its Secretary-General declared that, “Most of the existing or potential conflicts in the OSCE have a strong ethnic root,”33 and claimed concomitantly that the only way to avoid these conflicts was to “manage” them. The OSCE thus devoted special attention to the question, which quickly became a key instrument in its attack on the very legitimacy of the state itself. This is not only because all states have “minorities”. It is also because the very doctrine of minorities itself, whether they are national or religious or whatever, is by definition antithetical to the traditional concept of citizenship and therefore statehood. An individual has numerous qualities - sex, religion, language, etc. - while a well-developed nation-state will itself have a political identity which transcends all these, drawing people of various backgrounds together in collective recognition of the authority of the state in which they live to govern them and to adjudicate disputes among them. Consequently, whatever the minority chosen, the very notion of a minority and its supposed rights is antithetical to this ideal of citizenship because it assumes that members of that minority must be put into some special non-political group enjoying rights over an above the normal rights which should be assured for ordinary citizens. The doctrine of minorities does not allow members of such groups to be treated like other individuals united by collective loyalty to a political body. Minorities policies thus destroy the very notion of liberal statehood.

Highlight (Geel) | Locatie 4804

> Western advocates of Russian membership, in other words, committed the same mistake towards Yeltsin as they had committed towards Gorbachev - and, indeed, as that committed by successive Western governments towards successive Soviet ones since the time of Lenin. Despite all the talk about exerting pressure on the Soviet Union/ Russia to change, Western policy towards that country has invariably boiled down to support for whomever happens to be in power. (The sudden replacement of Boris Yeltsin by Vladimir Putin on New Year’s Eve 1999 confirmed this trend: within hours Western news sources were eagerly prattling on about this lifelong KGB officer’s “liberal credentials”.34 It is difficult to imagine a greater triumph for Russian propaganda than to have a man who gives speeches praising the Soviet secret police from the Cheka through the NKVD and KGB accepted as a liberal and a reformer.)

Highlight (Geel) | Locatie 4811

> It is worth recalling that Russia had, in 1996, just terminated a bloody war in Chechnya which involved aerial bombardment and the death of tens of thousands of civilians. Internally, it had failed to take the usual measures required for Council of Europe membership, like abolishing the death penalty. Externally, it had waged a vicious and inconclusive war against Chechen separatists. A spokesman for the Ministry of the Interior, whose troops were carrying out most of the terror killing in Chechnya, snarled at someone who asked whether Council of Europe membership would accelerate the reform process in Russia, “Give us some subsidies. Then we might think about some reforms.”35 Nonetheless, the West continued to promote the integration of Russia into as

> many international bodies as possible. The G7 group of industrialised nations became the G8 by including Russia, even though her industrial and economic importance is minimal. She was admitted to the Paris club of world creditors (even though she was simultaneously borrowing massively from the West). Meanwhile, the 1997 “Founding act” associated Russia and Nato. These various integrationist projects reflected the new world-wide consensus that countries have to be controlled from above. The myth of the destabilising force of nationalism came to be adopted as one of the West’s principal tenets for managing the whole world, just as it had been the principal driving force behind European integration.

Highlight (Geel) | Locatie 4830

> Gradually, therefore, the Western power adopted during the 1990s policies and ideological attitudes which had initially blossomed under communism. After all, from Lenin onwards, the most serious Communists have always advocated the suppression of nationhood and the institution of global government. Lenin wrote copiously on the national question and on the attitude Communists should take towards national independence movements. Although he could see the importance of nationalist movements as factors for destabilising those imperialist states he considered to be reactionary, in general he agreed with Marx and the Proudhon school of socialist-anarchists that “the working class should be the last to make a fetish of the nationalist question.”37 (Like modern pro-Europeans, the Proudhon anarchist circles in Paris considered nationhood and nationality to be antiquated prejudices.)
