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The European Union: Myth and Reality



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Europe must understand that if it loses Ukraine it will never be the same again. It will no longer be Europe. Rather it will be a defeated and humiliated and a pathetic version of its former self. I want a strong and resolute Europe.

— Mateusz Morawiecki, Prime Minister of Poland, 15 March 2022

Where has Europe been before Russia lost patience on 24 February? Playing Russian Roulette with the fate of Ukraine. With the disastrous outcome that we know.

The strict European hierarchy

The European Union is run on a day-to-day basis by Germany for German interests. Except when it's kowtowing to American interests. An academic literature (played up

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by *The Economist* in 2013) has Germany as ‘reluctant hegemon’ – just so much palaver. Yet for this crucial issue of Ukraine, German leaders have failed to look not only after the interests of Europe over which it exercises tutelage but those of Germany itself.

One would imagine that Germany has common interests in mutual security accords with Russia, complemented by common interests in enhanced trade and investment relations. But no. Even apart from the unhinged warmongering German Greens, Washington DC has decreed that the pursuit of such common interests should not take place. Given that the German elite takes German economic self-interest very seriously, the subjugation to Washington is powerful indeed.

Germany still houses 38,500 US troops, of 90,000 housed on European soil. This when the USSR has been dismantled for 30 years. Why were US troops there at all after the end of the formal Occupation of West Germany in 1955? Stalin had the Soviet Union’s *cordon sanitaire* in what became the ‘Eastern bloc’ and he kept his word on non-intervention in Greece and Turkey. The USSR was not going to invade or start a war with Western Europe. Indeed, why was NATO itself established in the first place, even apart from the question of why was it not disbanded in 1991?

The clueless Olaf Scholz has promised to up the German military budget and arsenal. Scholz follows in the footsteps of the equally clueless and dangerous Ursula von der Leyen when German Defense Minister. This step lets loose the genie of a domestic grouping itching to flex its muscle in this domain. Germany has been flogging armaments to Israel, as if that unsavoury state is a worthy recipient of blood money for the Jewish Holocaust. As Groucho Marx quipped: “Those are my principles, and if you don’t like them ...”.

What did one expect from the European Union? The sincere pro-Western Maidan demonstrators had swallowed the kool-aid on Europe. Europe has rules comparable to the standard fare of the IMF, which also came visiting Ukraine to dictate the true path. You can’t enter the promised land unless you jettison your sovereignty and commit to dismantling a range of public services and social support systems. Ticket of entry. Which is why the then Ukraine President Viktor Yanukovich rationally said no thanks as we can’t afford it.

The Ukrainian population should have been paying attention to the European ‘also-rans’ after the financial speculative boom and crisis pivoting on 2008. Spain, Ireland, Greece and Portugal (the ‘PIGS’) found themselves with a mountain of debt. February 2011 figures released by the Bank of International Settlements highlighted that European banks

(mostly German, French and British) had exposure to these four countries of \$US 2.1 trillion. The BIS provided no breakup between private, public and inter-bank debt. Regardless, much of the then public debt was acquired in the attempt to bail out private debtors. What mattered was not saving the PIGS countries but saving the bank lenders and, beyond them, the European financial system's stability (sic) in general.

Brussels dictated that the then PIGS' governments must slash public services and social protection provision. What the public wanted and who the public voted for to carry out its preferences was irrelevant. In November 2011, Brussels (and Berlin) ensured the deposition of two heads of government – Papandreou in Greece and Berlusconi in Italy.

It also didn't matter that the level of public and social services provision, the focus of the attacks, was not then generous and typically not the problem. No matter how brutal were the imposed cuts in public and social services provision, the underlying problems would remain and innocent victims would suffer – they still do.

The engorged debt of Spain and Ireland was predominantly a product of hysterical speculative property development. How did this extravagance come to pass? The rules imposed by Brussels and the European Central Bank on the public sector, demanding a discipline and associated competence that generates permanent austerity, do not apply to the private sector. It's a process of 'pass the parcel' and those on the margin always end up the losers.

Killing Greece

In 2013-14 Ukraine, the final dénouement with Greece was still over a year away. Which showed the European Union's true colours – Germany's in particular. Greece was destroyed by German politicians and bureaucrats, with others meekly in tow. The fiscal situation, although problematic, was not then the dominant problem – rather, key problems were the structural imbalance of the economy and private debt. As with the other debt-laden European countries, because key problems were not addressed, the situation since the attack has worsened rather than improved. Greece should never have gone on the euro in the first place – the euro itself condemns Greece to permanent marginalisation.

The attack by the Troika (the European Finance Ministers representing the European Commission, the European Central Bank and the IMF) on Greece's public sector and social services was gratuitous, sadistic – indeed criminal. French academic Frédéric Farah calls it a coup d'État.¹ Which it was. The Troika had no formal authority or legitimacy, yet it was imposing on Greece bailout conditions which had been explicitly, democratically, rejected by the Greeks in a referendum on 5 July 2015.

Jean-Claude Juncker, then President of the European Commission, noted on the morrow of the Greek elections in January 2015 (ushering in the Syriza left-wing coalition to government and Alexis Tsipras as Prime Minister) that the European treaties precluded any influence of a democratic nature. Juncker's sadism is well represented in a quip he made that the treatment of Greece was "a liquidation worthy of that reserved for East Germany". Exactly right.²

Germany had a direct 'national' interest in Greece. That of rescuing Deutsche Bank, a bank that had long jettisoned any semblance of integrity and competence. It had fully embraced the US investment banking sector's crazy love affair with derivatives. Deutsche Bank is a German 'national champion'. Why then was its absorption (as with other German banking loose cannons) of a quite un-Germanic corporate culture tolerated by the authorities? Essentially because it's none of the rest of Europe's business and we'll do what we like.

During the drawn out Greek bailout discussions, the German media, especially the noxious tabloid *Bild*, painted the Greeks as lazy and devious, source of a virus that threatened the entire eurozone, supposedly otherwise healthy. Yet Deutsche Bank and friends imported the virus from the US. If the bloodless German finance Minister Wolfgang Schäuble was so concerned with protecting the precious savings of German pensioners, why wasn't a designated safe financial institution or institutions created to serve the purpose? Meanwhile, the Greeks are still waiting for the self-righteous Germans to pay the massive reparations bill due for the pillage of their country during the war-time occupation.

A second direct national interest involved giving German commercial interests access to the pillaging of Greece's public assets, privatized under force. Thus did the German Fraport AG get 14 regional airports. Germany was generous, allowing non-German corporations in on the loot. The Chinese COSCO got the port of Piraeus, one of Europe's busiest, for a knockdown price. COSCO has turned the knife in the wound by reneging on concessions in the contract to the Greeks. Now the Bulgarians are picking over the carcass.

The moralizers said that the Greeks were notorious tax-evaders. The European Union would know all about that. The European wealthy and European corporations are past masters at tax evasion. The European Union is surrounded by tax havens, but one can readily pursue one's peccadilloes within the bosom of the EU itself. London, whether in or out of the EU, acts as a pivotal hub for tax haven-oriented money laundering.³ Luxembourg (come in Jean-Claude Juncker) undermines EU fiscal integrity while it

simultaneously benefits from hosting a wide range of EU institutions. Ireland sold out while inviting corporate European Head Offices in. To top it off, there's the self-righteous Netherlands.⁴ This country is right in the heart of 'respectable' Europe and a lieutenant in Germany's disciplinarian austerity-enforcers. The EU has more holes than the legendary cheese of tax evasion standard bearer Switzerland.

Constructing the European Union: myth and reality

The European Union is generally seen as a masterpiece of post-World War II strategic planning and implementation and moral enlightenment. It has been the beneficiary of much spin-doctoring, facilitated by a large-scale public relations machine that reaches into academia and the schools. The motif of the good news story is that what was to become the European Union brought both peace and prosperity to Europe.

The claimed initial key vehicle for both was the European Coal and Steel Community (ECSC). It was formally proposed in the French Parliament in May 1950, cemented in April 1951 with the 'Treaty of Paris' and entered into force in July 1952 – in the process deifying its main formal protagonists Jean Monnet and Robert Schuman. The correct line ("Why was the EU Created?") is that:

The aim of the common market with these raw materials was to make the countries economically and politically intertwined so that they would work together as equal partners and within common organisations.

Equal partners? Peculiar, then, that Britain, with significant coal and steel capacity, declined to support this project. Schuman sprung the May 1950 announcement on his own government, including Prime Minister Georges Bidault, on his own Foreign Affairs Ministry and on the French steel industry itself. Contemporary journalist and author Alexander Werth noted that "this was typical of M. Schuman's furtive statesmanship and diplomacy".⁵

Schuman was Foreign Affairs Minister in a decisive period between July 1948 and December 1952. That Schuman was even a Deputy after 1945, leave alone being Foreign Affairs Minister, is remarkable, given that he was among the majority that voted full powers to Marshall Pétain in July 1940 following the fall of France. Indeed, his eligibility for Parliament was contested in September 1945. The claim that he was a *résistant* is pure rubbish. But his *Mouvement Républicain Populaire* Party, being predominantly Catholic in personnel, would know all about the forgiveness of sins. Schuman is even in the process of being canonized for godssake.

Rather, European reconstruction was directed by the US. It was to be all about resurrecting Germany – period. As early as Spring 1947, Henri Bonnet, French Ambassador to Washington and on board with the American agenda, was relaying to French leaders their required subjugation and incorporation into what was to become the Schuman Plan.

The Conference on European Economic Cooperation, meeting from 12 July 1947, would simultaneously give birth to an organisational structure leading to the Schuman Plan, to the announcement of Marshall Plan funds tied to German reconstruction, and the cessation of reparations from occupied Germany.

It was first and foremost a Cold War project. Werth again:

“One thing, however, was certain: in the Cold War atmosphere of 1950-1 [the Plan] had not increased trust and cordiality between France and Germany, and had not brought ‘Europe’ any nearer. If only because, ironically enough, the Schuman Plan, that symbol of Franco-German friendship, was to be used, only a few months after its birth as the peg on which to hang the supra-national ‘European Army’, i.e. German rearmament. ...

M. Schuman ... seems to have had some form of German rearmament at the back of his mind for quite a long time, though he swore to Parliament that he hadn’t ...”

German rearmament required German re-industrialisation, centred on the heavy industry of the Ruhr. (An early idea in 1945, driven by remaining New Deal bureaucrats, the ‘Morgantheau Plan’, was to inhibit German re-industrialisation. That idea was readily overturned.) German rearmament was envisaged at least by War’s end, embodied in key strategists like John J. McCloy. The UK Labour government, with strident anti-communist Ernest Bevin as Foreign Minister, played poodle to US intentions. Churchill continued the belligerence towards France after the Tories’ electoral victory in October 1951.

German re-industrialisation meant the cessation of reparations, opposed by both Moscow and Paris. The US initiated the division of Germany towards that end, leaving the Soviet-occupied (and resource-impooverished) Eastern zone to Moscow as a consolation prize.⁶ France was told to like it or lump it. The Ruhr was handed back to (West) German authorities in Autumn 1948.

Following the London Conference on the fate of Germany, December 1947 – January 1948, the new German journal *Der Spiegel* commented: “the Bundeswehr has not been created to defend the Federal Republic but the Federal Republic has been brought into the world so that there should exist anew a German army with its canons turned towards the Soviet Union”.⁷

France was relentlessly threatened. On 11 September 1950, President Truman and Secretary of State Dean Acheson announced, without consultation, that Europe must have sixty armed divisions, of which ten would be German. On 24 October 1950, French Prime Minister René Pleven, himself supportive of the US thrust but mindful of fiercely hostile French opinion, floated the idea of a European Defence Community (EDC). Pleven's idea was that West German forces would be incorporated but under a supranational authority (borrowing the proposed structure of the ECSC). The idea received majority 'in principle' support in the French Assembly. NATO had been established in a Treaty between European and North American governments in April 1949, but West Germany was not party to that Treaty.

The EDC proposal faced heavy weather. The French wanted substantial restrictions on the German role. West Germany wanted nothing less than immediate sovereignty and independence. The US was already re-militarising West Germany independently. In October 1950, John McCloy, then presiding over the US Occupation Zone, lifted the limit on German steel production. The US appropriated the EDC idea, threatening France that it must discard the proposed restrictions. Meanwhile, Moscow sent a note in November 1950 wanting talks to further the de-militarisation of Germany but was ignored. At the Brussels Conference of the Six, August 1954, then Prime Minister Pierre Mendès-France was hounded mercilessly, not least by the Belgian Paul-Henri Spaak (another deified 'father of Europe'). Thus (Werth):

"You will be alone, Is that what you want? ... We must, *must* make Europe. The military side isn't everything. What matters more is the integration of Europe. EDC is only a step in that direction, but if there is no EDC, then everything falls to the ground ..."

After much stalling of the Americans and their allies by French authorities for years, the French Parliament rejected the EDC on 30 August 1954 (Werth). West German Chancellor Konrad Adenauer and his media support were furious, even though Adenauer's militancy regarding rearmament was being questioned in West Germany itself.

Prevarication in France was influenced by the coming to trial in late 1952 of French collaborators for atrocious crimes committed during the Occupation. In January 1953 began the trial of members of a Waffen SS unit (that included Alsatian conscripts) responsible for the reprisal massacre of the entire village of Oradour of over 600 people in June 1944. There followed the re-trial of General Carl Oberg, brutal Head of the Gestapo in Occupied France, in October 1954 when Oberg's death sentence was re-affirmed. This was hardly a propitious period for French leaders to accommodate German rearmament.

Prevarication in France was also partly influenced by the rise of a ‘neutralist’ sentiment.⁸ Apart from Communist outlets, the stance was aired in various versions across numerous journals – including *Combat*, *Esprit*, *L’Observateur*, the increasingly influential *Le Monde*, and the new *L’Express* – and gaining public sympathy. The ‘neutralists’ highlighted that France simply couldn’t afford rearmament of its own forces. For many such commentators, the US itself was on the nose – succumbing to McCarthyist hysteria. The execution of Julius and Ethel Rosenberg was met with disgust. In late 1950 and early 1951, the US, Clay presiding, freed a number of industrialist war criminals, jailed after Nuremberg, not least Alfred Krupp, restoring his fortune. Frederick Flick had been liberated in August 1950. The neutralists also found alarming the then US’ attachment to the regimes of Franco’s Spain, Syngman Rhee’s South Korea and Chiang Kai-shek’s Formosa. The neutralists thus became subject to an assertive American propaganda campaign which labelled them as ‘isolationists’.

The August 1954 EDC rejection was a pyrrhic victory. German rearmament began soon after, regardless of French opinion. The London and Paris Agreements of October 1954 granted sovereignty to West Germany, with West Germany and Italy admitted into NATO on 23 October, operative May 1955.

The University of Luxembourg’s CVCE site (*Centre virtuel de la connaissance sur l’Europe*), a pure propaganda outlet for the EU ‘success story’, passes this judgment on the Parliamentary vote:

France’s course of action met with considerable consternation in Western Europe and the United States. France, which had for many years been the champion of the European cause, found itself seriously discredited by its refusal to ratify the EDC Treaty. There was intense disappointment, and a rapid response was required.

‘Seriously discredited’? A disgusting evaluation, but par for the course with the massive propaganda machine – representative of the official ‘history’. France had been occupied and brutalized, industrially ravaged. But, as with the aftermath of World War I, France was to be the loser of the US-dominated post-War settlement, and the German aggressor designated as the beneficiary. France ultimately found secondary compensation for its treatment in the form of the Common Agricultural Policy.

The establishment of the ECSC proceeded but it appears that it is predominantly driven by the German steel and coal interests, not the famed bureaucrats and politicians.⁹

The US’ furtherance of German industrial and military reconstruction is consistent with its stance in the 1920s. The US undid Versailles and fostered German re-militarisation. Close

links between US and German financial and legal entities were furthered and little loosened during the Hitler interregnum. In 1945, it was effectively a return to previous affinities. The Weimar government pushed for 'equal rights' (*Gleichberechtigung*) for put-upon Germany; the US' approved fledgling German leaders after World War II did the same.

The Vatican, pro-German and highly politicized under Pius XI and Pius XII, considerably greased the wheels.¹⁰ A renewed Europe was to be a Catholic Europe. The very Catholic Robert Schuman, Konrad Adenauer and Alcide de Gasperi were in accord on the importance of this desired spiritual glue. Bolshevism was the ultimate evil.

The post-World War I return of defeated Germany to industrial significance was heralded in the establishment in September 1926 of an international (sic) steel cartel, dominated by the Germans, fronted by Fritz Thyssen. The French interest, represented by the Comité des Forges over which presided François de Wendel, played second fiddle. Robert Schuman, Germanophone, reactionary Catholic, working for Wendel interests early in his professional life, including as Deputy after 1919, would have known this story intimately. Hitler's rearmament was made easier on this foundation.

The ECSC was a vehicle for the re-establishment of a Continental heavy industry dominated by German interests. Much fanfare was made of sections of the ECSC Treaty (supposedly directed by US experts) devoted to inhibiting cartelisation, but they appear to have been only for public relations purposes. Industry consolidation *de facto* became the old new normal (as in Occupied Japan). French interests were decidedly disadvantaged, generally overseeing more costly operations. In place, sectoral rationalisation was a high priority, with the forced closure of lower productivity mines and factories, with a drive for lowest common denominator labour costs. It is arguable that the long term deindustrialisation of France began with the implementation of the ECSC.

The rush to German reconstruction meant that some of those who had served wilfully in the Nazi apparatus were readily slotted into senior roles in the new Federal Republic of Germany. Exhibit A is Walter Hallstein, elevated not merely in West Germany itself but immediately into the fledgling European Community institutions. That 'authoritative' source *Wikipedia* has Hallstein "initially (sic) as a fervent nazist" and "one of the founding fathers of the European Union". Quite.¹¹

The US' Cold War project was not only political and military; it was also commercial. The American 'Open Door' project was back on the agenda, such that Western Europe had to be open to American trade and investment. The economic linkages within the British and

French empires had to be dismantled. It starts with Marshall Plan funds tied to them being spent on American goods.

Significantly, the US also tried to close down East-West trade. This pressure was formalized (and militarized) in the 1951 Mutual Defense Assistance Control Act (the Battle Act), in which any and all trade (with ‘the enemy’) by European countries could be classified as threatening US national security.¹² Note the open-ended imagination of ‘US national security’. Bizarrely, under the ECSC umbrella, the US insisted on exporting its own surplus coal into Europe, undercutting Polish as well as French coal production – adding further pressure on French coal mines – and undermining the vaunted ‘European’ construction itself. So much for European prosperity. Does all this sound familiar? There is nothing new in attempting to kill nord stream 2.

Certain key US personnel straddled the political/military/economic divide, all devoted to the singular rehabilitation of Germany. A long quotation from Dutch political scientist Kees van der Pijl is desirable:¹³

“... the Atlantic connection dating from the interwar years, with its centre of gravity in Germany and comprising a series of investment banks linked to the Rockefeller group and Dillon, Read, reasserted itself. ... McCloy, the American High Commissioner for Germany, was close to the Chase Bank ..., and would become its head in 1953. McCloy’s deputy was B.J. Buitendijk, of Kuhn, Loeb. Among the American military authorities in Germany, Dillon, Read was represented by William Draper, who first held the job of economics head of OMGUS, the American military government, and after 1952 became European Head of the Mutual Security Administration. In the War and Navy Departments, [Robert] Patterson, a Wall Street lawyer for US investors in Germany, and [James] Forrestal, president of Dillon, Read, were the respective secretaries.

“In the period preceding the Marshall Plan, the old German hands in the American bourgeoisie exerted all their considerable influence against the spectres of German de-industrialization and neutralization. They lobbied strenuously against Soviet and French reparation demands in order to ensure that German assets would be available to support the recovery of capitalist Europe. Their strategy was to make the heavy industries of the Ruhr a core of a new Western European economy: an idea first broached to Secretary Forrestal in 1945 by Ferdinand Eberstadt, a former Dillon, Read partner. John Foster Dulles vigorously endorsed the idea.

“Further, in January 1947, he proposed the unification of the Western European coal and steel basin as a bulwark against the Soviet Union. And in August 1949, Dulles declared

during Senate discussion in closed session that “if the treatment of Germany is such as to involve the Germans becoming more friendly with the Russians than with the West, we are wasting any money at all in Western Europe”. Germany, even if only its Western half, would have to be fitted into the structure of Atlantic integration rather than allow self-determination lead to a disintegration of the Western European capitalist economy. “Russia has indicated her willingness to withdraw if we do the same, and we are not willing to do the same”, Dulles declared on the same occasion. The eventual partition of Germany was explicitly envisaged in this light.”

‘Good versus Evil’ doesn’t get a look in here, as the ultimate bottom line is the bottom line. ‘Freedom and Democracy’ is just another phrase for markets left to lose.

The European project a vehicle for peace? The proposition is ludicrous. The two linked planks of European reconstruction are remilitarisation (NATO armaments and German boots on the ground) and German reindustrialisation as a means of enhancing American Capital in Europe.

The ‘vehicle for peace’ story is presented as the absence of conflagration between France and Germany, but this is absurd. France was trying to reconstruct a war-ravaged economy. It was too busy shoring up its decaying colonial imprint in Indochina and the Maghreb. Rather, Europe was being reconstructed to potentially wage war with the Soviet Union, a War-time ally. The US had the bomb. The peace was ensured, hazardously, by the USSR acquiring a nuclear capacity in 1949 and by the threat of mutually assured destruction of opposing nuclear-armed powers.

The periphery was another matter. The US was busy waging war everywhere against national aspirations, the wars dressed up as slaying the anti-Communist bogey. The US picked up France’s dropped baton in Indochina in 1954. France and Britain wage war (with Israel) in 1956 against Egypt over loss of control of the Suez Canal.

The real test of the new Europe came in 1974 when Turkey invaded and occupied Northern Cyprus. The new Europe did nothing. Turkey is still in Cyprus, and Europe has still done nothing – even though Cyprus joined the EU in 2004. Turkey has perennially harassed its neighbour Greece, which has motivated Greece to pursue a disproportionate military apparatus resulting in an intolerable defense budget. Apart from these gratuitous expenses contributing to the legendary Greek debt, they also fill the coffers of the German and French armaments sectors.

The catchphrases ‘Europe means peace’ and ‘European solidarity’ were blasted to bits with the bloody dismantling of Yugoslavia. On 16 December 1991, the European Council

unanimously agreed on criteria for recognising Slovene and Croat independence, charging an arbitration commission to assess details. Germany (and then Austria) jumps the gun, hoping for inordinate influence in the new states. Europe also lights the fire under inter-communal tensions in Bosnia-Herzegovina. NATO, without the Soviet Union to justify its existence, embarks on murderous destruction of Serbia. Next, the cabal of France, Britain and NATO proceed to destroy a relatively prosperous Libya on the strength of a lie. Europe means peace indeed. The bubbling cauldron that is Ukraine was itching to be included on the list of Europe's great hypocrisy as a peace-loving construction.

The NATO establishment is also a vehicle to keep second rank European countries loyal to the pernicious enterprise. Denmark supplied Anders Fogh Rasmussen as Secretary-General (2009-14). Rasmussen is still out there, grandstanding, tweeting the necessity to supply more weaponry to Ukraine's depleted forces. Norway, an original NATO member, enters the pantheon of the killing machine with Jens Stoltenberg as Secretary-General (2014-23).

The Netherlands is in the first rank of fellow travellers. The Dutch elite self-consciously envisaged joining NATO as allowing the country to 'punch above its weight'.¹⁴ Thus did the Dutch supply two NATO Secretaries-General – Joseph Luns (1971-84) and Jaap de Hoop Scheffer (2004-09). Meanwhile, the Netherlands is happy to do the European dirty work under Prime Minister Mark Rutte in hosting a show trial of claimed Russian-backed operatives in the downing of MH17 in July 2014. This mentality of the elites is now displayed domestically in the employment of live ammunition against current demonstrators. What is there not to like about the Netherlands?

Forging economic union

The European Coal and Steel Community of 1952 had six members and becomes the European Economic Community (Common Market) in 1958. By January 1986, the EEC had expanded to twelve members. In February 1986 the Single European Act came into being. As an Englishman noted in a letter to *The Independent*, 3 January 2001:

“I recently attended a meeting in Henley Town Hall at which Mr Vaz, Minister for Europe, said that we had voted in a referendum to join the European Union. There was, quite rightly, complete and immediate uproar from the audience. What we voted for in a referendum was to join the European Economic Community, a free trade area, or Common Market. But this was changed, by the 1986 Single European Act, without anyone asking our opinion or giving us any vote on the matter, into the European Union, which thereby gained legal jurisdiction over our courts and aims to become the United States of Europe

instead of just a Common Market. ... Mrs Thatcher made a mistake in signing away our sovereignty in the Single European Act. There should have been a referendum. There was not.”

The letter writer had reason. The 2012 documentary *The Brussels Business*, by Matthieu Lietaert and Friedrich Moser, is enlightening (if perennially oblique). In 1983, CEOs of major European countries were brought together, notably at the initiative of Pehr Gyllenhammer (Volvo) and Wisse Dekker (Philips). They had in mind achieving scale against the US and the then powerful Japan. Thus was born the European Round Table of Industrialists. Simultaneously European Commissioner Étienne Davignon (Belgian, Spaak protégé) wanted the Commission to communicate directly with significant corporate leaders, by contrast with dealing with business federations to date. By happy coincidence, the incoming President of the Commission, Frenchman Jacques Delors (1985-99), was of like mind.

Documents unearthed by activists occupying ERT offices and later by US researcher Maria Green Cowles exposed the fact that some EC proposals were essentially direct reproductions of ERT reports and submissions. ERT heavies and senior EU Officials were meeting secretly every six months. Also unearthed was a letter from Dekker to Commissioners in December 1985 offering them the alternatives. Accommodate our agenda or we consider moving our plants elsewhere. Blackmail. Thus was born the Single European Act, courtesy of Big Business. A neoliberal program follows and ‘social Europe’ reduced to an ongoing hoax.

There follows the Maastricht Treaty of 1992-93, the crucial top down affair. Denmark and France held referendums. Denmark voted narrowly against, France voted narrowly for (Paris itself swamped the No vote in the hinterland). The European establishment was scared stiff. Denmark was granted concessions and the unruly masses came to their senses and voted Yes in 1993.

Even *Wikipedia* ([1992 Danish Maastricht Treaty referendum](#)) notes upfront the dilemma facing the establishment. Citing Pascal Lamy, Delors’ *chef de cabinet*:

“Europe was built in a Saint-Simonian [i.e., technocratic] way from the beginning, this was Monnet’s approach: The people weren’t ready to agree to integration, so you had to get on without telling them too much about what was happening. Now Saint-Simonianism is finished. It can’t work when you have to face democratic opinion.”

Except that Delors et. al just carried on as usual. They proceed with the formulation of a European Constitution in 2005. Among four national referendums, the Dutch and French

populations vote No. French workers voted massively against it. The Constitution plan is repackaged as the Lisbon Treaty, under which label it is voted down in 2008 by the Irish (in spite of a blanket Yes propaganda campaign). Further concessions follow, and the Irish then accept defeat.

The French had a dominant role (Delors advising President Mitterrand) in the road to Maastricht in 1992-93 and the euro in 1999-2002. Mitterrand's hopes for Maastricht were illusory. On the security front, Mitterrand hoped for a combined French/German military force. It didn't happen then and it isn't happening now (Germany wants France to hand over its intellectual property on military hardware). And its relation to NATO? On the economic front, Mitterrand hoped that the Maastricht austerity rules and the common currency would bind the French economy productively with the German economic powerhouse. It didn't happen.

Mitterrand constantly gave in to German demands in the interests of forging European unity. But German demands were in its national interest. In particular, as above, Germany pushed alone for the dismemberment of Yugoslavia, catering to internal pressure (the Catholic Church, Croatian Germans), Mitterrand sacrificing Yugoslav lives to accommodate Germany.

The European Union as unaccountable

The European Union is an authoritarian apparatus – period. The European Commission rules without accountability. It is formally a technocracy but governs without technocratic talent. Witness the hapless current Foreign Minister Josep Borrell Fontelles and the dangerously inept Commission President Ursula von der Leyen. The European Parliament is a hugely expensive travelling circus and talking shop with no legislative powers.

The European Court of Justice (ECJ) makes jurisprudence that overrides the laws of national states, without accountability. Wolfgang Streeck has highlighted that the ECJ has acquired its autonomy by stealth.¹⁵ There is nothing in the successive Treaties that give the ECJ this authority. In turn, the ECJ has created its own judge-made law that is seminal in further centralising EU authority in Brussels.

The European Central Bank (ECB) has no accountability by construction. The Europhiles were thrown into panic on 5 May 2020 when the German Constitutional Court at Karlsruhe issued a ruling that the ECB under the surprisingly pragmatic Mario Draghi had acted beyond its remit in facilitating a 'Public Sector Purchase Program' (PSPP), a form of 'quantitative easing'. The Court also denied a decision by the ECJ supporting the PSPP. The Court forbade the Bundesbank from participating in the PSPP until the ECB

demonstrated that the scale of the easing was ‘proportionate’ and would not upset Germany’s entrenched commitment to anti-inflationary ‘tight money’. Ironically, the Europhiles are in league with the German-constructed formal autonomy of the ECB when it is imposing ‘tight money’ on the EU but opposed to such autonomy when it considers facilitating expansion for a Continental economy still suffering from the 2008 GFC hangover.

Europhiles panicked further, indeed went hysterical, when they confronted that Poland might feel heartened by the Karlsruhe Court decision – which the Poles did. On 7 October 2021, the Polish Constitutional Court claimed the superiority of Polish law over European law. Hungary gave its support to Poland, as did the eurosceptic Czech President. Brussels had been heavying Poland for some time in response to some unseemly developments by the Polish state (threatening the independence of the judiciary, etc.) – bullying, fining, withholding grants due. Now, all hell broke loose. If Poland could get away with this, the authoritarian European integration trajectory would be finished. European disintegration would be on the cards. Brussels hands over some cash with strings attached, and Poland is left to lick its wounds.

The lack of ethics at the top in Brussels matches their lack of talent. The revolving doors are well oiled. The hard line austerity-oriented Commission President José Manuel Barroso slid over to become chairman of significant Brussels lobbyist Goldman Sachs International in Mid-2016. At the same time, Commission Vice-President Neelie Kroes was exposed as spruiking for Uber. Kroes was previously the European Competition czar (2004-09), overseeing the ludicrous impairment of national infrastructure monopolies (e.g., the French EDF, SNCF) doing their jobs efficiently. Barroso’s successor as Commission President Jean-Claude Juncker was the finance minister of Luxembourg for 20 years while Luxembourg enjoyed the prime spot as intra-EU tax haven. von der Leyen is currently under fire for a denial of transparency regarding her interaction with Pfizer in the process of the EU purchase of anti-Covid vaccines and the expenditure involved. The revolving door is also widespread amongst ex-Members of the European Parliament.

Then there’s the lobbyists. Brussels is Lobbyists Central. Spatially, the European Commission building is densely surrounded by lobbying establishments. Well over 11,000 groups are on the lobby register established in 2011 – many identical to those centred on K Street in Washington DC. The German NGO Transparency International estimated in May 2019 that about 37,000 people worked as lobbyists at Brussels, 26,500 of this number full-

time. These numbers compared to 43,000 EU functionaries. At the lobbying pinnacle, the European Round Table has been ‘inside the tent, effectively an integral part of the EU’s official infrastructure.

In 2005 NGO activists found a sympathetic ear in Commissioner Siim Kallas (Estonian) who initiated the push to have created a compulsory register. After three years trying, resistance from the lobbies led to the creation of a voluntary register only, leaving information incomplete. The push by NGOs for a mandatory register continues.¹⁶ There is no democratic counterweight – civil society doesn’t get a look in.

For example, what’s the status of glyphosate (Monsanto’s Roundup)? Up for its reign being ended in 2017, in spite of Monsanto’s arrogant non-cooperation with the European Parliament, Brussels gave the carcinogenic herbicide another five years life until December 2022. A significant lever of the lobby when complex technical issues are at stake is to buy in ‘respected’ academics and scientists to defend their case. No doubt its life will be extended again in December.

Brussels has been happy to negotiate a succession of trade treaties, sometimes with the support of craven national governments, with potential severe adverse consequences for European family business interests, especially farmers. Thus: TTIP/TAFTA (2013-17, fortunately abandoned), CETA (2009-14, provisional 2017, not fully in force), Mercosur (1999-2019, agreed in principle). The last has significant adverse implications for environmental standards (the Amazon is disappearing) in goods used in European production and consumed in European markets.

Untrustworthy ‘friends’

As for European solidarity, there is none.

It was discovered in 2013 that the US was spying on European leaders, not least Angela Merkel. In 2015 it was disclosed that German intelligence was spying on European political figures and businesses in the interests of the US. In 2021, it was disclosed that Danish intelligence was spying on the leaders of neighbouring countries in the interests of the US.

The US has regularly fined European corporations for doing business with the US’ (and Israel’s) designated enemies, thus breaching US-initiated sanctions. Peugeot, for example, had big business in Iran, but no longer possible. There was some European-wide talk about resistance to this racket. Out of gutlessness it went nowhere.

The sanctions are supplementary measures to more insidious means of instilling subjugation. The US has its French-American Foundation, created in 1976. The aim is to

bind French political, bureaucratic, military and business elites to US interests. Better to get them young – thus the FAF’s Young Leaders program. Future French Presidents François Hollande and Emmanuel Macron (and his first Prime Minister Édouard Philippe) went through it, as did (at least) four members of Hollande’s Cabinet (Moscovici, Montebourg, Vallaud-Belkacem and Pellerin). No wonder Hollande’s government displayed not a jot of its Socialist label. Do other European countries have a comparable setup?

EU enlargement eastwards

What about the enlargement of the EU to incorporate Eastern Europe and Slovenia and Croatia in 2004-07? The dominant economic outcome has been to provide cheaper labour for Western European EU members, especially Germany, enhancing de-industrialisation in the rest of Western Europe. Germany has even built a substantial agro-industrial sector out of the neo-colonial enterprise. The dominant political outcome has been to provide a land mass to bring NATO to Russia’s borders.

Eastward expansion has been a clinical procedure with an absence of good will, flush with paternalism for these downtrodden sods, liberated from Soviet tyranny. The absence of good will is manifest in the predation that readily suffused the unsophisticated national financial systems. Foreign banks rush in and, with local banks, flogged foreign currency loans (euros, Swiss francs, etc.) to uninformed retail borrowers. The result has been catastrophic for thousands of households.¹⁷ Victim representatives have been fighting for justice and compensation in national courts and the ECJ for years – with little success. The European authorities worry only about systemic risk of the lenders, while onboard bureaucrats and academics write of the loans being induced by ‘customer demand’, oblivious to the underlying criminality of the lenders who pushed the loans and hid the risk.

The EU hierarchy revisited

And post-Yanukovych Ukraine wants into this regimented, hierarchical and less than harmonious family?

Ukraine is well suited for subordinate entry, wherein it will give degraded Greece a run for its money. Ukraine’s ‘comparative advantage’ is already well established and will become entrenched with the splitting of its territory. Russia will appropriate the East and South-East with its industry and wheat crop. The Banderist West will be left with tourist destinations for neo-nazis, what remains of the suspect biolabs working on weaponized pathogens that the US wouldn’t house on home soil, surrogate motherhood for first world

barren couples, and desperate organ selling (especially kidneys). And now the ultimate comparative advantage – destruction of one’s community and death itself so that the US can maintain its unipolar global dominance and the European Union can play its satrap. Charming.

But back to Mateusz Morawiecki, as in the opening quote. Surely Morawiecki doesn’t believe this twaddle. In its acquiescence to the February 2014 Ukraine coup and the subsequent ethnic cleansing of Russophone Ukrainians, the European Union, with Poland on board, is already ‘defeated, humiliated and pathetic’.

Wikipedia conveniently provides Morawiecki’s personal trajectory. As a youth he readily saw through Soviet propaganda. Then why not, being apparently also an expert on European law, can he not readily see through the guff emanating from Brussels and from NATO itself?

According to Wikipedia, Morawiecki wants the whole truth told about the massacre of Poles under German Occupation during World War II by Ukrainian militias. He also wants proper reparations from Germany for the wartime murderous pillage of his country. Greece has been demanding reparations as well. Good luck with that.

Yet, with these reasonable grievances, Morawiecki is content to play hand maiden to the dictates of a foreign power accompanied by a European Union without backbone that has committed itself to economic hari-kari. And who is footing the bill for accommodating millions of Ukrainian refugees? Certainly not the Yanks.

Last word in – Germany is experiencing its first current account deficit in 31 years. The *homo economicus* that suffuses the economists’ catechisms has left the building.

The European Union is a misnomer. Rather, it is a collective pile of shit.

Notes.

- 1) *Europe: la grande liquidation démocratique*, 2017 (unfortunately not translated).
- 2) The brutal destruction of East Germany by a vengeful West Germany is neatly summarized in Knaebel & Rimbert’s “The economic Anschluss of the GDR”, *Le Monde Diplomatique*, November 2019.
- 3) *vide* Nicholas Shaxson, *Treasure Islands: Tax Havens and the Men Who Stole the World*, 2011.
- 4) *vide* Francis Weyzig, ‘International finance and tax avoidance vis Dutch special purposes entities’, 21 October 2013; Piotr Schulkes, ‘Tax Avoidance, Its Effects, and Dutch Facilitation’, *Seven Pillars Institute*, 25 September 2020.
- 5) Alexander Werth, *France 1940 – 1955*, 1956.

6) *vide* Bruce Kuklick, *American Policy and the Division of Germany: The Clash With Russia over Reparations*, 1972; Carolyn Woods Eisenberg, *Drawing the Line: The American decision to divide Germany, 1944-1949*, 1996.

7) This remarkable statement is cited in Annie Lacroix-Riz' "Vers le Plan Schuman: Les Jalons Décisifs de l'Acceptation Française du Réarmement Allemand (1947-1950): I" (« Towards the Schuman Plan: The Decisive Steps in French Acceptance of German Rearmament »), *Guerres mondiales et conflits contemporains*, July 1989. Part II of this article appeared in the October 1989 issue of the same journal. It appears that none of Lacroix-Riz' considerable writings have been translated into English – possibly because of their archive-intensive textual density but no doubt because they are dangerous to established verities.

8) John Marcus, "Neutralism in France", *Review of Politics*, July 1955.

9) This is the view of Lacroix-Riz, in her *Aux origines du carcan européen (1900-1960)* (« at the origins of the European straitjacket »), 2014.

10) *vide* Lacroix-Riz' *Le Vatican, l'Europe et le Reich: de la Première Guerre mondiale à la guerre froide* (« The Vatican, Europe and the Reich: from World War I to the Cold War »), 1996.

11) Victor Grossman (American political refugee to the 'other' side), then residing in East Germany, names in his 2019 *A Socialist Defector* a bevy of ex-Nazis whose past was conveniently obliterated.

12) Gunnar Adler-Karlsson, *Western Economic Warfare 1947-1967*, 1968.

13) Kees van der Pijl, *The Making of an Atlantic Ruling Class*, 1984, p.144.

14) Ramses Wessel, 'The Netherlands and NATO', 2003.

15) Wolfgang Streeck, 'Rusty Charley', *New Left Review/Sidecar*, 2 November 2021.

16) On the lobbying 'swamp' in general see, for example, Corporate Europe Observatory's activities and, in particular, its occasional reports like the 2017 Lobby Planet; also Politico's 'The web of connections behind Brussels lobbying'.

17) A book containing case studies, 'Foreign currency loans? Studies, essays, polemical treatises on the 'special banking product'' (English title), Budapest, 2018, is available here. *Evan Jones is a retired political economist from the University of Sydney. He can be reached at: evan.jones@sydney.edu.au*

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