

Lend Lease and Perpetual War

by [Brian Patrick Bolger](#) (August 2024)



Lend-Lease Act: The Way of the Stork (Leslie Illingworth, 1941)

Britain completed repaying its Lend-Lease obligations to the United States in 2006. There is no such thing as a free lunch. Yet the Lend lease program cost the US, approximately 50 Billion USD (equivalent to about 680 Billion USD today). No chump change. As monetarist PM Mrs Thatcher opined as she snatched the little milk bottles from children's hands in 1976, 'There is no such thing as a free school meal.' The original agreement for Lend-Lease assistance during World War II stated that the goods given would be leased rather than donated, with repayment obligations to be laid out after the war ended. Negotiations continued over the terms of the repayment, and payments were made over several decades, the final payment made in 2006.

The US perceived the loans, as with the Marshall Plan for Germany (repaid in 1971) as existential. That is, Lend Lease constitutes a type of symbiosis, creates dependencies, and allows the hegemonous power to acquire 'favours.' This, in Europe, amounts to air bases, diplomatic ties and influence. The remit after 1945 was to keep the Communist wolves from the door. It means the recipient is 'tied in' to the economic and political system of its donor. It works in a similar fashion for the Chinese; indebting south Asian nations with initially 'soft loans' but embedding their influence; it is 'Janus faced.'

Fast forward and nothing has changed. The G7 rolls out its 'game changing' Lend Lease program for Ukraine in 2022 and has just agreed a new tranche of 50 Billion USD. It is a 'loan' secured against the confiscation of Russian assets. Rishi Sunak, the UK PM, described the 50 Billion USD loan as '[game-changing](#).' Its a 'win-win' for the US, as the loans are guaranteed against Russian assets. Yet it places Europe in a precarious situation as Russia has 5000 nuclear missiles on its borders. The US, as usual, however, is playing the game 'away from home.' The US wants its cake and to eat it as well.

Confiscated Russian assets, stored in Belgium's central depository 'Euroclear' assumes a 3 billion USD interest per year. By this method the US can finance the war against Russia using Russia's own money.

The signal is the thing, as Hamlet opined, to catch the conscience of the king (or the Tsar in this case). More important perhaps is the 'signal' this gives to China and Russia. It is (or was) that the west can penalise you if you don't play the game. Yet the long game of the Chinese sees its own currency backed regime to rival dollar hegemony. And why not? –since they own the resources and oil to decouple from the dollar system. It's more important than the aid. It is part of the attempt to carve out the respective '*grossraums*' (or civilisational empires) of the US and China. This is the de facto realpolitik at work and has little to do with assumptions about 'Liberal Democracy.' That is old hat in a world of resource determination. Vassal states are all the rage in the 21 st Century. We are beyond 'good and evil,' 'the free world against the Communists,' 'dark v light.' We have long since crossed that Rubicon.

When Kant penned his *Perpetual Peace* in 1795, he spoke of a universal coexistence of Republican states which will veer towards peaceful cohabitation. Kant's influence was seen in Woodrow Wilson's post First World War 'Fourteen Points,' and is visible in the tenets of the United Nations. Thee idea being that international economic cooperation, such as Globalisation, would lead to 'perpetual peace.' This Kantian modernist assumption has been trampled underfoot by recent developments, particularly the contradictions of 'globalisation.' Globalisation works only within a continued assumption regarding what the French economist [Piketty](#) called the 'rate of return on profit' against 'social income' ($r > g$). To afford the welfare state of the post war era, the rate of return on profit was compromised (strong Trade Unions, civil unrest etc). When this rate becomes embattled, as with the

present move to onshoring, deglobalisation, the stress to find profit becomes overbearing. This is encapsulated in the era of 'Keynesian War' which effectively began in conjunction with large scale armaments industries. Keynesian war provides stimulation to domestic industries and profit. It is not the only factor in town but it is the most pervasive. Once Colonialism was saturated, capital, like a form of osmosis, sought new territory. Globalisation, consumption, technology have their limits.

What could possibly go wrong? The US, forcing the European states to freeze Russian assets, is effectively attempting to force Russia's hand through asset confiscation. Although a big 'ouch' for the Russian nomenklatura, it fails to recognise the sea-change in the shifting oceans of '*grossraums*.' The nation state is being undermined by epoch changing shifts. From a discontented EU, the limits of the post-Westphalian (Treaty of Westphalia, 1648) world are coming to the fore. China and Russia see the transitions, but the west, mired in internal liberal struggles, refuses to recant (excuse the pun) on the eclipse of the Enlightenment. Liberal democracy effectively rests in a gargantuan tension between 'Liberty' and 'Equality.' These tensions have never been resolved, despite welfare states, socialist governments, democrats and republicans, and revolutions. These tensions become debilitating, especially in the west, in which they have become suicidal.

The Peace of Westphalia of 1648 ended the Thirty Years War, ostensibly between Catholic and Protestant Europe; a war in which approximately eight million people had died. The Peace gave birth to the idea of 'Westphalian Sovereignty' –from the ruins of the certainty of the Holy Roman Empire. For our purposes, although Westphalia was not tantamount to the birth of nation states, it did establish a conception of the sacrosanct nature of borders and a right to self determination. This type of sovereignty has now faced

challenges from two fronts after 300 years of its principled acceptance, although not 'rigorous' application. Firstly, there came the tsunami of *globalisation*—and, like its predecessor, 'Bretton Woods,' toppled national frontiers in its ebullient energy. Then there was the self satisfied 1990s, that sad decade when '*The End of (Insert Idea)*' followed one after another, when historians, in true Hegelian hysteria competed to forecast the end of something or other. The 'End of History' was here; it was a triumph of Enlightenment virtues, a liberal democratic mission to be exported, of capitalism and Coca Cola.

That era of Occidental thinking is drawing to a close. When the 'New World' discoveries and Britain's maritime ascendancy set in motion the modern 'Nomos' of the world from the fifteenth century onwards, that also appeared fixed and certain. Each epoch believes the permanence of its ideal, its territory and 'nomos.' Nomos was the Greek phrase Carl Schmitt used to describe these lurching, giant states (or civilisational states) and their remit to conquer the world, from the Roman Empire onwards. 'Nomos' derives from a state's geographical, cultural and resource domination. The '*jus publicum Europaeum*' which came out of the end of the Holy Roman Empire formed the basis for European hegemony. The curse of progress, its Achilles heel is to believe in the eternity of the present.

The new 'Nomos' of the west is not globalisation or liberal democracy. It is not Islam. In fact, it is something fed and nurtured by all empires or civilisations once they lose the spirit of their early hegemony and hand over the keys to a competitor; it is a type of complacency, a forgetting, a sickness. They wave goodbye to the ethos which made them successful in the first place.

The west is bereft of leadership and 'telos.' As Gloucester warns in King Lear, '*Tis the times plague, when madmen lead the blind.*' The Faustian pact between Russia and China is not

a causal necessity of the Ukraine conflict but an alliance to systemically rewrite the *Nomos* of the world. The Chinese have a phrase '*Tianxia*' –'All Under Heaven' –which places order and conformity above all else. The emperor was always, not merely the Emperor of China, but of the world. Chinese thinking equates the existence of one sun to one earthly ruler. The Emperor was akin to the 'divine right' of European kings. The Qin Han dynasty, from the third century BC, saw a Confucian Legalism which ruled for more than two millennia in Eastern Eurasia, until the end of the nineteenth century. Modern China is resurrecting this dynasty of tributary taxation, through economic dependence, soft loans and creating a Chinese diaspora throughout Asia and Africa. The Occident, like Oedipus, has gouged out its eyes of perception, a willing blindfolding for the outsourcing of manufacturing capacity and cheap imports. It has embraced liberal weakness instead of strength.

Ideas based, civilisational states, like China and Russia, utilise narratives of historic destiny, like the 'conservative revolution' thinkers of Weimar. These states see their goals as long term and historic, divinely ratified even. They see beyond the short termism of representative democracy. Economic growth is just one aspect of a destiny. Western notions of 'progress' are aligned to a colonial view of globalisation. It is a Westphalia 2.0 : nation states and FDI driven global capital. The winner of this race is able to utilise resources, investment and labour. Now this tide is in abeyance. The real pushback is from China (Russia being the 'simulacrum'). They have arrived late at the party and want their cake. Lend Lease and loans are plasters on festering wounds, not really solving the deep systemic problems of the West, or International Relations. Whilst Rome burns the fiddlers of modernity are singing about human rights and transgender, rainbow ideologies. A Spenglerian son is setting on the west.

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