
Single Europe Act: 1992

Creating the infrastructure for a new European corporatism

by William Engdahl

Barely had the ink dried on the 12-nation European Community's blueprint for creating a single internal market, the "Single Europe Act: 1992," than EC President Jacques Delors began to elaborate on the political implications of what could be the most serious transformation of Western Europe since the collapse of the old Hapsburg Empire. On paper, the act eliminates all border controls on movement of people, goods, finance, and animals. Financial and tax laws will be "harmonized," as well. But Delors admits there's more.

On March 28, he told a Brussels correspondent for Italy's *Corriere della Sera* that his plan for 1992 includes simultaneous creation of a "true European government," independent of any sovereign national governments, including those of Germany, France, Italy, and Denmark. His supranational government would be a parody of the old Roman imperial rule over Europe in the early centuries of Christendom. Brussels would be the political capital. Each of the 12 member states would delegate cabinet ministers, with the European Parliament selecting a "President of Europe."

The proposal is explicit confirmation of *EIR's* warnings of what leading planners have in mind for Europe in the coming period. The architects shaping this transformation of Europe in 1992 intend this not simply to create an echo of the United States in economic terms, but as a prelude to creation of a supranational dictatorship in Western Europe, as the European economies are increasingly placed at the service of the Soviet Union.

The central bank

The final component of this "pan-Europe" dictatorship will be a single, autonomous Central Bank of Europe. This is the centerpiece of the EC plan, although so far kept in the background as a matter of obscure technical debate. Such a central bank would impose top-down control over the money and credit and the investment policy of every nation in the EC. This new central bank is the brainchild of the Committee for a European Currency Union, set up 18 months ago by former French President Valéry Giscard d'Estaing and former German Chancellor Helmut Schmidt.

At the June 1988 EC ministerial summit in Hannover, the European Central Bank plan will become an official agenda item for the first time. The architect of the Schmidt-Giscard

scheme admits that it is modeled on the U.S. Federal Reserve model. Each European country in the EC would constitute a "region" within the autonomous European bank. But overall policy will be drawn up independent of any national political interference. The implications of this aspect of the 1992 "Perestroika West," as some in Europe are dubbing it, is an end of the institution of national sovereignty for this part of Western civilization. In a Jan. 9, 1988 editorial on the subject, Europe's leading banking weekly, London's *The Economist*, approvingly noted that such a European central bank "would impose tight constraints on national governments. There would be no such thing, for instance, as national monetary policy. . . . Each national inflation rate would be within its charge. . . . This means a big loss of national sovereignty."

The powers backing this supranational plan confirm that it is intended to be the modern form of the 1920s corporatist state (for example, Mussolini). Corporatism was the name given to the police-state alliance of government, trade unions, and industry to impose savage austerity on the Italian population in the depression of the late 1920s and 1930s. Corporatism was imposed on Italians through directives from Bank of England Governor Montagu Norman, New York Reserve Bank Governor Benjamin Strong, and the private J.P. Morgan & Co. Bank of New York, London, and Paris. The aim of their corporatism then was to create an "independent" Bank of Italy, run by the international bankers, in order to collect billions in debt owed to private British and American banks, while those same banks eliminated the credit for trade and industry by which Italy, Germany, France, and other European nations could easily have produced their way out of the crisis.

Just as Mussolini's fascist "corporatism" was the bankers' solution to the crisis in the late 1920s, today, a related network of international banking interests is backing the creation of a European Central Bank in order to dictate a far more efficient, computerized police-state austerity, appropriate to the scale of speculative debt of the 1980s. These are the backers of the Schmidt-Giscard committee. They include the director of West Germany's largest private bank, Wilfried Guth of Deutsche Bank; the former governor of the Bank of France, Renaud de la Genière of Banque Indosuez; Jelle

Zijlstra, former head of the International Monetary Fund and director of the Dutch insurance multinational National Netherlands, a key backer of the 1992 "European perestroika." Rinaldo Ossola of Trieste, Italy's Assicurazioni Generali completes the elite group comprising the Schmidt-Giscard committee.

Assicurazioni, one of the most secretive and powerful insurance giants in the world, includes on its board Camillo De Benedetti, cousin and business partner of the infamous raider, Carlo De Benedetti. It also numbers French presidential hopeful Raymond Barre, a leading European Trilateral, and Nate Samuels of New York's Jefferson Insurance and the grain-cartel firm Dreyfus, which runs all the Russian business of "red billionaire" Jean Baptiste Doumeng's grain trade firm, InterAgra.

It is most important to note the role of Assicurazioni Generali's Count Volpi di Misurata as the 1920s architect of Mussolini's fascist austerity and wage reduction policies. Volpi was both finance minister and Morgan bank agent. The same Assicurazioni is in the middle of the present effort to create a European-wide corporatist vehicle to impose savage reductions in living standards and employment under the banner of "making Europe competitive" in the 1990s.

The Committee for a European Currency Union has spawned a parallel lobby group of multinational European business executives who are creating the impression of powerful industrial backing for the supranational central bank, the so-called Association for a European Monetary Union. The association is headed by Philips chairman van der Klugt, Fiat's Gianni Agnelli, and France's Francis-Xavier Ortoli. The association's members are virtually the same as a third elite lobby known as the European Industrialists' Roundtable, which is run by Philips' director Wisse Dekker and Carlo De Benedetti.

'Kicking and screaming'

The association and the roundtable are extremely influential policy voices inside the EC Brussels bureaucracy, shaping the supranational apparatus of 1992. An aide to Francis Lord Cockfield, EC commissioner responsible for the 1992 internal market process, admitted in recent discussion that these groups were at the center of things. One Brussels insider went even further: "The roundtable is very vocal and very visible. The EC listens to those who cry the loudest. Brussels is a paradise for such pressure groups. They are extremely well financed."

As we noted earlier, (see *EIR*, March 11), the 29 companies behind the roundtable, led by Philips, Volvo, Daimler-Benz, Nestle, Unilever, Olivetti, ASEA-Brown Boveri, Ferruzzi, Siemens, and Fiat, are the same employers who are pushing most actively for the elimination of decades-old institutions of social security, job protection, and trade union rights which have at least partially insulated European working people from the brutal effects of industrial cutbacks.

These companies' executives, the architects of "1992,"

argue that they must implement such austerity policies in order to be "prepared" for 1992. George Taucher, of the Lausanne, Switzerland industrial strategy think tank, IMEDE, stated that the greatest benefit of the 1992 reforms will go to aggressive companies like De Benedetti's, which grab the initiative in cross-national mergers and acquisitions: "These companies may drag the political forces, kicking and screaming, into the 21st century. Many manufacturers who join together will need to eliminate factory capacity. This restructuring, which has been nationally based in the past, will now become European-wide, resulting in winners and losers. There will be screams of rage and a lot of resistance."

A new European feudalism

The common threads in the three "1992" lobby groups are European supranational banking and key Socialist International figures or institutions. As informed European insiders have noted, in order for governments to impose more severe austerity on their populations, the institutional role of the Socialist International is indispensable.

The reason for this is the traditional role of the European socialist parties as controllers of the well-organized European trade union organizations. Schmidt is the Socialist International spokesman for the 1992 European Central Bank plan. France's Socialist President Mitterrand is very much basing his re-election ambitions on pushing the 1992 process, including the central bank idea. Jacques Delors has been rumored to be a choice for premier in a Mitterrand government. Delors is a leading member of the Socialist International.

The top figures in the European Industrialists' Roundtable are also linked with the Socialist International. Nestle Corp., according to reliable French sources, enjoys strong covert trade ties with Moscow and Eastern Europe. It is one of the strongest policy influences on Mitterrand through the firm's Bettencourt family. Roundtable's Daimler-Benz chairman, Edzard Reuter, is a Socialist International member, placed in control of the important European auto and aerospace conglomerate through the personal intervention of Deutsche Bank chairman Alfred Herrhausen.

At Moscow's service

If "1992" is realized as planned, Europe will once again become a fascist nightmare. But, if the architects of "1992" have their way, instead of serving the coffers of New York and London banks as in the 1930s, the new European corporatism will answer to a new master, in Moscow. Leading "1992" figure Carlo De Benedetti, in a recent French television appearance with his close friend, Giscard d'Estaing, called French Agriculture Minister François Guillaume's call for a Marshall Plan for Africa "rubbish." Instead, he called for a "Marshall Plan to the East," placing Western industrial capabilities at the disposal of the Soviet Union. Giscard endorsed the call, adding, "As Europeans, this would help us to transfer technologies and investments and to contribute to their development."