



## BlackRock's monetary 'regime change' is fascism

By Elisa Barwick

On 22 August, timed to coincide with the annual gathering of global central bankers at Jackson Hole, Wyoming on the theme "Challenges for Monetary Policy", the largest asset-management company in the world issued an extraordinary call. BlackRock, with investments of nearly US\$7 trillion, called for monetary and fiscal policy to be fused into a single weapon deployable by central banks against the oncoming financial crisis. It is a weighty proposal, coming from former central bankers including former Swiss National Bank president and current BlackRock vice-chair Philipp Hildebrand, former Federal Reserve vice chairman and former Bank of Israel governor Stanley Fischer, and former Bank of Canada deputy governor Jean Boivin, who all co-authored a new report.

The deployment of this new capability will not be aimed at saving economies or citizens, but at continuing the failed mission of reinflating speculative asset bubbles which are again threatening to blow after twelve years of central bank interventions to artificially prop them up. Those interventions have left central banks trapped, admitted US Federal Reserve Chair Jerome Powell at Jackson Hole, with interest rates "pinned near zero". Powell announced the Fed was conducting a review of its monetary policy tools, and "asking whether we should expand our toolkit".

In an interview with Bloomberg on 15 August, Hildebrand explained the BlackRock proposal. Referring to persistent ultra-low interest rates, Hildebrand warned that if we hit a crisis, "really there is very little, if any ammunition left ... we're hitting rock bottom in terms of how low you can drive interest rates in Europe". Introducing the new BlackRock paper, titled "Dealing with the next downturn: From unconventional monetary policy to unprecedented policy coordination", Hildebrand asked, "so therefore ... what comes next? What's the next regime? And my guess is that if we go into that environment we're going to see a regime change in monetary policy that's as big a deal as the one we saw between pre-crisis and post crisis [the introduction of central bank-unleashed quantitative easing]. And one element of this, an important one, will be a *blurring of fiscal and monetary activities and responsibilities*." (Emphasis added.)

Under the new regime central banks would assume a role in fiscal policy, in addition to their role in deploying monetary policy. BlackRock proposes an "unprecedented response" to the crisis known as "going direct", whereby the central bank puts money directly into the hands of public and private spenders, including governments, to stimulate the economy and boost inflation. The proposal demands "a more formal—and historically unusual—coordination of monetary and fiscal policy to provide effective stimulus".

This is necessary, BlackRock says, because governments cannot be relied upon to utilise fiscal policy efficiently, and they are bound by multiple constraints, from concern over high debt levels or hardwired deficit limits, to political and regulatory restrictions, the need for legislative approval or time lags associated with multiple layers of government. "[F]iscal policy is typically not nimble enough, and there are limits to what it can achieve on its own", says the report.

While the BlackRock report points out problems with so-called helicopter money, and claims that its proposal is

distinct from this and from Modern Monetary Theory where monetary policy directly finances fiscal deficits, the difference seems to be only one of scale. The report suggests that its mechanism would be different than historically disastrous examples of monetary financing such as that created by the hyperinflation of the 1920s Weimar Republic, because by enshrining central bank independence its decisions would not be "dominated by short-term political considerations" that lead to "uncontrolled fiscal spending".

The proposal would establish a special facility, which while permanent would be activated only as necessary for a discrete, pre-set time frame. Central banks would activate the "Standing Emergency Fiscal Facility", and decide the size of the stimulus. According to Bloomberg's report, "Independent experts would decide how best to deploy the funds". In last week's AAS, we reviewed the role of BlackRock in the Green Finance Initiative which shows financiers are currently stoking a new green bubble as a means of propping up the financial order. ("The City of London's new green bubble", AAS, 21 Aug.)

Without the proposed regime change, which would grant private central banks some of the powers of government, central banks are almost out of ammunition to forestall the crisis. Following the Jackson Hole meeting, President of the St Louis Federal Reserve James Bullard told London's *Financial Times* that a financial "regime shift" had been recognised, which meant that "cherished notions" of central banking are being rethought. "We just have to stop thinking that next year things are going to be normal", he said, affirming that there would likely be no return to pre-global crash policies.

The Bank for International Settlements (BIS) has already enshrined bail-in laws into legislation across the globe, which put banks ahead of people in a financial crisis, allowing bank regulators to confiscate savings and investments to keep banks afloat. But the lust to assume the powers of governments only grows. A new BIS working paper, "(Un)conventional Policy and the Effective Lower Bound", which insists that "credit policy can be a powerful substitute for interest rate policy", bolsters the BlackRock assessment. The BIS advocates a combination of standard and non-standard central bank policies, affirming that central bank lending can subsume private lending in reaction to a financial shock, providing "direct credit to the economy".

### Who calls the tune?

There is nothing wrong with the idea of deploying credit into the economy, but the question is, who deploys it and for what purpose? Allowing the banks that channelled 100 per cent of QE into speculative asset bubbles rather than the productive economy, creating gross inequality and even worse financial and debt bubbles, to engineer this new credit policy would amount to collective suicide.

Similar proposals for injections of credit into the economy, *by governments* for nation-building projects, are denounced as populism or anathema to the free market. Since



Philipp Hildebrand. Photo: Screenshot

the formation of the Bank of England as a private central bank in 1694, the unwritten law of the UK was that governments must not interfere in banking. This was expressed by 19th-century British Prime Minister William Gladstone in 1852: “The hinge of the whole situation was this: the government itself was not to be a substantive power in matters of finance, *but was to leave the Money Power supreme and unquestioned.*” (Emphasis added.)

This has been true for Australia whenever we attempted to create national credit. The reaction was particularly fierce when Labor Treasurer Ted Theodore proposed a fiduciary note issue during the 1930s depression to revive the economy, and in 1945 when the Labor government of John Curtin moved to make the war-time credit creation of the Commonwealth Bank permanent. City of London-deployed

banking authorities intervened to stop us every time. (See *Time for Glass-Steagall Banking Separation and a National Bank!*, CEC, May 2018.) This was re-stated after the global financial crisis when Treasurer Joe Hockey told the Federal Parliament that “If there have been any lessons learnt, Mr Speaker, over the last 30 years in Australia, it is that government should not be involved in banking.”

Giving power over banking, and the economy more generally, to private, unelected bankers puts us firmly back on the path to fascism, which not coincidentally was born in the lead-up to the 1930s depression. US President Franklin Delano Roosevelt nailed this phenomenon as a betrayal of the powers of government to private interests, in the opening words of his 29 April 1938 Message to Congress on Curbing Monopolies, excerpts of which we republish here.

## Message to Congress on curbing monopolies

*By US President Franklin Delano Roosevelt, 29 April 1938*

Unhappy events abroad have re-taught us two simple truths about the liberty of a democratic people.

The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is Fascism—ownership of Government by an individual, by a group, or by any other controlling private power.

The second truth is that the liberty of a democracy is not safe if its business system does not provide employment and produce and distribute goods in such a way as to sustain an acceptable standard of living.

Both lessons hit home.

Among us today a concentration of private power without equal in history is growing.

This concentration is seriously impairing the economic effectiveness of private enterprise as a way of providing employment for labour and capital and as a way of assuring a more equitable distribution of income and earnings among the people of the nation as a whole. ...

We believe in a way of living in which political democracy and free private enterprise for profit should serve and protect each other—to ensure a maximum of human liberty not for a few but for all.

It has been well said that “the freest government, if it could exist, would not be long acceptable, if the tendency of the laws were to create a rapid accumulation of property in few hands, and to render the great mass of the population dependent and penniless.”

Today many Americans ask the uneasy question: Is the vociferation that our liberties are in danger justified by the facts?

Today’s answer on the part of average men and women in every section of the country is far more accurate than it would have been in 1929—for the very simple reason that during the past nine years we have been doing a lot of common-sense thinking. Their answer is that if there is that danger it comes from that concentrated private economic power which is struggling so hard to master our democratic government. It will not come as some (by no means all) of the possessors of that private power would make the people believe—from our democratic government itself.

Even these statistics I have cited do not measure the actual degree of concentration of control over American industry.

Close financial control, through interlocking spheres of influence over channels of investment, and through the use of financial devices like holding companies and strategic minority interests, creates close control of the business

policies of enterprises which masquerade as independent units.

That heavy hand of integrated financial and management control lies upon large and strategic areas of American industry. The small business man is unfortunately being driven into a less and less independent position in American life. You and I must admit that.

Private enterprise is ceasing to be free enterprise and is becoming a cluster of private collectivism: masking itself as a system of free enterprise after the American model, it is in fact becoming a concealed cartel system after the European model.

We all want efficient industrial growth and the advantages of mass production. No one suggests that we return to the hand loom or hand forge. A series of processes involved in turning out a given manufactured product may well require one or more huge mass production plants. Modern efficiency may call for this. But modern efficient mass production is not furthered by a central control which destroys competition among industrial plants each capable of efficient mass production while operating as separate units. Industrial efficiency does not have to mean industrial empire building.

And industrial empire building, unfortunately, has evolved into banker control of industry. We oppose that.

Such control does not offer safety for the investing public. Investment judgment requires the disinterested appraisal of other people’s management. It becomes blurred and distorted if it is combined with the conflicting duty of controlling the management it is supposed to judge.

Interlocking financial controls have taken from American business much of its traditional virility, independence, adaptability and daring—without compensating advantages. They have not given the stability they promised.

Business enterprise needs new vitality and the flexibility that comes from the diversified efforts, independent judgments and vibrant energies of thousands upon thousands of independent business men.

The individual must be encouraged to exercise his own judgment and to venture his own small savings, not in stock gambling but in new enterprise investment. Men will dare to compete against men but not against giants. ...

The power of a few to manage the economic life of the nation must be diffused among the many or be transferred to the public and its democratically responsible government. If prices are to be managed and administered, if the nation’s business is to be allotted by plan and not by competition, that power should not be vested in any private group or cartel, however benevolent its professions profess to be.

# Bank of England proposes virtual world currency

The head of the Bank of England came to the Kansas Federal Reserve's bankers' conference in Jackson Hole, Wyoming, on 22-24 August, to propose the US dollar be replaced, in trade and investment, by a digital world currency. Mark Carney spoke highly of the "Libra" digital currency planned by Facebook—which the US Congress is trying to stop. Carney's new reserve currency would be controlled by the Bank of England and other big central banks, and is another move in the direction of central bank domination of national economic policy and the cashless society being pushed by the world banking fraternity.

The value of the dollar, Carney complained, is making it harder for his Bank of England, the Fed, and other central banks to keep bailing out London and Wall Street and Tokyo megabanks, as they've done for more than 10 years since the 2008 global financial crash. Even quantitative easing and negative interest rates don't work any more, and another financial crash is looming.

Carney blamed this on governments, and especially the US dollar. Half of all international trade and two-thirds of world securities are denominated in the dollar, which means US interest rate and exchange rate policy affects distant parts of the globe. It also feeds a "global liquidity trap" as the reserves of nations pour into US dollar assets.

Instead, Carney proposes a synthetic world currency to replace the dollar. The banking honcho addressed the rising role of China's renminbi in international trade, but as "the most likely candidate for true reserve currency status, the renminbi has a long way to go before it is ready to assume the mantle". (Note that the City of London has the biggest offshore renminbi trading centre outside of Hong Kong.) The best alternative would be "to build a multipolar system ... such a platform would be based on the virtual rather than the physical", Carney suggested.

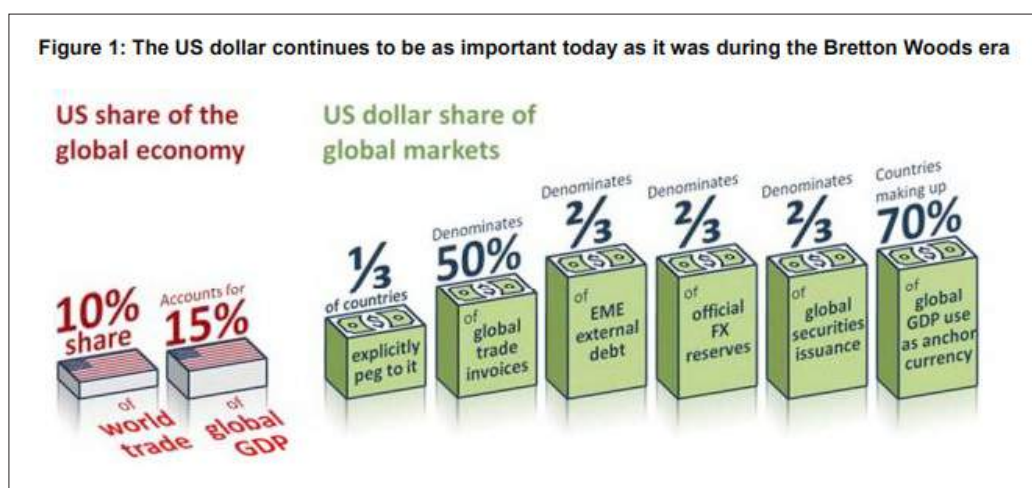
He proposes a new Synthetic Hegemonic Currency (SHC) based on the model of Facebook's Libra, but issued by the central banking system: "A new payment infrastructure based on an international stable coin fully backed by reserve assets in a basket of currencies including the US dollar, the euro and sterling." However, "it is an open question whether such a new SHC would be best provided by the public sector, perhaps through a network of central bank digital currencies.

"An SHC could dampen the domineering influence of the US dollar on global trade. If the share of trade invoiced in SHC were to rise, shocks in the US would have less potent spillovers through exchange rates and trade would become less synchronised across countries.

"The dollar's influence on global financial conditions could similarly decline if a financial architecture developed around the new SHC and it displaced the dollar's dominance in credit markets."

## Eurodollar parallel

In the 1950s the City of London launched the so-called "eurodollar" to deliberately destroy the Bretton Woods



A graphic used by Gov. Carney. Photo: BoE

monetary system; the new digital currency is intended to prevent a New Bretton Woods from emerging. As documented by British author Nicholas Shaxson in his landmark 2011 book *Treasure Islands: Tax Havens and the Men Who Stole the World*, the eurodollar was a London-based market for global speculation in dollars, which created today's modern offshore financial system. This led to the set-up of tax havens and rampant, unregulated speculation, by bypassing the controls of the Bretton Woods system (which included exchange controls, interest rate caps and Glass-Steagall bank separation), by allowing US dollar operations to technically take place "outside of the system" of any one nation. The existence of this lawless zone forced nations and jurisdictions across the world to liberalise and deregulate in order to compete. The dismantling of the Bretton Woods regulations began in earnest. ("[How London's Euromarket killed Bretton Woods](#)", AAS, 19 Sept. 2018)

Based on a currency with no physical basis whatsoever, the Carney proposal goes another step in this direction. The dominant role of the US dollar in international trade and investment is the only remnant left of the Bretton Woods system envisioned by US President Franklin Roosevelt. Despite it not entirely having met FDR's prescription, due to his untimely death, Bretton Woods allowed stable currencies and strong growth in the United States and Europe for 30 years after World War II. Richard Nixon formally abandoned the Bretton Woods system in 1971 under pressure from London banks, giving them the speculative casino of "floating currency rates" they wanted. As a result, today US\$5.5 trillion of currency trading turns over on a daily bases, 99 per cent of it pure speculation.

The late US statesman and economist Lyndon LaRouche long proposed a New Bretton Woods agreement, to be launched by the four major world powers, the United States, China, Russia, and India, with a major focus on uplifting developing nations. The BRICS nations (Brazil, Russia, India, China and South Africa) have promoted a new financial architecture which moves in this direction, including increasing trade settlement in local currencies. For this to succeed, however, it must be backed by an architecture of fixed, stable currencies, backed by *sovereign* national economies collaborating on economic reconstruction.

—With EIR News Service



## Only real economic growth can restore financial stability

By Elisa Barwick

With growth tanking in the world's largest economies, Too-Big-To-Fail banks again in trouble, and a recession expected by both markets and central banks, it is urgent to examine and correct the fundamental economic failures that precipitated the 2008 global financial crisis. All of the measures currently proposed to alleviate the impact of the impending blowout are designed to sustain and protect the current flawed system.

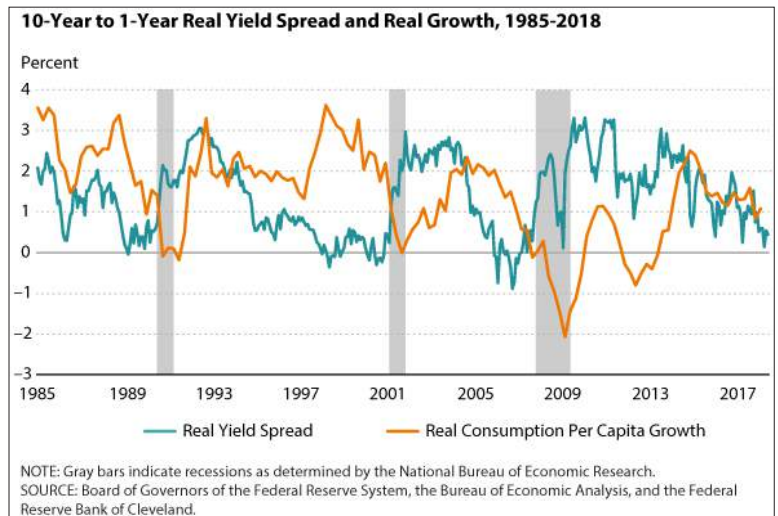
The last fortnight has seen major stock market crashes and currency instability, triggered by the US-China trade war and other economic uncertainties. The "yield curve" between 10-year and 2-year US Treasury bonds inverted on 14 August, meaning that interest earned on shorter term investments is higher than on longer term ones. Normally if you lock your money up over a longer term, you earn more; but as masses of investors flee into more secure, long-term investments, the price of bonds is driven up, forcing the interest rate and therefore the yield down. The curve between 10- and 1-year bonds had inverted earlier in the year. This phenomenon has preceded the majority of past US recessions.

Deutsche Bank shares are closing in on critical levels, reaching US\$6.44. Financial cycle expert Charles Nenner said in May that "If it breaks US\$6.40, the downside price target is zero"—i.e. at that point everyone will rush for the exits and shares will go into free fall. This will set off immediate contagion given that the IMF has warned Deutsche is the "the most important net contributor to systemic risks" in the world.

The spread of negative interest rates worldwide is another sign of the oncoming meltdown. Countries that generate almost one quarter of world GDP now have negative central bank interest rates, a hangover from more than a decade of loosening monetary policy. Roughly a quarter of the global bond market is trading at sub-zero yields, according to the 14 August *Financial Times*. Just 3 per cent of the market yields a return of over 5 per cent, the lowest proportion ever. Cuts today on the scale necessary during the 2007-08 crash period would put all G7 nations well into negative interest rate territory.

US business columnist Rana Foroohar wrote in *FT* on 12 August that concern over a new crash is "best evidenced by the US\$14 trillion horde of negative-yielding bonds around the world." As investors rush into safer assets such as bonds, yields are driven down. People are "willing to pay for the 'security' of losing only a little bit of money as a hedge against losing quite a lot", Foroohar wrote. If central banks buy more bonds in new quantitative easing programs, bond yields will be driven down further. It would also further depress interest rates across the system.

Berkshire Hathaway CEO Warren Buffett recently told CNBC his fund was affected by negative interest rates in Europe: "We would be better off if we had a big mattress in Europe that we just stuck all of this stuff in it—if only I could just find the person whom I trusted to sleep on the mattress! That's what we would do. If we have a billion euro at -35 basis points, that would be 3.5 million euro a year



When the yield curve dipped below the 0 mark on this chart, it has coincided with recession. Source: St. Louis Federal Reserve

that it's costing us just to have that. That means you don't want to collect your receivables! It distorts everything".

Member of the European Central Bank (ECB) board and Finland's central bank governor, Olli Rehn, declared that the ECB will go beyond market expectations on rate cuts and quantitative easing in order to achieve the desired result, the 15 August *Wall Street Journal* reported. *Fortune* magazine cited former US Federal Reserve Chairman Alan Greenspan on 14 August, saying "There is no barrier for US Treasury yields going below zero. Zero has no meaning, beside being a certain level." Even negative rates on US sovereign bonds would not be "that big of a deal".

Negative interest rates and negative bond yields are supposed to force credit out of accounts, generating a flood of new investments, lending and spending—whether by banks, investors or private citizens—but at today's levels of credit saturation, pumping out more debt simply won't have the intended impact.

Corporate debt, for instance, has doubled since the GFC due to the flow of easy money. Over half of corporate bonds are at the lowest investment grade (BBB-), meaning that some US\$500 billion of the US\$10 trillion or so non-financial corporate debt could be downgraded to sub-investment ("junk") level at any moment, forcing investment funds to offload them. In the USA especially, this is set to precipitate a wave of corporate bankruptcies—of large companies bloated with cheap debt that has been bundled and re-sold many times over as a speculative tool, as was mortgage debt ahead of the 2008 crisis. Increasing the flow of easy money at this point would worsen, not solve the problem, pouring more liquidity into the bubble.

Australia's mammoth ready-to-burst housing bubble means there are few more desperate than the Reserve Bank of Australia to stave off the coming collapse. According to RBA pronouncements there's a good chance we are heading for 0.25-0.5 per cent rates in relatively short order. On 9 August RBA Governor Philip Lowe reiterated that he is considering "unconventional" methods, saying "It's possible that we end up at the zero lower bound", and that negative interest rates is "one possibility".

Maybe we will take a leaf out of Denmark's book: that

nation is facing a wave of mortgages being refinanced, and Denmark's third largest bank will now pay customers to take out a mortgage, offering 10-year fixed mortgage rates at -0.5 per cent.

Commentators are quick to claim that Australia avoided the last GFC, suggesting we might pull the same trick again. Australian economist Dr Peter Brain, who forecast the 1990s recession, the Asian Financial Crisis and the global financial collapse, has put the kybosh on this vain hope. The co-author of *Credit Code Red* has warned of a new recession, given that our gross debt is now 60 per cent higher than in 2009 and that a US financial shock will drive up interest rates regardless of RBA interventions. A big factor in our surviving the last crisis was that China's economic program drove up demand for our exports, which subsequently pushed up a weakening Australian dollar. Without this the Aussie dollar would crash, leaving us with an unpayable (US dollar-denominated) foreign debt. Even if it has the inclination, China may not have the capability to pull this off again, unless other major nations sign up to the effort to rebuild the productive economy with projects exemplified by China's Belt and Road Initiative.

### It's the system, stupid

These vulnerabilities are the result of Australia not being a sovereign economy with the ability to create its

own public credit to develop its own economy, strengthen its own currency and manage its own banking system. Therefore, we are at the mercy of the global financial system, and it is that system itself which is hopelessly bankrupt. No part of the world is immune to this, nor to the global derivatives tsunami that will come crashing down when a new crisis hits, wiping out any bank not protected from the gambling scourge by Glass-Steagall bank separation laws.

A major cooperative effort to rebuild the world economy is required to avoid what will otherwise be a deep *depression*, rather than a mere recession—but *not* the kind of intervention central banks are colluding around right now with their easy monetary policy, which amounts to a complete financial takeover by the City of London and Wall Street. The horse must be put before the cart! We need to focus on fixing the real economy, which means fostering the ability to feed, clothe and house our people in a thriving economic and cultural environment. What Italian economist Nino Galloni said of his own country, in an 8 August interview with *Executive Intelligence Review* magazine, is true for all nations: "[W]e must change the Paradigm: away from the search for balancing accounts, and instead towards economic balance. Good finance is the instrument of the real economy. Causal relations go from real balance to balancing the accounts, and not the other way around."

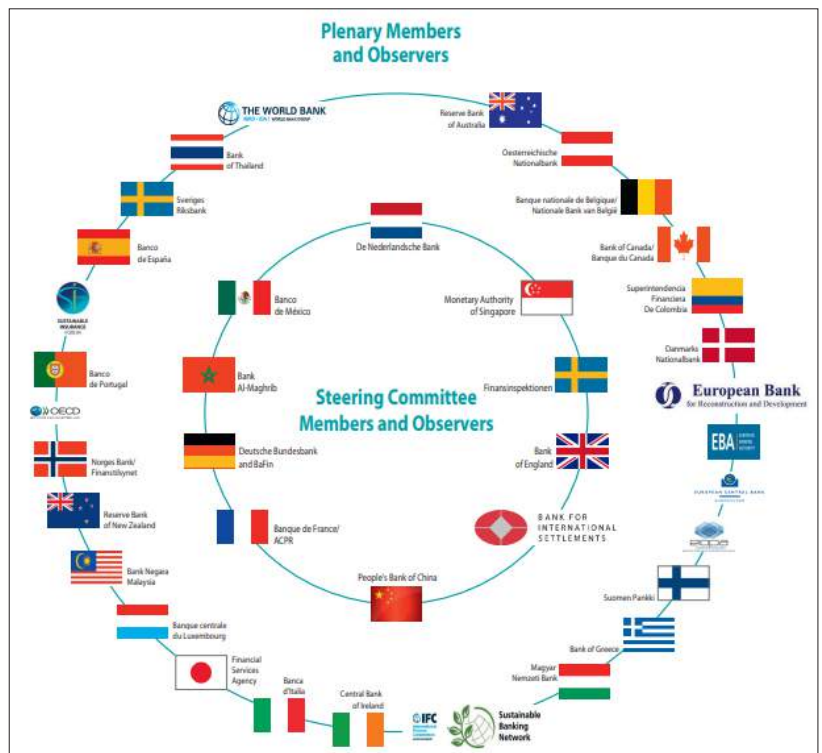
## The City of London's new green bubble

Among the myriad operations aimed at re-inflating the collapsing global financial bubble, are new green finance initiatives training a flow of dollars into "green" projects. These projects are aimed at deliberately reducing the economic growth of nations and the planet, allegedly to reduce emissions of carbon dioxide. As such, far from improving the global economy, which is the only pathway to fixing the financial catastrophe we face, they will make matters much worse.

This is in fact the aim of the initiative. With its origins in the eugenics movement which coalesced around Adolf Hitler, the hard core of the green movement is dedicated to winding back the industrialisation, public health and sanitation, modern infrastructure and other scientific breakthroughs which advanced the planet and allowed world population to rise. Reduction of global population is the stated goal of the founding fathers of the environmental movement, ranging from Parson Thomas Malthus to Prince Philip.

An admission of this goal and the means to achieve it came from Dennis Meadows, co-author of the Malthusian *Limits to Growth* book published in 1972 by the Club of Rome. In a feature published 30 July in French daily newspaper *Libération*, Meadows declared that the "rise of authoritarianism is unavoidable" in order to save the planet. "[W]e have to recognise that democracies don't solve the existential problems of our time: climate deregulation, depletion of energy reserves, soil erosion, the rising income gap between rich and poor, etc. Do individual freedoms have to be given up to solve that?" he asked.

Environmentalism has become a new pretext to force people to accept austerity and genocide, which the population is otherwise rebelling against, especially in the



Would you trust this lot? Members and observers of the Network for Greening the Financial System, comprising central banks and supervisors. Photo: mainstreamingclimate.org

UK where its effects have hit the poor and middle-class hard. But it is the UK at the head of the charge, with the most powerful British and global bankers at the vanguard.

Created at the Paris Climate Accord conference (COP21) in December 2015, the **Network for Greening the Financial System** (NGFS) brings together central banks and bank regulators. It held its inaugural meeting in January 2018. According to a media release on the topic it is dedicated to better understanding and managing "the

financial risks and *opportunity* of climate change” (emphasis added). Australia’s Reserve Bank is among the 42 members and 8 observers, as is the Bank for International Settlements (BIS).

Bank of England Governor and former chair of the BIS’s Financial Stability Board (FSB) Mark Carney is also a key figure behind the **Green Finance Initiative**, a 2016 project to channel trillions of dollars into so-called “green technologies”, which stems from the FSB’s Task Force on Climate-related Financial Disclosures (TCFD) created in 2015. The authors and enforcers of the global “bail-in” mechanism for sustaining the bankrupt financial system with the savings of ordinary citizens, established the body to make “policy recommendations to address financial stability risks in securities financing transactions”, according to its website.

This project was advanced by the British parliament, which on 25 June passed into a law a target of net-zero greenhouse gas emissions by 2050, perhaps the most aggressive climate target in the world. In July the British government issued a 73-page white paper, titled “Green Finance Strategy: Transforming Finance for a Greener Future”. Its strategy, the paper asserts, is “consolidating the UK’s position as a global hub for green finance”, and “positioning the UK at the forefront of green financial innovation and data and analytics”.

In achieving this aim, “One of the most influential initiatives to emerge is the Financial Stability Board’s private-sector Task Force on Climate-related Financial Disclosures (TCFD), supported by Mark Carney and chaired by [former New York Mayor, ex-banker and billionaire] Michael Bloomberg”, says the report. “*This has been endorsed by institutions representing US\$118 trillion of assets*

*globally. An increasingly large proportion of the private sector is now beginning to implement the TCFD recommendations, and in September 2017, the UK become one of the first countries to formally endorse them.*” (Emphasis added)

The City of London Corporation, the private body which runs the City’s Square Mile banking centre independent of Parliamentary decisions, claims a key role in the Green Finance Initiative. Meanwhile notorious money launderer HSBC has announced that it has opened up instruments within the bank “to provide US\$100 billion in sustainable financing by 2025”. BlackRock, the Wall Street firm most involved in the Green Finance Initiative, is proposing a Standing Emergency Fiscal Facility, a scheme for central banks to print large volumes of money and hand it directly to government treasuries for use in “creating inflation”, with projects determined by “committees of experts” comprising former central bankers and investment bankers.

Together with the Rhodium Group, BlackRock is pushing a sophisticated “Google Maps”-type program classifying the “climate change risk” to investments in US municipal bonds, electric utilities, and commercial real estate, literally property by property. Risk, that is, from “extreme heat waves”, wildfires, floods, extreme storms, etc. Fossil fuel production facilities are all classified “high risk” in this program, and investors are advised to get out of them.

According to Bloomberg News on 15 August, the proposal is aimed at this week’s Jackson Hole, Wyoming bankers’ conference sponsored by the US Fed, whose chair Jerome Powell is under intense pressure to start printing money to head off financial calamity.

—With EIR News Service

## Blood & Gore, take II?

From the archives: *The project to inflate a new green bubble is reminiscent of an earlier effort led by Goldman Sachs. Bank of England chief and Green Finance Initiative bigwig Mark Carney got his start with Goldman Sachs, working for 13 years in its offices in London, New York, Boston, Tokyo and Toronto. The following is an excerpt of a CEC Media Release from 1 July 2014, “Has Clive Palmer endorsed Al Gore’s Green Fascism?”*

Al Gore runs Generation Investment Management (GIM), a London-based investment management firm, with Managing Partner David Blood, a former Goldman Sachs CEO. GIM’s founding members include Mark Ferguson, former co-head of pan-European research at Goldman Sachs Asset Management, and Peter Harris, former head of Goldman Sachs Assets Management international operations. The purpose of the “Blood and Gore” investment firm is to make a killing off financial speculation in “emissions trading” and other Green Fascist scams.

The Goldman Sachs business model—including building a speculative bubble in “carbon credits”—was exposed by Matt Taibbi in the 9 July 2009 *Rolling Stone* magazine feature entitled “The Great American Bubble Machine”. Taibbi characterises Goldman Sachs as “a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money. ...

“The formula is relatively simple: Goldman positions itself in the middle of a speculative bubble,

selling investments they know are crap. ... They’ve been pulling this same stunt over and over since the 1920s—and now they’re preparing to do it again, creating what may be the biggest and most audacious bubble yet.”

The article documents the role of Goldman Sachs in every bubble since the 1920s, including the IT bubble, the housing bubble, etc. and then defines Goldman’s newest scheme, “the new game in town, the next bubble, is in carbon credits—a booming trillion-dollar market that barely even exists yet ... a groundbreaking new commodities bubble, disguised as an ‘environmental plan’, called cap-and-trade. The new carbon-credit market is a virtual repeat of the commodities-market casino that’s been kind to Goldman, except it has one delicious new wrinkle: If the plan goes forward as expected, the rise in prices will be government-mandated. Goldman won’t even have to rig the game. It will be rigged in advance.”

Gore is in Australia as part of The Climate Reality Project and is hosted by the Australian Conservation Foundation (ACF). The Duke of Edinburgh, Prince Philip founded the ACF in 1964 as a *de facto* subsidiary of the World Wildlife Fund (WWF), which he had co-founded in 1961 with former Nazi Prince Bernhard of the Netherlands and British Eugenics Society President Sir Julian Huxley. Prince Philip has repeatedly said he would like to be reincarnated as a deadly virus in order to solve overpopulation. The carbon swindle may well be just as deadly given its attack on the cheap energy that sustains our population.