THE CENTRAL BANK EMPIRE

Consolidation of power, commodification of the commons and the ‘green’ corporate bail-out

An examination of central bank ‘scope creep’ and the detriment to citizens, government, economies and the environment

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INTRODUCTION

This report examines whether central bankers are demonstrating significant 'scope creep', to the detriment of citizens, government, the private sector and the environment. I have observed broadening interpretations of central bank official mandates, that have been used to justify interference with and dominance of governments, free citizens and the private sector.

According to the January 2020 paper by the Bank of International Settlements, 'The green swan: Central banking and financial stability in the age of climate change'; central bankers' interpretation of their own mandates has become so broad that justification for their policies and influence includes the stability of *the entire earth itself*.

Central bankers' private sector cohorts are openly discussing monetary 'regime change'. Central bankers are consolidating power away from governments, with former ECB President Jean-Claude Trichet declaring they should have the power to 'veto' government economic policy decisions. Central bank representatives want the abolishment of cash and private credit, replaced with their own Central Bank Digital Currencies, which gives them the opportunity to compete with private payment providers, unprecedented surveillance and the power to veto any individual transaction. Central bank policies create huge asset bubbles, which when popped, cause deep recessions and economic crisis - providing opportunity for sweeping reforms and wealth re-allocation to the elite few. Central banks are buying up private companies and equity with their unlimited money supply, admitting to illegally 'front-running' stock markets and distorting asset prices. Central banks are on track to nationalise the world's entire financial sector; equities, companies and bonds to be owned and under their control. Government and public money, including the $100 trillion held in pension funds, are to be used liberally in 'blended finance' investments with private companies. Public funds are to be invested into risker and uncertain projects, to pave a risk-free path for the private sector. Risk is to be socialised onto the citizens and taxpayers.

Central banks and their private sector cohorts are using the cover of 'green' policy and investment initiatives to attempt control of the world's natural resources, solving 'the tragedy of the commons' by directing the global control and privatisation of nature and ecosystems. Rainforests, the rain and rivers will now have an assigned monetary value and are designated 'natural capital'- which can then be sold, traded and speculated upon.

The behemoth institution of central bankers and their private sector cohorts are the driving force behind what we are now witnessing: "*the final frontier for the corporate capture of the Earth as a whole, has finally arrived… The commodification of the commons will represent the greatest, and most cunning, coup d'état in the history of corporate dominance – an extraordinary fait accompli of unparalleled scale, with unimaginable repercussions for humanity and all life.*" - Investigative journalist Cory Morningstar.[1]

What is to be done?

My concluding opinion, substantiated with evidence from the work of economist Professor Richard Werner and from events in Australia's own history, is that governments and citizens do not have to be subject to the power, dominance and interference of central banks. That in truth: we don't need them.

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[1] Wrong Kind of Green, Cory Morningstar, 'The Green New Deal is the Trojan horse for the financialisation of nature'

As summarised by Professor Richard Werner in ‘Shifting from Centralised Planning to a Decentralised Economy’ (2016): “*One reason why central banks have sprung so frantically into action after their narrative had been thoroughly disproven is that the revelations about the nature of money has drawn the curtain open and allowed the public to see what is in the innermost sanctum of their central banks: nothing. Just like the Wizard of Oz in the Emerald City thrived on his reputation, while behind his curtain nothing could be found, so have central banks relied on politicians and the public not understanding the nature of money and the role of central banks.*”[2]

WHAT DO CENTRAL BANKS WANT?

I have used sources from central bankers’ speeches, papers and public writings to summarise what I believe to be the direction and aims of central bank macroeconomic policies.

The abolishment or reduction of cash

International central bankers were the initial proponents of restricting cash payments, governments then implementing these policies. Their reasons:

- To fight crime (although evidence suggests cash restrictions have negligible impact on this[3])
- To allow for the imposition of negative interest rates[4]
    - The central bankers’ (still unproven) hypothesis is that customers facing the prospect of negative interest rates eating away at their savings, will go out and spend the money instead- boosting the economy.[5]
    - Negative interest rates impose profit squeeze on smaller banks, forcing consolidation. Central Banker Mario Draghi stated there was too much competition in the banking sector- from successful local banks that were crowding out profit margins for the big banks. The European Central Bank only has control over Europe’s 130 biggest banks. Mergers put small regional banks under the control of the central bank. [6]
    - The implementation of negative interest rates requires that cash ‘no longer acts as an effective competitor for large transactions.’ [7] Cash restrictions effectively eliminate cash as a competitor.
- To enable the imposition of their own ‘Central bank Digital Currency’. This enables unprecedented opportunity for surveillance and financial control. Central banks can ‘veto’ any transaction.[8] CBDCs enable central bank entrance into the retail payments market, where they can potentially dominate the entire financial sector with their access to unlimited money printing, their own regulatory powers and unaccountability to governments.

More control of economic policy and international financial systems

[2] Professor Richard Werner (2016) ‘Shifting from Central Planning to a Decentralised Economy’

[3] The Centre for European Policy Studies: ‘Study on an EU initiative for a restriction on payments in cash’

[4] Bank of International Settlements; Erkki Liikanen, Governor of the Bank of Finland: ‘Cash and the central bank’

[5] Mises Institute: ‘What Is the Liquidity Trap?’

[6] Wolf Street, Don Quijones: ‘Small Banks Must Go: Megabank-Meister Draghi’

[7] Bank of International Settlements, Benoit Coeure, Member of the Executive Board of the European Central Bank: ‘The future of central bank money’

[8] World Economic Forum, Centre for the Fourth Industrial Revolution: ‘Central Bank Digital Currency Policy-Maker Toolkit’

- European central bank officials are considering if they should have "*a much deeper and authoritative say in the formation of the country's economic policies… A direct influence, well over and above the reinforced surveillance that is presently envisaged… to have the right to veto some national economic policy decisions*." Former European Central Bank President Jean-Claude Trichet [9]
- The Global Financial Governance G20 Eminent Persons Group is comprised of representatives from the IMF, the World Bank, JP Morgan and a number of international central banks, including Former President of the ECB Jean-Claude Trichet. In 2018, the Group recommended reforms to, "*strengthen and add resilience to **global financial governance** for the cooperative international order… There is much potential to be unlocked by governing the system as a system rather than as individual institutions… Policies aimed at growth and financial stability are most effective nationally when they are undertaken widely or coordinated internationally.*"[10] (Emphasis in original text)
- Using the crisis of the GFC, the (privately owned) US Federal Reserve overstepped its original role as money stabiliser and began to determine economic policy, which continued after the 2008 crisis had stabilised[11].

'Monetary reform' policies

- To abolish private bank credit creation altogether.[12] [13]
- To abolish cash entirely [14] [15] or remove it as an effective competitor for large transactions.[16]
- 'Monetary reform' research is usually undertaken by central banks, the IMF and organisations like the 'Institute for New Economic Thinking' (funded by George Soros). Conclusion of research always appears predetermined: that central banks should be sole creator and allocator of all money, which should be digital.[17]
- Central bankers are considering a new international monetary system based on a global central bank digital currency, called a Synthetic Hegemonic Currency (SHC), provided through a network of central banks.[18]

Control of the settlement layer

[9] Bank of International Settlements, Jean-Claude Trichet, President of the European Central Bank: 'Building Europe, building institutions'

[10] Global Financial Governance (2018): 'Making the Global Financial System Work for All'

[11] The Gold Telegraph, Alex Deluce: 'The History And Rising Power of Central Banks'

[12] Positive Money: 'Sovereign Money: An Introduction' - Positive Money is a 'not for profit' that uses central bank and IMF papers to supplement work. Author of 'Sovereign Money: An Introduction' and previous head of research Ben Dyson went from Positive Money to working in CBDCs for the central bank of England.

[13] Professor Richard Werner (2016) 'Shifting from Central Planning to a Decentralised Economy'

[14] The Telegraph, Peter Spence: 'Negative interest rates could be necessary to protect UK economy, says Bank of England chief economist'

[15] Kenneth Rogoff, former economist at the IMF and Federal Reserve: 'The Curse of Cash'

[16] Bank of International Settlements, Benoit Coeure: 'The future of central bank money'

[17] Professor Richard Werner: 'Shifting from Central Planning to a Decentralised Economy'

[18] Bank of England, Mark Carney, Governor of the Bank of England: 'The Growing Challenges for Monetary Policy in the current International Monetary and Financial System'

- "Not your settlement layer, not your money".[19] Controlling the settlement layer allows central banks to seize countries' assets, control the 'switches' of the global economy and apply influence and pressure governments (as there is limited accountability and government oversight of central banks, a number of which have private ownership[20]).

Preparation for a monetary reset or 'regime change'

- A monetary reset was once 'conspiracy theory', yet the possibility is now openly acknowledged by the Dutch Central Bank, which said that gold will be needed if the entire system collapses (in all probability this may be caused by failed central bank policies) and the global financial system needs a reset.[21]
- Central banks are now buying gold at unprecedented levels and repatriating their gold if it is stored overseas. [22] [23] Curiously, the Reserve Bank of Australia does not appear to be following suit.[24]
- BlackRock (the $7 trillion investment fund) recently presented a white paper to the 2019 Jackson Hole Symposium annual meeting of central bankers. The white paper was authored by three former central bankers, outlining the direction for future central bank and government coordination: "*An unprecedented response is needed when monetary policy is exhausted and fiscal policy alone is not enough*."[25] One of the authors, BlackRock's Phillip Hildebrand (former head of the Swiss National Bank), said "*We're going to see a regime change in monetary policy*".[26]

To maintain the central bank narrative

- The central bank narrative maintains that economic growth requires deregulation, liberalisation and privatisation, not held back by regulation or government intervention. However, there is empirical evidence that this presumption may be false:
  - Japan's well-regulated economy thrived until pressured into 'deregulation' by the US.[27]
  - The post-war German Bundesbank was accountable and subordinate to Parliament (as would be expected in a democracy) and became world's most successful central bank.[27]
  - Financial-sector liberalisation and inadequate regulation is recognised as heavily contributing to the 1990s Asian crisis.[28]

Minimal accountability to or interference from governments

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[19] The Keiser Report, Episode 1490: 'Not your settlements layer, not your money'

[20] Zerohedge, David Bholat and Karla Martinez Gutierres: 'Who Owns The World's Central Banks'

[21] De Nederlandsche Bank: 'DNB's gold stock'

[22] European Central Bank: 'As market matures central banks conclude that a formal gold agreement is no longer necessary'

[23] Zero Hedge, Simon Black: 'Central Banks Are Buying Gold At The Fastest Pace in Six Years'

[24] Reserve Bank of Australia: 'Official Reserve Assets'

[25] BlackRock Investment Institute, Bartsch, Bovin, Fischer, Hildebrand: 'Dealing with the next downturn: From unconventional monetary policy to unprecedented policy coordination'

[26] Bloomberg Markets and Finance: 'Climare Risk Requires Fundamental Reshaping of Finance: BlackRock'

[27] Professor Richard Werner: 'Shifting from Central Planning to a Decentralised Economy'

[28] Hong Kong Institute of Economics and Business Strategy, the University of Hong Kong, (2000), p28: 'Asian Financial Crisis: Causes and Development'

- Most central banks operate independently from governments. A number are unaccountable and independent from parliaments. Central banks can therefore freely choose their policies and decisions at will, democratically unaccountable for the results.[29]
- When the European Central Bank was formed in 1998, "*the treaties that established it granted it unprecedented powers, unchecked by any democratically elected assembly*." (Werner, 2016) This resulted in predictable abuse of its power by the creation of asset bubbles, credit booms and banking crises in Europe. Insiders noted the "democratic deficit" of the ECB and how it had abused its powers to achieve political goals in humiliating 'negotiations' with Spanish and Greek governments.[29]
- According to economist Willem Buiter: "*The delegation to central banks of an expanding list of quintessentially political interventions and responsibilities and the expansion of their arsenals of policy instruments with important redistributive impacts has not been matched by an increase in central bank accountability, either formal or substantive. In a representative democracy this matters because without accountability there can be no legitimacy and without legitimacy institutions eventually fail*."[30]
- The legislation governing the Reserve Bank of Australia says only that the Reserve Bank Board "*is to inform the Government, from time to time, of the Bank's monetary and banking policy*"[31]

Creation of asset bubbles by lending booms & expansionary monetary policy

- These bubbles can then be popped, resulting in crises or recession. The crisis enables the World Bank and the International Monetary Fund to implement reforms that cripple economies, criticised as "*large-scale upwards transfer of wealth presented as financial support packages*"[32] and the "*greatest single cause of poverty since colonialism*".[33] This 'financial support' and resulting exacerbation of the crisis enables opportunity for central banks to institute deep structural reforms:
  - After the 1990s Asian financial crisis, the Bank of Thailand instituted its 'Financial Sector Master Plan'[34]. This provides tax breaks to mergers and acquisitions, encouraging financial institutions to consolidate (preferring this to competing small banks, echoing Europe). Deposit insurance was strictly limited to prevent the 'moral hazard' that blanket insurance was determined to have introduced. Legislation then clarified the BOT as the sole regulator of financial institutions, increased its supervisory powers and gave it more independence from the government.[35] [36]
  - At the height of the 2011 crisis, Italy's government was pressured by ECB President Jean-Claude Trichet to introduce strict austerity measures, pension reforms, wage cuts to the public sector, higher taxes, "liberalised" labor conditions and the mass privatisation of the public sector.[37]

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29 Professor Richard Werner: 'Shifting from Central Planning to a Decentralised Economy'

30 Centre for Economic Policy Research, (2014), Willem H. Buiter: 'Central banks: Powerful, political and unaccountable?'

31 Reserve Bank Act 1959, 11(1)(b)

32 Jacobin Magazine, Pawel Wargan: 'Meet the New Boss (But It's Literally the Same Person)'

33 Jacobin Magazine, Jason Hickel: 'The Problem with Saving the World'

34 Bank of Thailand: 'Financial Sector Master Plan'

35 Bank of Thailand Act (No.4), B.E. 2551 (2008), Note: (Rational)

36 Federal Reserve Bank of San Fransisco, Asia Focus: 'Financial System Reform in Thailand'

37 Reuters, Michael Rose: 'Trichet's letter to Rome published, urged cuts'

- The IMF was scathingly criticised about its mismanagement of Greece's economy after Greece's financial crisis, as the IMF's austerity reforms and 'rescue package' resulted in more public debt, unemployment, suicide, and poverty, contributing to Greece's '*seemingly unending misery*'.[38] The poorest households lost 86% of their income. The tax burden on the poor increased by 337%.[39] Up to 90% of families in the poorest neighbourhoods relied on food banks and soup kitchens. Ashamed middle class families struggled silently, until malnourished children were reported fainting at school nationwide, exposing families' desperate circumstances.[40] IMF director (and now President of the European Central Bank) Christine Lagarde said that the Greeks should 'help themselves' "*by all paying their tax*". When asked if she was "essentially saying to the Greeks and others in Europe that they have had a nice time and it is now payback time, she respond[ed]: "*That's right*."[41]

- The ECB now owns 40% of Europe's sovereign debt - Europe is indebted to an entity that is unanswerable to legislators and can continue to print unlimited money to finance buying. This stimulus program has "*utterly failed to stimulate the economy and has only kept governments on life support*".[42] Instead, "*vast liabilities are being switched quietly from private banks and investment funds onto the shoulders of taxpayers",* who, in a crisis *"will discover to their horror what has been done to them*".[43]
- In a moment of rare candour, Richard Fisher, former president and CEO of the Federal Reserve Bank of Dallas, admitted to central bank-created asset bubbles: "*You have to be careful here and frank about what drove the markets…. It was, the Fed, the Fed, the Fed, the European Central Bank, the Japanese Central bank … all quantitatively driven by central bank activity. That's not the way markets should be working…. They were juiced up by central banks, including the Federal Reserve…. So, I think you have to acknowledge reality*."[44]

To buy private assets

- The US Federal Reserve admitted to knowingly front-running a "*tremendous market rally, starting in 2009*". The central bank 'rigging the market' to create a "*wealth effect*", which was actually a huge asset bubble.[45]
- Central banks are now buying and nationalising private corporations to "*create the illusion that their monetary policies work… With their ability to create unlimited amounts at zero cost (just add some ones and zeros to an account somewhere), their capacity to move markets they choose to invest in is almost unlimited*." 80% of central banks intend to increase buying of private equity.[45]

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[38] The Wire, T.T. Ram Mohan: 'How the IMF Bungled the Greek Debt Crisis'

[39] Zero Hedge, Keep Talking Greece: 'Shocking Austerity: Greece's Poor Lost 85% of Income, But Rich only 17-20%'

[40] The Guardian, Helena Smith: 'Greece's food crisis: families face going hungry during the summer shutdown'

[41] The Guardian, Larry Elliot, Decca Aitkenhead: 'It's payback time: don't expect sympathy - Lagarde to Greeks'

[42] Armstrong Economics, Martin Armstrong: 'ECB in Serious Trouble'

[43] The Telegraph, Ambrose Evans-Pritchard: 'Unpayable debts and an existential EU financial crisis - are eurozone banks still solvent?'

[44] The Great Recession, David Haggith: 'Fed Official Confesses Fed Rigged Stock Market - Crash Certain'

[45] The Great Recession Blog, David Haggith: 'Central Banks Buying Stocks Have Rigged US Stock Market Beyond Recovery'

- Central banks such as the Swiss National Bank have been using "*freshly printed money*" to buy stocks, including $80 billion worth of US equities in 2017,[46] and the central bank now owns more shares of Facebook than Mark Zuckerberg.[47]
- "*So between central banks outbidding each other to buy "risky" assets with "money" that is constantly created at no cost, very soon all other private investors will be crowded out… For virtually all central banks, however, the grotesque central planning shift of the past decade means that instead of engaging in monetary policy, the world's central banks are now activist hedge funds, who are focused first and foremost on "investment management." … and at the current rate of expansion, within a few years the world's monetary authorities who are tasked with "financial stability", will have acquired a majority of the world's equity tranche, effectively nationalizing it*."[45]

To blame governments for the results of their economic policies

- Economist Professor Richard Werner notes that central banks spend vast resources producing scientifically unsound papers which are designed to blame their "*terrible economic performance*" on other actors – preferably the government & fiscal policy, "*while anyone contemplating the possibility that big banks and central banks might not always look after the public interest and instead might collude in order to put their own objectives first is identified as a 'conspiracy theorist'*". Since central banks "*have become so all-powerful: the danger for them in this era of unprecedented powers is that the general public may simply (and rightly) link bad economic outcomes to bad economic policies adopted by central banks, not to the – now far less powerful – governments*."[48]
- After the financial crisis, the Bank of England gained new powers for maintaining financial stability. To avoid blame for the crisis, the central bank then "*pursued a strategy of agency subversion aimed at reshaping the changes to minimise future reputational damage… Where blame for future policy failure could potentially be deflected, it used fuzzy delegation… where blame could not ultimately be avoided, it fought for hard delegation to maximise control over new regulatory powers (e.g. macroprudential regulation). We argue that this resulted in an institutional design which not only diverged significantly from the government's original plans, but which was also arguably sub-optimal*." The post-crisis central bank reforms "*cannot be explained on the basis of credible commitments or decision-making efficiency" but the changes "owe far more to the politics of blame avoidance and managing reputational risk*."[49]

CONCERNING DEVELOPMENTS: CENTRAL BANK 'SCOPE CREEP'

Economist Willem Buiter's discussion paper 'Central Banks: Powerful, Political and Unaccountable?'was published in 2014 by the Centre for Economic Policy Research. Buiter is a former advisor/consultant to the IMF, World Bank and many national government, commercial and central banks, and former external member of the Monetary Policy Committee of the Bank of England.[50] Given his background, his criticism of central bank

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[46] Forbes, Bryan Rich: 'Proof that Central Banks Are 'On the Bid' In Stocks'

[47] Reuters, John Revill: 'Swiss central bank steps up stock buying spree'

[48] Professor Richard Werner (2016): 'Shifting from Central Planning to a Decentralised Economy'

[49] King's College London, Harpil Hungin & Scott James: 'Central Bank Reform and the Politics of Blame Avoidance in the UK'

[50] Willem H. Buiter, LinkedIn Profile

‘scope creep’, is intriguing. Buiter described the “*increasingly invasive and pervasive interventions in areas of policy making that are well beyond the expertise, comparative advantage and mandate of the central bank*.”[51] Buiter says central bankers are increasingly speaking out publicly, in their official capacities, “*on issues that are far from their mandates and (probably) from their domains of expertise and competence*.”

Buiter gives two prominent examples:

- Former Fed Chairman Bernanke routinely lectured the Congress and the White House on fiscal sustainability and appropriate fiscal stimulus measures. He lectured as Chairman of the Fed on free trade, equality, educational achievement and teenage pregnancy. None of these subjects were remotely relevant to the central bank’s mandate.
- The President of the ECB, Mario Draghi, “*is actively trying to influence and shape EA policies in the areas of fiscal stimulus and structural reform, using a range of possible monetary policy interventions (mostly unconventional) as sticks or carrots to get national governments and the European Commission to do what he considers to be ‘the right things’*.”

“*Central banks in most of the advanced economies have become too powerful… In particular, they have accrued a host of deeply political responsibilities and powers. They have neither the legitimacy nor the capability or skills to discharge all these responsibilities effectively*.”

Buiter says “*there is something worrying, from a constitutional/legal/political/legitimacy perspective, if unelected central bank technocrats become key movers and shakers in the design and implementation of reforms and policies in areas well beyond their mandate and competence*.”

Buiter proposes a return to ‘narrow central banking’: "*The reason for getting the monetary authority out of the supervision, regulation and resolution business is that these are inherently political tasks, in which property rights are re-assigned and re-allocated routinely and redistributive decisions are taken all the time. No unelected technocrats should be in charge of such decisions without the kind of close parliamentary scrutiny, oversight and interference that would make an operationally independent monetary policy impossible*.”

CASE STUDY: ‘SCOPE CREEP’: CENTRAL BANKS AND CLIMATE CHANGE

Central bankers have thrown their support behind organisations such as the ‘Taskforce on Climate-related Financial Disclosures’ and the ‘Central Banks and Supervisors Network for Greening the Financial System (NGFS)’[52]. The Bank of International Settlement’s January 2020 report, ‘The green swan: Central banking and financial stability in the age of climate change’[53], lays out the apparent determination of central bankers to control the environmental ‘global commons’, to direct the privatisation and commodification of nature as ‘natural capital’ and to push governments to pour public money into ‘higher-risk’ projects to pave the way for private investment to follow.

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[51] Centre for Economic Policy Research, (2014), Willem H. Buiter: ‘Central banks: Powerful, political and unaccountable?’

[52] Central Banks and Supervisors Network for Greening the Financial System

[53] Bank of International Settlements (2020): ‘The green swan: Central banking and financial stability in the age of climate change'

According to the BIS, the central bankers' interpretation of the applicability of their own official mandates has gone far beyond currency, price and financial stability, become so broad that this now includes **the entire earth itself**: "*Financial and climate stability are two increasingly interdependent public goods… addressing them could become critical for central banks… insofar as the stability of the Earth system is a prerequisite for financial and price stability*."

The Global Financial Governance G20 Eminent Persons Group was comprised of representatives from the IMF, the World Bank, JP Morgan and a number of international central banks, including Former President of the ECB Jean-Claude Trichet[54] (who advocated for central banks to have "*a much deeper and authoritative say in the formation of the country's economic policies… A direct influence, well over and above the reinforced surveillance that is presently envisaged… to have the right to veto some national economic policy decisions*.").
The Group produced a 2018 report, 'Making the Global Financial System Work for All'.[55]

The Report proposed reforms to "*strengthen and add resilience to **global financial governance** for the cooperative international order… The scale and urgency of needs require decisive, **system-wide shifts…** We can achieve this by implementing decisive reforms to make the system work as a system. These reforms are within our reach… There is much potential to be unlocked by governing the system as a system rather than as individual institutions.*"

The Report emphasises the necessity "***to strengthen public finances and domestic resource mobilization.*** *… The magnitude of the development challenge will require **greater resources than before, from every source –** domestic savings and public revenues, and external financing from private, official and philanthropic sources. Even by conservative projections, the gap in infrastructure financing alone is well over US$1 trillion annually. **This gap in financing must be closed,** to ensure the quality and scale of investments in economic and social infrastructure that will be critical in the next decade*."

The Taskforce on Climate-related Disclosures (TCFD)

In his role as Chair of the Financial Stability Board, Bank of England Governor Mark Carney (now appointed the UN's Special Envoy on Climate Action and Finance[56]) created the 'industry-led' Taskforce on Climate-related Financial Disclosures (TCFD), to assist "*investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities.*"[57]

Although the FSB claimed the TCFD was 'private industry led' the 32 Taskforce members were selected by the Financial Stability Board (the FSB members represent central banks), "*and come from various organizations, including large banks, insurance companies, asset managers, pension funds, large non-financial companies,*

54 Global Financial Governance, G20 Eminent Persons Group: Members

55 Global Financial Governance (2018): 'Making the Global Financial System Work for All'

56 United Nations (2019): 'Secretary-General appoints Mark Jospeh Carney of Canada - Special Envoy on Climate Action and Finance'

57 Financial Stability Board, Task Force on Climate-Related Financial Disclosures, 'Final Report'

accounting and consulting firms, and credit rating agencies." These companies represent $118 trillion in assets under management. The FSB chose billionaire Michael Bloomberg to chair the Taskforce.
Members of the TCFD include JP Morgan, BlackRock, HSBC, Unilever, Generation Investment Management*, BHP and KPMG.[58]
(*See below: Generation Investment Management is the investment fund of 'environmentalist' Al Gore.)

In 2016, the TCFD, together with the City of London and Governments of the UK, Jamaica, the Solomon Islands and Belize, developed the Green Finance Initiative, "*for climate resilient infrastructure investment*": 'Private sector-led Coalition for Climate Resilient Investment brings together companies across the infrastructure investment value chain with assets totalling USD 5 trillion'[59].
The Coalition would identify "*a range of instruments to prevent capital flight from the most vulnerable regions, such as technology transfer programmes, technical assistance facilities and/or blended finance facilities*. Going forward, innovative capital market instruments such as Resilience Bonds will be structured, and the pricing framework will be implemented across resilient infrastructure investment funds.*" (* See below, 'Blended finance')
Supporters of the Coalition include KPMG, Lloyds Banking Group and McKinsey.

The Taskforce on Climate-Related Disclosures says it "*believes that asset managers and asset owners, including public- and private-sector pension plans, endowments, and foundations, should implement its recommendations so that their clients and beneficiaries may better understand the performance of their assets, consider the risks of their investments, and make more informed investment choices."*
"Widespread adoption of the recommendations will require ongoing leadership by the G20 and its member countries… to make the link between these recommendations and the achievements of global climate objectives."

Governor of the Bank of England, Mark Carney says disclosure will be mandatory:
"*To bring climate risks and resilience into the heart of financial decision making, climate disclosure must become comprehensive… The next step is to make these disclosures mandatory*."

"*It's time for every country to get involved because the world won't get to net zero if the financial sector doesn't know how our companies are responding. In order to watch we must be able to see… Over the next two years, the current process of disclosure by the users of capital, reaction by the suppliers of capital, and adjustment of these standards will be critical to ensure that the TCFD standards are as comparable, efficient and as decision-useful as possible."*
Changes in climate policies… will ***prompt reassessments of the value of virtually every asset****. The financial system will reward companies that adjust and punish those who don't… Insurers can be highly influential in bringing the realities of climate change into mainstream financial decision-making… If countries build their track records, their credibility will grow, and* ***the market will allocate capital****…*"[60] (Emphasis added)

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[58] Financial Stability Board: 'Members of the Task Force on Climate-related Financial Disclosures (TCFD)'

[59] Green Finance Institute: 'Press Release: Private sector-led Coalition for Climate Resilient Investment brings together companies across the infrastructure investment value chain with assets totalling USD trillion'

[60] Bank of England, Mark Carney, Governor of the Bank of England: 'Remarks given during the UN Secretary General's Climate Action Summit 2019'

Carney says that "***Improved private disclosure will also support public climate action.*** *Better information will allow policymakers to assess companies' speed of adjustment relative to countries' nationally determined contributions (NDCs). It will support more informed policies, including early responses if there are clear shortfalls. Virtuous circles could be more quickly established*."[61] (Emphasis added)

It is apparent that the TCFD is intended to facilitate the enforcement of mandatory disclosure of climate-related risks, which are assessed according to standards created by a conglomeration of private companies (with the backing of central banks).

Enforcement of the TCFD standards is intended to drive capital towards 'green' investment - as per Carney, "*reward[ing] companies that adjust and punish[ing] those who don't*".

The 'green' investments that will benefit from the subsequent 'reallocation of capital' (including the $100 trillion in pension funds), happens to align with the interests of TCFD members such as BlackRock - a $7 trillion investment giant that offers 'green' financial products. The advantage of 'green' investment is it's ability to attract vast swathes of capital from 'blended finance' arrangements using public, taxpayer and institutional funds, all in the name of 'sustainability' and 'helping the environment'. (See below: 'Blended Finance')

It is remarkable that the public is apparently supposed to blithely accept that bankers and giant corporations - historically responsible for pollution, exploitation and utterly selfish action- have now 'turned a new leaf' and will be the selfless 'climate saviours' in our hour of need.

BlackRock's vice-chair Phillip Hildebrand made it clear that the asset manager will use its vast reach to push this agenda: "*We have both a large active platform and a large index platform. And I think the key there is that we work very closely, increasing closely, with the providers of indices to make sure that the index providers also move in that direction…they recognise the indices have to change. And that will allow this significant shift in capital. We think this is going to entail a major re-allocation of capital towards more sustainable investing*."[62]

Hildebrand called climate-risk driven investment a 'major shift', as significant as the Baby Boom: *"we really believe that this is* ***a fundamental reshaping of finance*** *that will entail* ***significant re-allocation of capital***". (Emphasis added)

The TCFD makes the social and financial cost of non-compliance so high that companies, governments and public organisations will be forced to capitulate, re-allocating capital to 'green' investments- to the financial benefit of TCFD members such as BlackRock.

Central bankers around the world, including the Reserve Bank of Australia, are recommending businesses align with the recommendations of the Taskforce for Climate-related Financial Disclosures and Australian regulators are following suit:

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[61] Bank of International Settlements, Mark Carney: 'The Sustainable Development Goal Imperative'

[62] Bloomberg Markets and Finance: 'Climate Risk Requires Fundamental Reshaping of Finance: BlackRock'

- ASIC recommends: "*that listed companies with material exposure to climate risk consider reporting under the TCFD framework*".[63]
- "APRA notes that the TCFD recommendations provide an established, voluntary framework for this disclosure."[64]
- ASX Corporate Governance Council recommends companies consider making disclosures recommended by the TCFD.[65]
- Australian legal advisors are expressing that "*It is conceivable that directors who fail to consider "climate change risks" now could be found liable for breaching their duty of care and diligence in the future*."[66]

The dark side of 'green' finance

Morton's 'The climate finance partnership: Mobilizing capital to address the climate opportunity' says: "*a layer of government and philanthropic capital [will] maximize private capital mobilization* ***toward climate-related sectors in emerging markets****…* ***there are profits to be had in sectors and geographies where this capital has not historically deployed.***"[67] (Emphasis added)

The 'profits to be had' in 'geographies where this capital has not historically been deployed' likely refers to developing African nations, where 'climate opportunists' are intending to direct the reallocation of public and private capital.
"*Africa faces many economic challenges—but, within them, lie significant opportunities. One is for the continent to leapfrog over the polluting, resource-intensive stage of industrialisation, and transform directly into a low-carbon, climate resilient economy… Africa needs to shift from a low-productivity agricultural economy, to a high-productivity manufacturing one. This is a lofty goal that, in no small part,* ***relies on the removal of barriers to investment****, but the rewards are potentially great…* ***A robust manufacturing economy****—in which new technologies are not only built but invented in Africa—****would open up global markets****… Africa* ***has vast clean energy resources that can take a lead in the global renewable energy market****. It has* ***some of the best biomass, geothermal, hydropower wind and solar resources in the world*** *and we have only just scratched the surface of our full potential. The already unprecedented pace of innovation is evidenced by a rapid growth of pay-as-you-go solar home systems linked to mobile payment technology."*[68] Professor Carlos Lopes, member of the Global Commission on the Economy and the Climate. (Emphasis added)

Although the sentiment to forcibly push markets and public funding towards 'green' finance appears admirable, investigative reporting, academic research and non-profit publications that the arena is rife with exploitative business practises masquerading as environmentally friendly or socially inclusive initiatives, targeting microfinance and the developing world.

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[63] Australian Securities & Investments Commission: 'Climate risk disclosure by Australia's listed companies'

[64] Australian Prudential Regulation Authority: 'Climate change: Awareness to action'

[65] ASX Corporate Governance Council (2019) 'Corporate Governance Principles and Recommendations' 4th Edition'

[66] The Centre for Policy Development and the Future Business Council, Minter Ellison Solicitors (2016): 'Memorandum of Opinion: "Climate Change and Directors' Duties'

[67] Atlantic Council, John E. Morton: 'The climate finance partnership: Mobilizing institutional capital to address the climate opportunity'

[68] Global Environment Facility: 'The Opportunity of the Commons'

The Global Financial Governance G20 Eminent Persons Group, comprised of representatives from the IMF, the World Bank, JP Morgan and a number of international central banks, singled out Africa as in the region most need of '*Reforms to tackle these challenges and maximize the potential of technologies and markets*':
"*But to bend the arc of history, we must succeed in Africa, where the poverty, demographic and environmental challenges are the largest – and so too the opportunities to contribute to world growth and the global commons… Growth in agriculture has tremendous potential, given Africa's vast tracts of arable land. Its realization will depend on the adoption of improved techniques, commercialization, and better utilized water resources. There are also huge opportunities for digitalization of Africa's economies and developing resource-based manufacturing to increase domestic value-added. Mobilizing the private sector to support these goals will be critical. Thriving African economies, connected to global markets, can become a new engine of growth and will contribute to tackling the challenges of the global commons*."[69]

In 'Land Grabbing In Africa', Tinyade Kachika states that "*land grabbing is currently a big challenge for African countries because of increased interest by foreign agricultural investors to acquire massive pieces of land in rural Africa…. land grabbing has intensively picked pace since the global food crisis of 2007-2008. Generally, countries short of agricultural land supply are looking elsewhere, particularly to Africa… The demand for bio fuel feedstock has also seen many investors scuttling for tracts of land in Africa…. Land grabbing is of grave concerns because land deals are affecting massive pieces of land…. in 2007 alone, agro fuel investors in Mozambique applied for rights to close to 5 million hectares un the country…. There is also evidence that the validity of some contracts directly entered into between foreign investors and rural communities has been in doubt.*"[70]

'Stop Africa Land Grab' calls this a '*tragedy of epic proportions… a 21 century slavery under the guise of foreign investments is unfolding across Africa*".[71]

Gausset and Whyte's (2012) 'Climate Change and Land Grab in Africa; Resilience for whom?', explores the history of land grabbing in Africa, and its current form.
"*Many current land grabs are* ***legitimised by a discourse that relies heavily on global warming and expectations of climate change****, yet such strategies for coping with the effects of change reduces the resilience of local farmers… from the point of view of local communities,* ***disposition in the name of the environment may not be easily distinguished from dispossession in the name of progress of profi****t. The environmental risks and commercial opportunities that motivate large-scale land acquisitions are no more concerned with local communities and their potentials than were the forced acquisitions of the colonial era*."[72] (Emphasis added)

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69 Global Financial Governance (2018): 'Making the Global Financial System Work for All'

70 Pan Africa Programme of Oxfam Internationl, Tinyade Kachika, 'Land Grabbing in Africa'

71 Stop Africa Land Grab, The global movement to rollback Africa land grab

72 Quentin Gausset and Michael A. Whyte (2012) 'Climate Change and Land Grab in Africa; Resilience for whom?'

The non-profit African Centre for Biodiversity, which aims to protect Africa's biodiversity and food systems, produced a 2016 report 'For your own good! The chicanery behind GM non-commercial 'orphan crops' and rice for Africa'. The report shows that companies like Monsanto, as well as 'philanthropic' organisations such as the Bill & Melinda Gates Foundation and United States Agency for International Development (USAID), are conducting extensive research and development of genetic modification of staple African crops.

"*This investment climate has changed significantly over the past decade and several national and international players are now actively involved in the genetic engineering of non-commercial crops such as cassava, cowpea, pigeon pea, sorghum and sweet potato, as well as rice and bananas…. These non- commercial crops as well as rice are mainly carbohydrate crops that constitute staple food for African populations.*

These GE crops are reductionist solutions proposed by the biotech machinery for a myriad of agronomic and nutritional diversity challenges. They are intent on prying open Africa's food and farming systems to GM based agriculture, by giving the highly contested and failed technology a humanitarian face."[73]

"The chicanery behind GM non-commercial 'orphan crops' and rice for Africa shows that the GM industry is expanding its grasp to African traditional crops… under the guise of philanthropy.
According to Mariam Mayet, Director of the ACB, "This indicates that the GM industry, under the veil of technology donations and public financing, is effectively managing to make further inroads into imposing GM on the African continent. By focusing the research on traits meant to 'benefit' farmers and malnourished populations… the industry is intent on giving a humanitarian face to the real involvement, vested interests and expanding influence of these MNCs (multi-national corporations) in African agriculture."[74]

Zakiyya Ismail, Consumer Campaigner with the ACB points out that *"the real solutions to address vitamin and mineral deficiencies can be found in ecological farming systems, and traditional kitchen and home gardens, which can better contribute to healthy and diverse diets and empower people to access and produce their own healthy and varied food." Smallholder farmers in Africa must be given the right to choose their means of production and survival. GM based technology is costly. Even if gene sequences and constructs are donated, the accompanying requisite GM inputs will be expensive for farmers. GM crops are highly likely to increase the costs of production for farmers and lead them into indebtedness and dependency. It is also highly likely that GM varieties will be subject to plant breeders' rights, and that GM certified seed will be sold to farmers by local seed companies who will expect a profit or royalty payments from farmer*s.
***This scenario becomes even more shocking when applied to traditional crops**, which are the common heritage of African farmers and **often the last defense against hunger in poor communities**. According to Mayet, "There is no such thing as a free lunch for African farmers. And to add insult to injury, these farmers will **be precluded from saving any farm-saved propagating material**. In this way, they will be expected to give*

[73] African Centre for Biodiversity, (2016) 'For your own good! The chicanery behind GM non-commercial 'orphan crops' and rice for Africa'

[74] African Centre for Biodiversity: 'Africa to lose heritage crops to multinationals 'donating' GM technology'

away their age old farmers' rights to freely reuse, exchange and sell seed and propagating materials in their farming and seed systems." (Emphasis added)

An example of exploitation dressed as 'sustainable microfinance' is the global leader for "pay-as-you-go" energy services for off-grid customers[75], M-Kopa. The company provides solar power power to impoverished African customers, but M-Kopa's real product is finance. *"About a quarter of those who pay off their first purchase move on to others"*[76], initiating a debt cycle of purchases of comparatively expensive electrical goods. The customers must pay their loan instalments daily. If they do not pay, they are punished- the solar power can be switched off remotely.

Stephan Faris reported that "*the company has found that its poorest customers—those who rely on the system as their only source of electricity—make the best credit risks*."[60]

"*Our loan officer is that SIM card in the device that can shut it off remotely…We know that it's important for them to keep their lights on at night, so they can be counted on to keep paying*." Chad Larson, M-Kopa's finance director and its third co-founder.

M-Kopa attracted investment from the 'philanthropic' Bill & Melinda Gates Foundation: "*The Gates Foundation, however, was interested in demonstrating something perhaps even more powerful: that low-income consumers, making affordable payments for products and services that improved their lives, represented a new financial asset class safe enough to qualify for commercial bank financing*."

Tamara Cook, part of the Gates Foundation's Financial Services for the Poor team said: "*To us, M-Kopa was more of a data service company that enables poor people to acquire something valuable" via the power of mobile money… The key was helping M-Kopa turn its customer accounts into bankable collateral*."[77]

Sustainable technologies that **do not adequately meet the energy requirements** of the public are built and funded because the companies can claim 'climate related' tax credits.[78] As I have outlined below, the central bank push towards the privatisation of nature and 'green' and 'biodiversity' bonds paint a horrifying spectacle of exploitation of nature and citizens, all under the guise of 'green' investment.

The RBA, climate change and 'scope creep'

In 2019, the Reserve Bank of Australia's Deputy Governor Guy Debelle outlined the RBA's actions in regards to climate change. "*The RBA has a range of responsibilities where issues relating to climate change are relevant, including monetary policy and financial stability.*"

"*In 2018, the RBA joined the Central Banks and Supervisors Network for Greening the Financial System (NGFS)*[79]*. The NGFS is designed to facilitate the exchange of experiences, sharing of best practices,*

[75] Crunchbase: 'M-KOPA'

[76] Bloomberg, Stephan Faris: 'The Solar Company Making A Profit on Poor Africans'

[77] Stanford Social Innovation Review, Dennis Price: 'Banking on the Poor'

[78] US News, Nancy Pfotenhauer: 'Big Wind's Bogus Subsidies'

[79] Central Banks and Supervisors Network for Greening the Financial System

contribution to the development of environment and climate risk management in the financial sector and to mobilise mainstream finance to support the transition toward a sustainable economy."

"*The RBA has also been involved in work related to climate change risks… [including] involvement with the [G20] Sustainable Finance Study Group (SFSG) which has focused on* ***identifying institutional and market barriers to green and sustainable finance****, and analysed options on how to enhance the ability of the financial system to* ***mobilise private investment to facilitate the transformation of the global economy***." (Emphasis added)

"*Financial stability is also a core part of the Reserve Bank's mandate. Challenges for financial stability may arise from both physical and transition risks of climate change… All of these consequences could precipitate sharp adjustments in asset prices, which would have consequences for financial stability*."[80]

Debelle 'strongly endorsed' APRA's Geoff Summerhayes who "*stresses the need for businesses, including those in the financial sector, to implement the recommendations of the Task Force for Climate-related Financial Disclosures*".

Debelle's statement that 'financial stability' is a core part of the RBA's mandate may not be completely accurate. The Reserve Bank Board's mandate, described in the Reserve Bank Act 1959, states that its duty is to ensure that the RBA's monetary and banking policy will best contribute to[81]:

(a) **the stability of the currency** of Australia;
(b) the maintenance of full employment in Australia; and
(c) the economic prosperity and welfare of the people of Australia.

'Financial stability' is not 'currency stability'. 'Financial stability' could conceivably encompass responsibility for a vast range of issues - investment, government policy, the private sector. Does the RBA consider this within the realm of its responsibility and authority? It is questionable whether the apparently 'self-appointed' role of addressing 'financial stability' is in fact relevant to the RBA's legal mandate. Reserve Bank officials may not be appropriately qualified to address the wide implications of 'financial stability' issues. As per Buiter, perhaps central bankers should not extrapolate "*on issues that are far from their mandates and (probably) from their domains of expertise and competence*."

It appears that the RBA has broadened its interpretation of its official responsibilities to be able to include addressing any matter it deems fit, including the environment and the climate. From Debelle's speech, we can see that the Reserve Bank is officially engaged in work far beyond its legal mandate, and as per Buiret, possibly outside of its realm of 'expertise and competence'. The RBA has announced it is taking action to address climate change by:

- Identifying institutional and market barriers to 'green and sustainable finance'.

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[80] Reserve Bank of Australia, Deputy Governor Guy Debelle (2019): 'Climate Change and the Economy'

[81] Reserve Bank Act 1959, 10(2)(a)

- Analysing how to mobilise private investment to facilitate the transformation of the global economy
- Developing environment and climate risk management in the financial sector.
- Supporting the transition toward a 'sustainable economy' (although the interpretation of this is undefined).
- Strongly endorsed the TCFD and that businesses should align with the privately owned and central bank-backed Taskforce for Climate-related Financial Disclosures (a private organisation, with controlling members chosen by central bankers.)
- Claimed that 'financial stability' is a responsibility of the RBA, when this is not explicitly defined in the Reserve Bank Act 1959. The Act gives the RBA's *Payments Systems Board* responsibility for contributing to the overall stability of the financial system, but this is within the Board's functions of determining standards and directions for *payments systems* (ie eftpos, the banking system). It does not include 'mobilising private finance', 'transforming the global economy' or directing that Australian businesses should be subject to climate-risk disclosure standards.

A 'regime change' in monetary policy

Investment giant BlackRock has $7 trillion under management, is responsible for 7 percent of all the financial wealth on the planet and is considered more powerful than many governments[82]. BlackRock is a member of the TCFD and a significant driver of the TCFD's disclosure requirements.

In 2019, BlackRock presented a paper at the Jackson Hole Symposium - the conference for central bankers, 'Dealing with the next downturn: From unconventional monetary policy to unprecedented policy coordination'. Three of the four authors are former central bankers, who now work for BlackRock.

BlackRock outlines a framework "*to enable an unprecedented coordination through a monetary-financed fiscal facility*." This coordination would apparently be enacted by governments, but spending would be dictated by the central bank: "*Activated, funded and closed by the central bank to achieve an explicit inflation objective, the facility would be deployed by the fiscal authority*…"

"*An unprecedented response is needed when monetary policy is exhausted and fiscal policy alone is not enough. That response will likely involve "going direct": Going direct means the central bank finding ways to get central bank money directly in the hands of public and private sector spenders*." [83]

BlackRock says that Central Bank Digital Currencies may be the key: "*Policy responses that put money more directly in the hands of citizens might be more attractive. The rise of central bank-issued electronic money (**not cryptocurrencies**) might achieve these objectives in ways that were not previously possible.*"[84] (Emphasis added. Cryptocurrencies are a decentralised form of currency and do not require central bank intermediaries.)

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[82] Black Bag, Gawker, Matthew Phelan: 'This Asset Software Has More Power than the US government Right Now'

[83] BlackRock Blog, Elga Bartsch: 'How central banks might deal with the next downturn'

[84] BlackRock Investment Institute, Bartsch, Boivin, Fischer, Hildebrand (2019): 'Dealing with the next downturn: From unconventional monetary policy to unprecedented policy coordination'

"*This means that in a downturn the only solution is for a more formal – and historically unusual – coordination of monetary and fiscal policy to provide effective stimulus…. One way or another, this will mean subsidising spending – and such a measure would be fiscal rather than monetary by design*."

Phillip Hildebrand, vice-chairman of BlackRock and former head of the Swiss Central Bank, outlined the firms troubling expectations of monetary 'regime change': "*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, a blurring of fiscal and monetary activities and responsibilities*".[85] Hildebrand emphasised that governments must be involved: "*This is a government problem…we cannot reach the Paris goals in the absence of coordinated sustained government policy*."[86]

The 'climate opportunity'

The true motive for central bankers, investment giants and banks that are driving 'green investment' and 'sustainability', does not appear to be true concern for the environment. The true motive appears to be the unlocking of government and public funds, as a corporate bailout, or a 'climate opportunity' as per John Morton, Senior Advisor to the Blended Finance Taskforce and Managing Coordinator of the Climate Finance Partnership.

The 'climate opportunity' view appears universal, as evidenced by the following quotes: (Emphasis added)

- "*Now is a crucial moment for investors… The next five to 10 years is the most critical time to accelerate the transition to a low-carbon economy.* ***We think capitalism is in danger of falling apart****… We need to go all in. We are going to be more aggressive because we have to*.'"[87] Al Gore. His film 'An Inconvenient Truth' documents his professed environmentalism and action on climate change. His firm Generation Investment is one of the members of the TCFD.)
- '**Capitalism is in crisis**, says World Economic Forum founder Klaus Schwab'[88]
- "Corporate executives joined the International Monetary Fund in warning the global economy is slowing faster than expected, establishing a downbeat tone for this week's annual meeting of the World Economic Forum."[89]
- "*The flagship report of the Global Commission on Economy and Climate conclusively showed that higher quality growth can be combined with strong climate action…* ***Leading companies and investors*** *are already getting behind this new approach,* ***creating a new competitive race****. So too are ambitious policy-makers… This is our 'use it or lose it' moment. Investing the US$90 trillion to build the right infrastructure now* ***will deliver a new era of economic growth***."[90] The Global Commission on the Economy and Climate
- BlackRock, on Global Renewable Power: "*This presents a* ***$9 trillion climate infrastructure opportunity***" fuelled by *"social and political commitment to tackling climate change*."[91]

[85] Bloomberg, Mark Gilbert: 'Is the ECB Poised to Fire Up the Whirlybird?'

[86] Bloomberg Markets and Finance: 'Climate Risk Requires Fundamental Reshaping of Finance: BlackRock'

[87] Financial Times: 'Blood and Gore: 'Capitalism is in danger of falling apart'

[88] DW, 'Capitalism is in crisis'

[89] The Philadelphia Inquirier, Simon Kennedy: 'IMF, CEOs expect the world economy to slow down'

[90] The New Climate Economy: 'The 2018 Report of the Global Commission on the Economy and Climate'

[91] BlackRock: 'Global Renewable Power - Institutional'

- "*On the other hand, financing the de-carbonisation of our economy is* ***a major opportunity for insurers as long-term investors****. It implies a* ***sweeping reallocation of resources*** *and a technological revolution, with* ***investment*** *in long-term infrastructure assets* ***at roughly quadruple the present rate***."[92] Bank of England Governor Mark Carney
- "*In this regard,* ***green bonds*** *have the potential to align the interests of issuers and investors. To investors, green bonds offer a stable, rated and liquid investment with long duration. To issuers,* ***they could tap the US$100 trillion global institutional fixed income investor base***." Bank of England Governor Mark Carney[93] (This investor base is pension and institutional investment funds)
- "*This is a major shift that is just about to happen. This is no different than the shifts we've seen related to the Baby Boom, after the War, so we really believe that this is* ***a fundamental reshaping of finance*** *that will entail* ***significant re-allocation of capital and relative price changes****. And so in the short to medium term,* ***this is an opportunity*** *from an investment perspective to get better performance*…" Phillip Hildebrand, vice-chair of BlackRock and former head of the Swiss National Bank.[94]

Blended Finance

'Blended finance' is the unlocking of public money; from governments, institutions or the $100 trillion held in pension funds, in order to coordinate funding with private corporations.

The Blended Finance Taskforce was developed to meet the UN's, IMF's and World Banks' Sustainable Development Goals (SDG) and released a 2018 white paper[95] outlining their aims.

"*The SDG funding gap is estimated between $2trn and 3trn a year and could be filled by a mix of public and private money, dubbed 'blended finances'.* ***Approximately half of this could be provided by public sources****, it has been estimated, while the remainder would be raised from private investors. Experts said at the launch of the paper that the blended finance market had doubled in size in the last five years and* ***could double again*** *in the next three to four years as* ***more money is earmarked to be used for blending***."[96] (Emphasis added)

The Blended Finance Taskforce represents fifty financial icons including: BlackRock, Bridgewater, Citi Group, Credit Suisse, HSBC, JP Morgan, Rockefeller Foundation, the Climate Bonds Initiative, the World Bank and the World Economic Forum.[97]

The Climate Finance Partnership

[92] Bank of International Settlements, Mark Carney: 'Breaking the tragedy of the horizon - climate change and financial stability'

[93] Bank of International Settlements, Mark Carney: 'The Sustainable Development Goal Imperative'

[94] Bloomberg Markets and Finance: 'Climate Risk Requires Fundamental Reshaping of Finance: BlackRock'

[95] Blended Finance Taskforce: 'Better Finance, Better World: Consultation paper of the Blended Finance Taskforce'

[96] Public Finance International, Simone Rensch: 'Sustainable Development Goal funding gap could be plugged by blended finance'

[97] Blended Finance Taskforce: 'Members and Partners'

'The Climate Finance Partnership: Mobilizing Institutional Capital to Address the Climate Opportunity', was written by John Morton, Senior Advisor to the Blended Finance Taskforce, is Managing Coordinator of the Climate Finance Partnership and published by the Atlantic Council.

"*Efforts to blend capital in order to engage and mobilize large-scale institutional capital toward climate solutions took a notable step forward on September 26 at the One Planet Summit in New York, when French President Emmanuel Macron and BlackRock's Larry Fink announced the Climate Finance Partnership (CFP). The CFP consists of a unique combination of philanthropies, governments, institutional investors, and a leading global asset manager. The parties, including BlackRock, the Governments of France and Germany, and the Hewlett, Grantham, and IKEA foundations, have committed to work together to finalize the design and structure of what* ***we anticipate will be a flagship blended capital investment vehicle*** *by the end of the first quarter, 2019*." (Emphasis added)

"*The partnership… was designed and structured specifically to use a* ***layer of government and philanthropic capital*** *to maximize private capital mobilization toward climate-related sectors in emerging markets. Doing so in partnership with the world's largest manager and its set of world-class institutional investor clients should send an important signal to fund managers and institutional investors alike that* ***there are profits to be had*** *in sectors and geographies where this capital has not historically deployed*."[98] (Emphasis added)

Morton notes the World Bank's assessment that "*while* ***$100 trillion is held by pension funds*** *and other institutional investors, these same investors allocated less than $2 trillion over a 25 year period into infrastructure investment in emerging markets. And the fraction of that investment that could be considered green, clean, or climate-friendly was negligible*." (Emphasis added)

Independent investigative journalist Cory Morningstar concludes: "*The task of the Blended Finance Taskforce is to unlock 100 trillion dollars to rescue the current economic system that has now entered the late stage of "freefall"*.[99]

Green investment: the privatisation of nature

Morningstar acknowledges the irony in the environmental movement pushing towards 'green' investment, a sector which in reality is aiming towards the commodification of nature itself: "*It's ironic because the divestment campaign will result (succeed) in a colossal injection of money shifting over to the very portfolios heavily invested in, thus dependent upon, the* ***intense commodification and privatization*** *of Earth's last remaining forests, (via REDD, environmental "markets" and the like). This tour de force will be executed with cunning precision* ***under the guise of environmental stewardship*** *and "internalizing negative externalities through appropriate pricing." Thus, ironically (if in appearances only), the greatest surge in* ***the ultimate corporate capture of Earth's final remaining resources*** *is being led, and will be accomplished, by the very environmentalists and environmental groups that claim to oppose such corporate domination and capture*." (Emphasis added)

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[98] Atlantic Council, John E. Morton: 'The climate finance partnership: Mobilizing institutional capital to address the climate opportunity'

[99] Wrong Kind of Green, Cory Morningstar, 'The Green New Deal is the Trojan horse for the financialisation of nature'

The earth itself has been evaluated and valued as a commodity: "*Taken all together, the value of the total global ecosystem services has been estimated at USD 125 trillion per year, which is almost twice the world's gross domestic product*."—Natural Capital Coalition, July 12, 2018.[100]

The Natural Capital Coalition is a massive conglomerate of corporate power[101] including Burberry, Coca Cola, Credit Suisse, Deloitte, H&M, KPMG, Nestle, Novartis, PwC, the Rockefeller Foundation, Shell, Unilever and Walmart. The Natural Capital Coalition's members include a large number of 'conservation' and 'environmental' organisations.

Morningstar's conclusion is bleak. "*Today, the final frontier for **the corporate capture of the Earth as a whole**, has finally arrived. Other terms thrown into the ring for public acceptance are a "New Deal for Nature and Humanity" and a "New Deal for Nature and People".*

*The **commodification of the commons** will represent the greatest, and most cunning, coup d'état in the history of corporate dominance – an extraordinary fait accompli of unparalleled scale, with **unimaginable repercussions for humanity and all life**.*"[102] (Emphasis added)

'The Green Swan: Central Banking and financial stability in the age of climate change'

In January 2020, the Bank of International Settlement published 'The green swan: Central banking and financial stability in the age of climate change'[103]. The BIS said that "*Central banks can therefore have an additional role to play in helping coordinate the measures to fight climate change. Those include climate mitigation policies such as carbon pricing, the integration of sustainability into financial practices and accounting frameworks, the search for appropriate policy mixes, and the development of new financial mechanisms at the international level*."

"*An effective response requires raising stakeholders' awareness and facilitating coordination among them. Central banks' financial stability mandate can contribute to this and should guide their appropriate involvement. For instance, central banks **can coordinate their own actions with a broad set of measures to be implemented by other players** (governments, the private sector, civil society and the international community)*." The BIS paper outlines a list of reforms that are 'to be implemented' (or else?) by the government, the private sector and citizens.

The BIS, like the RBA, appears to have broadly interpreted its official mandates to include involvement with whatever matters it deems fit. As Buiter notes, central banks are making **"***increasingly invasive and pervasive interventions in areas of policy making that are well beyond the expertise, comparative advantage and mandate of the central bank."*

100 Natural Capital Coalition, quoted by Morningstar. The wording of the original quote may have been changed by NCC. This is NCC's source for the figures. The wording of the original quote was published by Robert-Alexandre Poujade, of BNP Paribas Asset Management, which works with Natural Capital Coalition.

101 Natural Capital Coalition: 'Coalition Organizations'

102 Wrong Kind of Green, Cory Morningstar: 'McKibben's divestment tour - bought to you by Wall Street [Part II of an investigative report] [The "climate wealth" opportunists]

103 The Bank of International Settlements: 'The Green Swan: Central banking and financial stability in the age of climate change'

The unlocking of government and public funds

The BIS directly says that public money is essential to fund 'higher-risk' projects to encourage private investment to follow. The risks are apparently all to be redistributed to the taxpayer.

"*In addition to promoting sustainable investments, **direct government expenditures** will also be an opportunity to develop new technologies in a timely fashion… fiscal policies are key to climate change mitigation and that prudential and monetary tools can only complement these policies… Indeed, the **public sector is usually in a better position to fund investments** in R&D for early-stage technologies **with uncertain and long-term returns**…. **government investment in high-risk projects** has proved essential to **create the conditions for private investments** to follow.*" (Emphasis added)

The BIS says governments will be required to enforce its recommendations: "*In order to systematise integrated reporting approaches, **regulatory action will be needed to induce or compel** companies to systematically report their environmental and social performance according to industry-specific reporting standards*."

The BIS notes the 'encouraging' creation of the Taskforce on Climate-related Financial Disclosures (with its private-sector members appointed by central bankers), which "*seeks to coordinate and standardise reporting of company exposures to climate-related risks so as to allow investors to better manage their exposures to these risks*."

Control of the 'Global Commons'

The BIS paper confirms the 2019 investigative reporting of journalist Cory Morningstar, who concludes that nature is to be privatised; "*The commodification of the commons will represent the greatest, and most cunning, coup d'état in the history of corporate dominance – an extraordinary fait accompli of unparalleled scale, with unimaginable repercussions for humanity and all life.*"[104]

The BIS paper asserts that controlling and managing the 'global commons' or 'Common Pool Resources' and 'natural capital' can manage climate-related risks, suggesting a new international agency to govern natural resources and the countries that possess them.

The BIS report outlines 'principles for the governance of Common Pool Resources (CPRs): "*Central banks along with other stakeholders could **implement a governance regime** based on CPRs by… the **enforcement of rules** for system stability. This implies coordination, local participation, some sense of fairness in burden-sharing, **incentives and penalties**, among others.*"

*Given the difficulty of **managing global commons,** one concrete way of moving towards such a **global joint governance of climate and financial stability** would be to set up **a new international agency** that would play a role… [with] supervision of the climate policies being put in place".* (Emphasis added)

What are the global commons?

"*International law identifies four global commons, namely the High Seas, the Atmosphere, the Antarctica and the Outer Space. These resource domains are guided by the principle of the common heritage of mankind.*

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104 Wrong Kind of Green, Cory Morningstar: 'McKibben's divestment tour - bought to you by Wall Street [Part II of an investigative report] [The "climate wealth" opportunists]

Resources of interest or value to the welfare of the community of nations – such as tropical rain forests and biodiversity - have lately been included among the traditional set of global commons as well, while some define the global commons even more broadly, including science, education, information and peace."[105]

Powerful international bodies governing environmental and economic policy direction such as the Global Environment Facility (created by the World Bank), the UN and central bankers frequently refer to the 'tragedy of the commons', and the resulting requirement to govern the use of the global commons to prevent this 'tragedy':

"*For decades, the "tragedy of the commons" has been a useful tool for understanding and explaining the risks of undervaluing shared resources*."[106]
Peter Bakker, President of the World Business Council for Sustainable Development

"*The answer to the tragedy of the commons is the answer to how we bring it within this horizon.*"
Erik Solheim, Executive Director, UN Environment

"*If done right, we can turn the tragedy of the global commons into an opportunity*."[107]
Naoko shii, CEO and Chairperson, Global Environment Facility (GEF). The GEF was established by the World Bank.

What is the 'tragedy of the commons'? Surabhi Ranganathan's 'Global Commons' (2016): "*The tragedy of the commons' and 'the common heritage of mankind' are concepts that dominate the legal discourse on governing global commons… 'the tragedy of the commons' (TOC), which is the idea that common resources are over-exploited in the absence of regulation while common concerns remain unaddressed… TOC is above all concerned with the detrimental effects of unregulated access to a resource, promoting enclosure (privatization) and public regulation… TOC outlines the threat of a dystopian future, overrun with people and under-nourished with resources*".[108]

The phrase 'tragedy of the commons' was first coined in 1968, in a widely influential article by Garret Harden, an American ecologist. Ranganathan writes: "*Neo-Malthusian Hardin was an active advocate of eugenics, restricting foreign aid, immigration and population growth and legalizing abortion and the right to die.*
He favoured the use of coercive social arrangements to regulate individual behaviour: the enclosure of resources that could be readily fenced (as private property) and taxes and coercive legislation to regulate those that could not be… [Hardin] was critical of policies alleviating hunger, disease and the rate of mortality in developing states. He defended this stance as the more ecologically sustainable one… that some commons could only be safeguarded by coercion targeting the poor.

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105 The European Journal of International Law Vol. 27 no 3, Surabhi Ranganathan (2016): 'Global Commons'

106 Global Environment Facility: 'The Opportunity of the Commons'

107 Global Environment Facility, Naoko Ishii: 'We can turn the tragedy of the global commons into an opportunity'

108 The European Journal of International Law Vol. 27 no 3, Surabhi Ranganathan (2016): 'Global Commons'

As becomes painfully evident from Hardin's subsequent writings, his account of TOC specifically targeted the choices (that he assumed were inevitably) made by specific groups: impoverished communities in developed states and the people of the Third World. Hardin offered no criticism of the ecologically unsustainable lifestyles of the rich in developed states… Luxury became unsustainable only when demanded by the poor and the Third World… And in international relations, Hardin prescribed a hardened, unilateral stance for his government, in which the only supportable form of foreign aid was that which was influential upon other governments' willingness to take repressive measures against population growth. (Chillingly, he had nothing but praise for India's emergency-era sterilization program and for compulsory abortions in China.)

Hardin drew his distinctions between rich Western, and poor and Third World peoples, targeting the latter as agents of TOC, and recommended policies to overcome their predilections for the sake of the universal good of ecological sustainability.
The politics of Hardin's Tragedy of the Commons and its fit with the times is nicely summed up by Eric Ross: 'Hardin's 1968 broadside embodied all the cardinal qualities of Cold War Malthusian thinking: it was anti-socialist, anti-democratic and eugenic. So congenial was its message to its time that, despite being devoid of any empirical evidence, it was published in Science.'

However, the illiberal and imperial dimensions of Hardin's intervention were of a different order; he advocated not simply constraints on economic activity in an international area but, rather, an interventionist American (more generally, Western) foreign policy… His eugenicist assumptions, clothed in assertions of ecological concern, allowed him to simultaneously defend enclosures and heavy consumption by rich Western people and withhold resources from poor and Third World people." (Ranganathan, 2016)

Criticism of the 'Tragedy of the Commons'

The lack of empirical evidence and historical inaccuracy in Hardin's theories have been widely criticised:

Hardin's Tragedy of the Commons and his later writings conveyed a discriminatory and prejudiced stance under the seal of ecological thinking…. Hardin engaged selectively with facts in representing commons as being subject to tragedy. His principal illustration was that of the English commons, in which he initially framed the occurrence of TOC as a hypothesis and later asserted as fact. However, the example was false – the English commons had been successfully managed by their commoners over long periods, and for them enclosure had been the real tragedy.
Surabhi Ranganathan: 'Global Commons'[109]

Garret Hardin's 'The Tragedy of the Commons' (1968) [was] a celebrated and influential article….
Hardin may or may not be a competent biologist but he knows little about history and actual human behaviour. Dozens of historical and contemporary examples - from medieval grazing lands to Maine lobster fishereis-

[109] The European Journal of International Law Vol. 27 no 3, Surabhi Ranganathan (2016): 'Global Commons'

demonstrate that common property is not over-exploited so long as group members retain the power to define the group and to manage their own resources.
Leaving aside the outright predators (large corporations and the like) it is generally the 'experts' who create chaos and precipitate the 'tragedy' of the commons.
Michael Goldman: 'Privatizing Nature: Political Struggles for the Global Commons'[110]

"If we misunderstand the true nature of the commons, we also misunderstand the implications of the demise of the traditional commons system. Perhaps what existed in fact was not a "tragedy of the commons" but rather a triumph: that for hundreds of years- and perhaps thousands, although written records do not exist to prove the longer era- [they were] managed successfully by communities."
Susan Jane Buck Cox: 'No Tragedy on the Commons'[111]

If the concept of the 'Tragedy of the Commons' is empirically weak and not substantiated by any historical basis, why is this notion the primary driver towards a global governance system to prevent this 'tragedy'?

The true motivation for driving the myth of the 'tragedy of the global commons', may be evident in the words of Governor of the Bank of England, Mark Carney: "*A classic problem in environmental economics is the tragedy of the commons. The **solution to it lies in property rights and supply management**.*"[112] (Emphasis added)

In the preface of 'Privatising Nature: Political Struggles for the Global Commons', Susan George defines the motivations for 'resource management scheme' of the commons.[113] That the '*battle now raging over the commons' can be seen for what it is: "a titanic struggle for control of the true, primordial source of 'use-values' and of the wealth which underpin labour and life. In such a struggle, because the stakes are high, it is not surprising either to find all kinds of weapons employed: ruse and propaganda, intimidation and blatant violence.*

Two problems previously seen as separate have now coalesced under the single heading of the 'commons'. The first concerns the destiny of millions of people dependent on commonly managed natural resources; the second concerns the so-called 'global commons' - the air, the atmosphere, the ozone shield, the seas, the forests and the innumerable species upon which we all depend. As for those millions dependent on communal natural resources, capitalism sees no particular reason to incorporate them into the global economy, on any terms.

This new situation helps to explain why capital seeks to incorporate the commons on a grand scale, and why now. It has absolutely no use for the people who live by and from these natural (and sometimes urban) resources but it wants their material base. The Enclosure Act in Britain threw farmers off the land to make way for sheep, yes, but also to transform the ex-farmers into workers and thereby supply the mushrooming factories

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[110] Michael Goldman: 'Privatizing Nature: Political Struggles for the Global Commons' (1998)

[111] Susan Jane Buck Cox (1985): 'No Tragedy on the Commons'

[112] Bank of International Settlements, Mark Carney: 'Breaking the tragedy of the horizon - climate change and financial stability'

[113] Michael Goldman: 'Privatizing Nature: Political Struggles for the Global Commons' (1998), Preface by Susan George

of the Industrial Revolution. The contemporary Enclosure Movement which is attempting massive appropriation of common resources everywhere seeks only control over the resources and has no such secondary goal. Conflicts over the commons are not so much questions of public-versus-private as group-versus-individual ownership, with the group asserting the right to determine who is a member of the group and who is not. 'Commoners' are deprived of this right to define their society at the same time they are divested of their traditional property.

….Who controls property rights controls the process of resource extraction and environmental change. A central metaphor mobilised in these property-based discourses is 'the commons' - a resource management regime that is perceived as either cause (eg the famous 'tragedy of the commons') or antidote (eg new campaigns to protect 'our common global heritage') of ecological degradation.

… many global-commons advocates mistakenly conclude that a new breed of 'global experts' is required. What follows from this twist of logic is the need for global science to understand these new transboundary problems and global institutions to manage them…. the discourse of global scientific problem solving is fast becoming hegemonic.

In discovering or inventing the global ecological commons and its fragile state, elite Northern scientists and policy makers also gave birth to the appropriate methods for their understanding (ir global science) and the character of its inhabitants (is the global citizen). What use do these apparatus of globalisation serve?

These late twentieth-century discoveries/inventions of the fragility of the globalised commons have created more than new scientific evidence: they have created new demand for global regulatory institutions and sciences, staffed by global technocrats and scientists". (Goldman, 1998)

The hidden agenda of the global commons: 'resource management', wealth confiscation, deep structural economic change and divestment of sovereign governance and property rights may be evidenced in the language of proponents of control of the global commons:

"*Only with disruptive, systems-level change can we hope to get on the right path. Our focus should be a complete overhaul of key economic systems*…"[114]

"*Transformational change will require actions on multiple fronts and at all levels of society. It will require political and social mobilisation… It is our hope that this new effort will lay the foundation for a new paradigm for the global commons.*"
Naoko Ishii, CEO and Chairperson of the Global Environment Facility

[114] Global Environment Facility: 'The Opportunity of the Commons', 'Movement for the Global Commons, Statement of Principles'

In 'Safeguarding the Global Commons, Ishii says "*The only way is to create coalitions, bringing government, business, finance, citizens together, to ask one shared goal, which is how to share the global commons*."[115] Naoko Ishii, CEO and Chairperson of the Global Environment Facility

In the GEF report, 'The Opportunity of the Commons', Nebojsa Nakicenovic, Deputy Director General and Deputy CEO or the International Institute for Applied Systems Analyisis and Caroline Zimm, Researcher at the IIASA'sTransitions to New Technologies Program, appear to call for countries to cede their sovereignty in the name of protecting the global commons: "*Last year we moved beyond the traditional view of global commons as merely the common heritage of humankind outside national jurisdiction. Now **we must move beyond national sovereignty** to deal with the Earth system and human systems holistically, as the SDGs require.… **We have entered a new era of global governance**… with the global commons and the Earth system… The time for "climate-only" or "economic development-only" approaches is over*". (Emphasis added)

In 'How to finance a Global Green New Deal', Richard Kozul-Wright, Director of the UN's Division of Globalisation and Development Strategies, states that nations should cede sovereignty to international bodies and roll back their trade treaties to accommodate the 'Green New Deal': "*Guaranteeing the policy space to undertake such programmes is also a prerequisite for **encouraging those states to cede,** where appropriate, **sovereignty to international bodies** to establish international regulations and forge collective action. Accordingly, the Global Green New Deal will require a thorough audit and, where necessary, rolling back of free trade agreements and bilateral investment treaties that have, over the past 30 years, unduly restricted policy space"*.[116] (Emphasis added)

The UN consistently calls for itself to be at the centre of control of the global commons:
"*The governance of the global commons represents a specific aspect of global environmental governance. Stewardship of the global commons cannot be carried out without global governance*…"[117]
"*Against the backdrop of a rapidly changing world order, the United Nations must strengthen its role at the centre of global economic governance in order to maintain its incomparable legitimacy…"*[118]
… United Nations intergovernmental bodies have been devoting considerable attention to the subject of global economic governance… reaffirming the central role of the United Nations in global governance."[119]

The Global Commons: international control of the Amazon

In 'Privatising Nature: Political Struggles for the Global Commons', Susan George outlines the notion of 'global commons' and its impact on forest dwellers of the Amazon.
"*The notion of 'rights' and 'law' is manipulated so yet the commoners are never judged according to the rules of their own society.… As far as the World Bank is concerned, the part of the forest not given over to logging*

[115] Global Environment Facility: 'Safeguarding the Global Commons'

[116] United Nations, Richard Kozul-Wright: 'How to finance a Global Green New Deal'

[117] United Nations, UN System Task Team on the Post - 2015 UN Development Agenda: 'Global governance and governance of the global commons in the global partnership for development beyond 2015'

[118] United Nations: "Speakers in General Assembly Call for Stronger United Nations Role at Heart of Global Economic Governance'

[119] United Nations General Assembly, Report of the Secretary-General: 'Global economic governance and development'

*concessions is a biodiversity site to be fenced off according to the Bank's rules of 'conservation', a new variety of enclosure. As Nguiffo points out, '**The interests of "mankind" are opposed to those of local people and they are not seen as being a part of "mankind**"… Ownership rights of local people would first have to be recognised and this the other actors vehemently oppose." (Emphasis added)*

*Goldman shows how today these experts contribute not only to local disaster but are fast transforming the 'global commons' into private property and a new object of management…. all common property arrangements are, for the experts a priori objects of suspicion. **That people might somehow have managed to survive and to sustain their resource base for centuries without the intervention of the World Bank is a thought not to be entertained**. Thus the experts and the development professionals try to find the problem and fix it; they endlessly ask themselves what they should do. That the answer might be 'nothing' never crosses their minds. **Nor could it: they are paid (by any number of institutions) to intervene**. (Emphasis added)*

In the 1990s, when elite Northern scientists established that the Amazon is the 'lungs of the world', they were directly challenging the rights of forest dwellers against the rights of metropolitan populations around the world who supposedly depend upon forest preservation for their daily dose of oxygen. If the Amazon is the lungs of the world, then shouldn't Northern urbanites have the right to dictate production strategies in the Southern forest? Non-Amazonian policy makers, scientists and activists argue that the fate of the world's oxygen supply should not be left up to irrational 'slash-and-burn' peasants. Consequently, elite-based environmental groups and global institutions have intervened in the Amazon, under the premise that more rational management skills by forest dwellers were required to ensure continuous oxygen supplies and 'sustainable' extraction in the world's rainforests." (Goldman, 1998)

The current push for the international control of the Amazon is evidenced in the 2018 report by the Global Environment Facility (which was created by the World Bank), titled 'The Opportunity of the Commons'. [120] In it, Carlos Nobre, Member of the UN Scientific Advisory Board for Global Sustainability and Juan Carlos Castilla-Rubio, member of the World Economic Forum's Global Future Council on Environment and Resource Security, outline the agenda for control of the Amazon, as a 'global public good'. This model is then to be applied to all tropical regions, preserving these 'vital global commons'.

"*Large reductions in the rate of deforestation in the Brazilian Amazon… open up opportunities for an alternative model based on **seeing the Amazon as a global public good of biological assets** for creating high-value products and ecosystem services… This is bringing within reach a third pathway where we aggressively research, develop, and scale up a new high-tech approach that sees the Amazon as a global public good of biological assets that can enable the creation of innovative high value products, services and platforms for current, and entirely new, markets…*

*Key to this would be to leverage artificial intelligence, internet of things and blockchain technologies to build a digital Amazonian "Library of Alexandria" to **create an open and immutable registry of rights and***

[120] Global Environment Facility: 'The Opportunity of the Commons'

obligations associated with all biological and biomimetic knowledge assets of the Amazon. *This would both catalyze disruptive innovations and provide a needed mechanism to build trust.*

Such system-level change in the Amazon cannot be executed single-handedly. We are in the process of setting up a coalition of the willing with leading public, private, academic and philanthropic actors, engaging indigenous peoples and uniting the best capabilities of R&D centres, universities, technology startups and visionary companies all over the world to set in motion the entrepreneurial revolution required. If successful, ***this new development model could be applied to all tropical regions*** *helping* ***to preserve the vital global commons*** *of the Earth's great biological diversity*."

The World Development Movement's 'The great nature sale' outlines the harmful effects of destruction of the rights to the commons: "*The harmful effects of the commodification of forests are already being felt by indigenous forest peoples across the world through the REDD+ (Reduction of Emissions Through Deforestation and Forest Degradation) scheme. The idea behind REDD+ is that if the carbon stored in forests is valued and quantified, forests will be seen as more valuable standing than they would be cut down. Companies will have to earn the right to cut down trees or emit carbon either by planting new trees somewhere else (plantation) or by instituting better forest management in order to cut down on logging.*
However, by allowing companies to 'offset' deforestation with the creation of new plantations, REDD+ has actually ***opened the door to the legal destruction of rainforests*** *and* ***the confiscation of land from local people*** *who often* ***do not have formal ownership deeds to the land they have used in common for generations.*** *This has led to the* ***criminalisation of indigenous communities*** *which* ***stand accused of 'illegal' logging for continuing practices they have employed for centuries****. In some cases this happens while trees are cut on an industrial scale by logging companies that have purchased the right to do so.*"[121] (Emphasis added)

Natural capital

The BIS paper describes 'natural capital' "*The concept of natural capital refers to "****the stock of natural ecosystems on Earth*** *including air, land, soil, biodiversity and geological resources ... (which) underpins our economy and society by producing value for people, both directly and indirectly*". (Emphasis added)

"*An* ***internationally coordinated effort****… would significantly accelerate the transition towards integrated reporting and/or* ***new ways of accounting for natural capital****. Such efforts would* ***benefit central banks*** *and supervisors as standardised accounting measures can allow investors to make relative comparisons across companies' respective exposure to environmental and social risks*." (Emphasis added)

"*The World Bank Group has also spearheaded a partnership to advance the* ***accounting of natural wealth and ecosystem services****….****pricing and payment mechanisms*** *for ecosystem services can hardly account for the inherent complexity of any given ecosystem…They can also fail to provide the desired incentives if they*

[121] Global Justice (2013): 'The great nature sale'

are not designed in ways that recognise the complexity of socio-ecological systems… and the need to ***strengthen cooperation in governing the local and global commons****…*" (Emphasis added)

George Monbiot reported in 'Putting a price on the rivers and rain diminishes us all', that 'natural capital' commodifies our rivers and natural resources: they are valued, privatised and commodified, in a move that will benefit only the rich.[122]

Monbiot reports: "***Once a resource has been commodified, speculators and traders step in****. The Ecosystem Markets Task Force now talks of "harnessing City financial expertise to assess the ways that these* ***blended revenue streams and securitisations enhance the ROI [return on investment] of an environmental bond****…*

Already the government is ***developing the market for trading wildlife****, by experimenting with what it calls* ***biodiversity offsets****. If a quarry company wants to destroy a rare meadow, for example, it can buy absolution by paying someone to create another somewhere else…once the principle is established and the market is functioning, for how long do you reckon that line will hold?* ***Nature, under this system, will become as fungible as everything else****. (Emphasis added)*

Like other aspects of neoliberalism, ***the commodification of nature forestalls democratic choice****. No longer will we be able to argue that an ecosystem or a landscape should be protected because it affords us wonder and delight; we'll be told that its* ***intrinsic value has already been calculated*** *and, doubtless, that it turns out to be worth less than the other uses to which the land could be put. The market has spoken: end of debate. (Emphasis added)*

All those messy, subjective matters, the motivating forces of democracy, will be resolved in a column of figures. Governments won't need to regulate; the market will make the decisions that politicians have ducked.

It diminishes us, it diminishes nature. By ***turning the natural world into a subsidiary of the corporate economy****, it reasserts the biblical doctrine of dominion. It* ***slices the biosphere into component commodities****: already the government's task force is talking of "unbundling" ecosystem services, a term borrowed from previous privatisations. This might make financial sense; it makes no ecological sense. The more we learn about the natural world, the more we discover that its functions cannot be safely disaggregated*." (Emphasis added)

The Bank of International Settlements and international central bankers are blatantly driving the charge towards privatisation of the natural world, complete dominance and control of countries' natural resources and the 'commodification of the commons'. These actions are presented under the notion that this fairly represents the central banks' official mandate: the BIS having interpreted 'financial stability' to now include climate-risk related action.

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[122] The Guardian, George Monbiot: 'Putting a price on the rivers and rain diminishes us all'

The World Development Movement campaigns against root causes of poverty and reported critically on the first World Forum on Natural Capital in 2013, in their article ‘The great nature sale’.
They reported corporations are anticipating entering into speculative trading of global water markets, including central-bank critic Willem Buiter (the outspoken London School of Economics professor who then became Chief Economist of Citigroup- an organisation he had previously publicly scathingly ridiculed for bad practice), who said: “*I expect to see a **globally integrated market for fresh water** within 25 to 30 years... Once the spot markets for water are integrated, futures markets and other derivative water-based financial instruments — puts, calls, swaps — both exchange-traded and OTC will follow*.”[123] (Emphasis added)

The World Development Movement reported that, “*If implemented, these ideas would result in ‘biodiversity banks’ and speculators trading in financial instruments derived from **the artificially assigned value of ecosystems**. Nascent markets in biodiversity already exist and a number of ‘wetland banks’, which trade in the financial value of wetlands as ecosystems, have already been established in the USA.*
*Biodiversity banking could **allow financial speculators to buy derivatives linked to ‘biodiversity bonds**’ that would pay out only if the population of a certain endangered species stays above a defined threshold. In other words, speculators would be betting on the likelihood that a given species will become extinct or not*.” (Emphasis added)
“*At first glance, this might seem like a good idea. Proponents of natural capital often sound like they are saying all the right things. They appear to accept the need to protect the environment and reduce carbon emissions, and they talk of placing a proper ‘value’ on nature. But they are confusing value with price, and by doing so they open the door for green markets that price everything but value nothing*”.

The ‘scope creep’ of central bankers and the monstrosity of their proposed ‘commodification of the commons’ in order to save them, becomes more appalling in the face of mounting evidence of scientific fraud and flawed modelling among climate change academics,[124] [125] although this report will not address these revelations.

In 2010, Dr Otmar Edenhofer was appointed the head of Working Group 3 of the UN Intergovernmental Panel on Climate Change (IPCC). The IPCC was the organisation which produced climate change research that the majority of international organisations, including the UN, base their policies on.
Dr Otmar Edenhofer candidly told an interviewer, “…*one must say clearly that **we redistribute de facto the world’s wealth by climate policy**. One has to free oneself from **the illusion that international climate policy is environmental policy.** This has almost nothing to do with environmental policy anymore, with problems such as deforestation or the ozone hole.*”[126] (Emphasis added)

[123] Global Justice (2013): ‘The great nature sale’

[124]The Telegraph, Christopher Booker (2009): ‘Climate change: this is the worst scientific scandal of our generation’

[125] Kauppinen, Malmi (2019): ‘No experimental evidence for the significant anthropogenic climate change’

[126] NewsBusters, Noel Sheppard: ‘UN IPCC Official Admits ‘We Redistribute World’s Wealth By Climate Policy’ Original source in German

CONCERNING DEVELOPMENTS: CENTRAL BANK DIGITAL CURRENCIES

At the August 2019 annual central bankers' meeting at Jackson Hole Symposium, Mark Carney, the governor of England's central bank, proposed a new international monetary system based on a global central bank digital currency.[127]

"***In the new world order***, *a reliance on keeping one's house in order is no longer sufficient. The neighbourhood too must change… a multi-polar global economy* ***requires a new IMFS [international monetary and financial system]*** *to realise its full potential*." (Emphasis added)

Carney said "*While the likelihood of a multipolar IMFS might seem distant at present, technological developments provide the potential for such a world to emerge. Such a platform would be based on the virtual rather than the physical… In the longer term, we need to change the game… When change comes, it shouldn't be to swap one currency hegemon for another. Any unipolar system is unsuited to a multi-polar world*."

Carney proposes a 'financial architecture developed around a new Synthetic Hegemonic Currency (SHC). The SHC is a central bank digital currency which would be provided by the public sector, through a network of central bank digital currencies. The SHC would displace the US dollar's dominance on global trade, "*by leveraging the medium of exchange role of a reserve currency, an SHC might smooth the transition that the IMFS needs*", to replace the US dollar as the world's reserve currency.

In January 2020, the World Economic Forum published the 'Central Bank Digital Currency Policy-Maker Toolkit'. The paper explains that in the case of a Distributed Ledger-based CBDC, the central bank would preserve full control over the issuance of the digital currency.[128]

Approval of transactions using the CBDC could be delegated to commercial banks, but the central banks intend to retain significant control of every payment: "*Transaction approval could follow a pre-specified consensus process determined by the central bank, which could include privileges for the central bank* ***such as transaction "veto" powers or visibility***." (Emphasis added)

The system can also be programmed to give the central bank the only validating node. In the first full-scale release of a 'quasi-form of CBDC' in Cambodia, the central bank performed all transactions validations.

Hybrid CBDC's - nationalisation of the financial sector

The 'Toolkit' recommends 'Hybrid CBDCs' to allow central banks to focus on transaction settlement rather than retail CBDC requirements. Hybrid CBDC's connect payment service providers that do not usually have access to a central bank deposit facility to hold reserves there. The report says this will "*enable stronger safeguards and monitoring of these organisations*". However, the Toolkit is clear that the 'Hybrid' providers are not risk free for the public: "*It is important to note that, unlike CBDC, "hybrid CBDC" is not a claim on the central bank in the case of issuer default.*"

The Toolkit acknowledges that "upon issuance of a retail CBDC, the central bank is extending its involvement in the retail payment system". Central banks have regulatory powers, limited accountability to legislators, "veto"

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[127] Bank of England, Mark Carney, Governor of the Bank of England: 'The Growing Challenges for Monetary Policy in the current International Monetary and Financial System'

[128] World Economic Forum: 'Central Bank Digital Currency Polio-Maker Toolkit'

powers over other payment providers and the ability to print unlimited amounts of money to pursue their ends. How can any private sector business compete?

Just as Europe's community banks are being run out of business by fees and regulatory burdens in order to consolidate power to a single central bank, payments providers may be overrun by this monolith. CBDCs have been touted as programmable alternatives to traditional bonds, stocks and securities. Central banks are buying shares in private companies, and intend to continue. We may be facing the attempted nationalisation of the entire financial sector, under the control of the central bank.

CASE STUDY: RISKBANK'S E-KRONA

In 'Petition to the Swedish Riksdag, 'The state's role on the payment market'[129], the report recommends that Sweden's central bank, the Riksbank, reviews "*the state's role with regard to means of payment in a digitalised economy and the role and responsibility of both the state and the private sector on the payment market*".

The e-krona is a "*modern form of dematerialised state money*". Cash is presently the only form of state money available to the general public. In future, to give the general public an "*entirely risk-free money in a digital future*" is for Sweden's central bank to issue a central bank digital currency, called the e-krona.

The report recognises that state money - central bank issued cash - has special legal protection as legal tender. "*There may therefore be reason to review the possibility of making the legislation technically neutral so that electronic means of payment issued by the Riksbank can also become legal tender."*

Stefan Ingves, Governor of the Riskbank, agrees: "*If the general public is to have the possibility to pay with state money – in the form they prefer – then Sweden needs to also have digital state money, an e-krona… I consider that new legislation should give the e-krona the same status as cash, legal tender*."[130]

Ingves echoes other central bankers in the drive towards a 'united' coalition of central bank digital currencies: "*We must also think a step further and beyond national boundaries. Together with our Nordic and Baltic neighbours, we could lead the way and create a digital payment union*."

Restrictions on e-Krona

The report already considers control measures that a programmable CBDC could implement:

- To prevent a bank run in times of crisis (from commercial banks into risk-free state guaranteed money), "*the e-krona could be to allow it to bear interest, which could be set on an unattractive level, or to introduce the possibility of having restrictions on the number or value per day that can be converted to e-kronas*."
- If the e-krona was programmed to be interest-free (just like holding physical cash), it wouldn't be possible to 'cut the repo rate below zero'. The e-krona would need to be interest-bearing so that negative interest rates could be implemented, directly through the currency itself.

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[129] Riksbank (2018): 'Petition to the Riksdag: The state's role on the payment market'

[130] Riksbank, Stefan Ingves, Governor of the Riksbank: 'How to ensure the future of the Swedish krona'

CBDC - To enable ‘confidence’ in ‘risk-free’, ‘preferential’ money?

The report emphasises ‘risk’ and ‘safety’ as a reason for a CBDC, saying the public currently only has access to 'to physical central bank money, not a digital version': “*This can make it more difficult for the Riksbank to promote a safe and efficient payment system in the future, not just in times of crisis and war but also in peacetime*.”

Historically, the Riskbank was “*granted a banknote monopoly to create confidence in money*…” The report questions how confidence in money can be maintained in the digital era, when there is less state-issued money (cash) than digital money (liability of issuing commercial banks).

“*One problem is that the Swedish public is finding it increasingly difficult to gain access to central bank money, which could be an important ingredient for confidence in the monetary system as a whole… The reason for this is that confidence in money is a precondition for the monetary system as a whole to function well… it was actually this central function for the creation and maintenance of confidence in money that originally led to the emergence of central banks.”*

"Central banks can always create money and can, by definition, not become bankrupt, while the banks can and actually do sometimes go bankrupt. This is why the general public often prefers cash when confidence in the banking system is questionable…”

The report says under the current monetary system, in times of financial crisis, “*the population would be left to depend on private payment alternatives, which in turn would hinder the Riksbank's ability of promoting a ‘safe and efficient payment system.*”

Hence the solution: a central bank digital currency, with the same legal status as physical currency.

The Hegelian Dialect[131] suggests that a synthetic ‘problem’ or 'thesis’ must be created for an agent to direct a predetermined ‘solution’. In this case, a ‘Central Bank Digital Currency’ is required to address public ‘confidence’ in the financial system. Alternative and arguably more sensible solutions, such as improving regulation of the financial system, separating bank speculation from savings accounts to improve ‘confidence’ in digital money, or a more transparent banking system, are not preferred over the CBDC.

Sweden does not have any cash payment restrictions. The Centre for European Policy Studies 2017 study ‘Study on an EU initiative for a restriction on payments in cash’[132], analysed Sweden's move away from cash, saying “*the reduced cash usage and swift towards digital payments was not the direct outcome of a political initiative or piece of legislation*."

Upon examination, it is apparent that this trend was not necessarily a free choice, but pushed by the emerging commercial and social costs of using cash, including initiatives from the central bank.

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[131] Stanford Encyclopedia of Philosophy: ‘Hegel's Dialectics’

[132] The Centre for European Policy Studies (2017), p256: ‘Study on an EU initiative for a restriction on payments in cash’

Sweden's central bank was the first to introduce negative interest rates in 2009. Negative interest rates increase margin costs on banks[133], many do not wish to add the extra costs onto their customers (to protect their customer base), so are forced to find other ways to protect their profit margins. The costs of holding and transporting cash meant "*the commercial case… for maintaining facilities for distributing and receiving cash may vanish.*"[134]
Sweden's central bank recently changed its coinage, meaning coin-operated public toilets and public facilities had to pay for expensive upgrades to fit the new coins. Most public toilets went completely cashless instead, forcing people to pay for the toilets with their mobile phones, with some unable to use the facilities at all.[135] More than half of Sweden's banks no longer take or issue cash, have stopped accepting cheques and have pushed up fees exorbitantly for in-branch bank transfers[136]. Many businesses do not accept cash at all.

"*The introduction of new bills and coins (of lower value) in 2015 and 2016 which aimed to reduce the risk of forgery also led several banks and merchants to stop accepting cash. A similar effect occurred due to the introduction of new requirements for cash handling machines. The bankruptcy of Panaxia (cash in transit service company) had a negative effect in the trust in cash transactions. Because of the extensive use of digital payments the social costs of card payments are lower than those of cash payments. For instance fees for cash deposits are quite high compared to card fees…*
However, small organisations (NGOs and small businesses) in cash intensive sectors (usually performing mostly low value transactions) are facing raised cash handling costs due to the digital payments trend. Cash transfer and cash handling companies have raised their costs. Additionally, since ATMs and banks that are still handling cash have closed down in the last years, such businesses rely on cash handling companies…. Banks respond to the trend of digitalisation of transactions in Sweden by having some of their branches not offering cash at all and bank offices that do perform cash transactions are often crowded with long queues. In addition the number of ATMs reduces year by year."

Central bankers are contributing toward creating an environment that discourages the use of cash.
Benoit Coeure, of the European Central Bank Board, said "*there are no clear benefits from allowing the general public to hold digital central bank reserves, in particular in economies where demand for cash remains robust… [but] cash may be sidelined sooner rather than later, even in economies where it today reigns supreme. Indeed,* ***our own efforts*** *to upgrade retail payment systems may even be accelerating this evolution*."[137]

Governor of the Bank of Finland: "*The number of ATMs has been diminishing for years here. Many bank branches do not handle cash any more… obtaining cash has probably become more time consuming and*

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133 CNN Business, Julia Horowitz: 'The rich have had enough of negative interest rates. Some are pulling cash out of Swiss banks'

134 Bank of International Settlements, Erkkii Liikanen: 'Cash and the central bank'

135 The Guardian, David Crouch: 'Cashing out? Why notes and coins may become a thing of the past in Sweden'

136 BBC, Maddy Savage: 'The Swedes rebelling against a cashless society'

137 Bank of International Settlements, Benoit Coeure: 'The future of central bank money'

difficult for customers who prefer to use it… We may be approaching a tipping point, where cash is not only losing market share, but may be increasingly disappearing as an option."[138]

This 'problem' may be easily solved, for example: with legislation that exists in other countries - which says that businesses (and banks) are legally required to accept legal tender. Central banks could regulate commercial banks to ensure their fees remain competitive. Negative interest rates, imposed by central banks, are pressuring profit margins on commercial banks so they are forced to find other ways to cut costs.

Central banks have created the 'problem' of declining availability of cash as a payments solution. However, the central bank 'solution' is not apparently to be regulation or an arguably more sensible approach to the core problem, but a CBDC: "*Another interesting hypothetical question is what should be the role of the central bank in a such an hypothetical economy where physical cash would no longer exist. Should the concept of legal tender be redefined, and should the retail customers have access to central bank money in such an economy?*"[139]

Central bankers are pushing for a CBDC to answer the self-fulfilling prophecy that they themselves have created - that physical cash will disappear. Even though central bankers themselves admit that this is not the current reality.
In the same speech, Coeure apparently contradicts himself:"*Demand for banknotes is still growing around the world, and in the euro area cash remains a popular means of payment.*"

RBA Governor Phillip Lowe : "*At the same time as the use of cash for payments has been declining, the number of electronic transactions has been growing strongly… [but] despite the decline in cash use, the value of banknotes on issue, relative to the size of the economy, is close to the* ***highest it has been in fifty years****…. So there is an apparent paradox between the declining use of cash and the rising value of banknotes on issue. The main explanation is that some people, including non-residents, choose to hold a share of their wealth in Australian banknotes.*"[140] (Emphasis added)

Governor of Finland, Erkki Liikanen: "*Currently, the role of banknotes in payments is diminishing, and the role of credit and debit cards is growing. Curiously, the total value of banknotes in circulation has not decreased in most countries, and* ***has even been growing***". (Emphasis added)

Citizens are choosing to protect their wealth by holding it in physical currency. Physical currency is difficult to confiscate (unlike digital money, which is subject to bail-in and negative interest rates), it is private, protected by legislation and guaranteed by the state.
An interesting remark in the Riksbank's report: "*the general public* ***often prefers cash when confidence in the banking system is questionable****".* Although they attribute the public's preference to the central banks'

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[138] Bank of International Settlements, Erkki Liikanen: 'Cash and the central bank'

[139] Bank of International Settlements, Erkki Liikanen: 'Cash and the central bank'

[140] Reserve Bank of Australia, Governor Phillip Lowe: 'A Journey Towards a Near Cashless Payments System'

ability to print money, so it "*can, by definition, not become bankrupt*'. The environment of negative interest rates, 'bail-in' legislation and quantitative easing may possibly be a significant contributing factor in the public's lack of confidence in the banking system.

As demonstrated, the rising social and commercial costs of transacting in cash (many driven by central bank policies and actions) is driving the trend towards reducing its use in the local economy. This is apparently justifying Sweden's Riksbank's need to 'protect the citizens' by introducing state cash that is "risk-free", in a form they "prefer". (Although digital payments do not appear truly preferential, but in avoidance of costly impediments to using cash. The 2017 CEPS study, **using sources from the Riksbank**, reported that three out of ten Swedes had a negative attitude towards the increasing decline of cash usage, which was an increase compared with 2014.)[141]

The Riksbank's 'e-krona' report: "*One problem is that the Swedish public is finding it increasingly difficult to gain access to central bank money… If the general public is to have the possibility to pay with state money – in the form they prefer – then Sweden needs to also have digital state money… [an] entirely risk-free money in a digital future*".

Although the citizens may not 'prefer' the 'risk-free' e-krona to cash, given that it is proposed to be programmed to facilitate negative interest rates or restrictions on the number or value per day that can be converted- how is this favourably comparable to physical cash?

Here we see the Hegelian Dialect at work- the synthetic 'problem' of Swedish citizens' impaired access to physical "central bank money" and the pre-determined solution- the 'e-krona', a Central Bank Digital Currency.

CONCERNING DEVELOPMENTS: CENTRAL BANK POLICIES HAVE FAILED

- Werner (2016) states that central bank policy has demonstrably failed: "*The job of central banks has been to engage in monetary policy in order to deliver stable prices, stable growth and stable currencies. However, central banks have thoroughly failed in this, as the frequency and amplitude of business cycles has increased during this time period, and more traditional cycles of growth and recession have been replaced by boom-bust cycles.*"
- In 2018 and 2019, the world's central banks began attempting to reverse negative interests rates and money printing: 'tapering stimulus'. Any attempts were quickly reversed as the withdrawal of stimulus plunged markets. As John Rubino concluded, this means[142]:
    - "*10 years into an expansion, with unemployment below 5% and officially reported inflation at the central bank target of 2%, the global economy is still too fragile to handle historically normal interest rates. The structural weakness that that implies is absolutely terrifying.*"
    - "*If central banks can't normalize monetary policy now, they'll never be able to. Let that sink in. The old conception of monetary policy is over for the remaining life of the current global financial system… How much time is left? That's unknowable of course, but it's fairly safe to say that this central bank course reversal has ushered in the final chapter*."

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[141] The Centre for European Policy Studies (2017), p262: 'Study on an EU initiative for a restriction on payments in cash'

[142] ZeroHedge, John Rubino: 'Rubino: If Central Banks Can't Normalize Now, They'll Never Be Able To'

- David Haggith reported on central bank buying of private equity, saying that this has 'rigged' the stock market beyond recovery: "*The hope of central banks is to create a self-sustaining illusion, wherein people will see a market that appears healthy and growing and then jump in and take off where the central bank leaves off*." [143]
- The Cantillon effect is a phenomenon which describes the 'uneven expansion of the amount of money'. When a central bank pumps money into the system, the ones who profit the most are the ones closest to the money printer- companies, hedge funds, banks. The general public do not experience the benefit of the money printing, but they suffer from the higher prices that result from it. The Cantillon effect is a "*redistribution from the poor to the rich*" and widens the wealth gap.[144]
- Central bank monetary policies and management failed spectacularly in the Global Financial Crisis. "*One point virtually all disinterested observers will agree on is that, when it comes to the GFC, no central bank saw it coming until well after it had started. Our leading central bankers did not anticipate it; they did not act pre-emptively to prevent or mitigate it; they did not have a clue*." Even so, Buiter notes that "*since the crisis started, every leading central bank has seen its regulatory and supervisory responsibilities enhanced…" This is despite the failure of banks "to anticipate the crisis and despite their failure to use the regulatory and supervisory powers that they already possessed to prevent or mitigate the crisis*."[145]

CENTRAL BANKS: DO WE NEED THEM?

Economist Professor Richard Werner's 2018 paper 'Shifting from Central Planning to a Decentralised Economy'[146] exposes the impotence of central bank policy and the weakness of its narrative- which his paper demonstrates is not backed by any empirical evidence or reality. He concludes:

"*The truth of the matter is: **We don't need central banks**. Since 97% of the money supply is created by banks, the importance of central banks is far smaller than generally envisaged. Moreover, the kind of money that commercial banks create is not privileged at law. Legally, our money supply **is simply private company credit**, which can be created by any company, with or without banking license… credit guidance has always been undertaken in secrecy by central banks, since awareness of its existence and effectiveness gives away the truth **that the official central banking narrative is smokescreen***." (Emphasis added)

According to Werner, the vast influence and power central banks hold over our economies, money, payments systems, governments and civil society is completely unnecessary - an illusion of empire that crumbles if "*the general public may simply (and rightly) link bad economic outcomes to bad economic policies adopted by central banks, not to the – now far less powerful – governments*."

Werner says it has been the central bankers' ploy has involved promoting the myth of money scarcity: "*to pretend that they were issuing what is a very scarce and precious resource – savings or money. For if it was not*

[143] The Great Recession Blog, David Haggith: 'Central Banks Buying Stocks Have Rigged US Stock Market Beyond Recovery'

[144] Austrian Economics Centre, Heike Lehner: 'The Cantillon Effect and Populism'

[145] Centre for Economic Policy Research, (2014), Willem H. Buiter: 'Central banks: Powerful, political and unaccountable?'

[146] Professor Richard Werner: 'Shifting from Central Planning to a Decentralised Economy'

scarce, why should we be prepared to pay the bankers for this service (in the form of interest)? Governments could just create their own money, ***without having to pay interest on the national debt****… usually well hidden from the eyes of the public… pretending that interest payments are non-negotiable and compulsory*".

Werner says that money "*is not in fact a scarce resource, but a tool that can and should be employed by governments as benefits communities and nations,*" putting the 'national debt profiteers' such as Goldman-Sachs and Morgan Stanley out of business.

Werner says that central bank power is a "*concerted threat to our civil liberties and our freedom*". He says the only solution is to drive the opposite agenda: the decentralisation of power. Werner says decentralisation of power in the monetary system can be achieved by "*abandoning the big banks and instead creating and supporting local not-for-profit community banks and ultimately a system of local public money issued by local authorities as receipts for services rendered to the local community*."

CASE STUDY: AUSTRALIA - PROSPERITY UNDER THE NATIONAL 'COMMONWEALTH BANK'

In 1911, the Australian Labor Government introduced legislation to establish a national Commonwealth Bank. "*The intention of the Bill was to make the national credit available to anyone with appropriate security to offer. It would reduce the charges made on overdrafts, bills of exchange, and current accounts by the private banks; it would provide a safe investment for savings and would help in the reduction of the public indebtedness.*"[147]

Sir Denison Miller was appointed Governor of the Commonwealth Bank. He was determined to make the Bank 'both a Government Bank and Savings Bank'. Private banks enjoyed a cordial co-existence with the Commonwealth Bank, although Miller "*forced them to practically abolish their charges on current accounts, and to keep their charges on loans and overdrafts within reasonable limits*." Private bank speculation was separated from deposits and savings.

Until 1924, The Commonwealth Bank financed agriculture and primary producers, businesses, manufacturers and home buyers, creating a prosperous and vibrant economy. The profits the bank made were invested back into the economy, resulting in further prosperity to Australia.
The Bank established the Commonwealth Steamship Lines, expanding to over 36 ships and reducing the cost of freight to Australian producers to half that charged by British steamship lines.
The Commonwealth Bank strongly supported local council development, funding electrification to establish factories and growth in industry.

After the death of Governor Miller, the private banking cartel pushed the government to end the national bank.

During the economic hardship of the second World War, the Government re-instated the Commonwealth Banks' original powers of a national bank. The Commonwealth Bank kept the private banks on a tight reign, demanding

[147] 'The Story of the Commonwealth Bank', D.J. Amos

they hold large reserves with the national Bank so they couldn't over-inflate the money supply with excessive lending. The Bank lent large amounts of credit to boost the economy, within a month unemployment dropped to zero.[148]

Local manufacturing of machine tools rose "astonishingly" during this time: "*At the peak of production in 1943 some 200 manufacturers employed 12,000 persons for an annual output of 14,000 machine tools. By the middle of 1944 what had been Australia's greatest single technological weakness had become a major source of strength*." Australian machine tool production industry size and quality grew until it became among the best in the world, and began exporting tools overseas.[149]

In 1945, Treasurer Joseph Benedict Chifley moved a Bill to make the wartime national bank permanent, the legislation "*based on the conviction that the Government must accept responsibility for the economic condition of the nation. ... Accordingly, the Government has decided to assume the powers which are necessary over banking policy to assist it in maintaining national economic health and prosperity*."[150]
Chifley cut taxes, implemented 'nation-building' infrastructure projects, founded the Australian National University and established a large scale Australian car industry, introduced the Pharmaceutical Benefits Scheme and the National Welfare Act 1945.
The Bill's three goals of the stability of the currency, maintenance of full employment and economic prosperity and welfare of the people have now been assumed by the Reserve Bank of Australia and 'remain inscribed in gold letters on the Bank's headquarters'.

Unfortunately, this was not to last. Under the Chifley Administration, the International Monetary Agreements Bill was passed in 1947. This Bill formerly ratified the Bretton Woods agreements. According to Amos: "*The Bretton Wood Agreements would take away from all nations the power of either increasing or decreasing their currency (except within very narrow limits) without first obtaining the assent of an International Monetary Fund - which international financiers will control through its directorate, in the same way as Australian financiers until recently had controlled the Commonwealth Bank. This International Monetary Fund was to be backed by a similarly controlled International Bank which would, to the extent that it saw fit, lend out money at interest for reconstruction purposes, provided always that those purposes were productive and profitable for the Bank… The world would continue on its course but henceforth all human activity would be bound and increasingly burdened with the chains of interest- bearing debt.*
There was a universal desire to form some sort of world-wide organisation which might possibly result in a well-functioning peaceful world. There is a great deal of evidence that the "One-world" global carrot, consistently dangled before the donkey's nose, was of great use in sending the donkey down the road that international finance desired it to travel.

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[148] The Citizen's Party: 'End the BoE - BIS - APRA Bankers' Dictatorship'

[149] Mellor, D (1958) 'The Role of Science and Industry', Chapter 8, p165

[150] Australian Government, The Treasury: 'Ben Chifley: the true believer'

From then on, the operation of what was the Peoples' Bank was gradually undermined until today it is just a private corporation. It is no longer a Peoples' Bank.

Was the change in the operations of the Commonwealth Bank due to political ignorance in the field of finance, or whether there has been a deliberate undermining of its potential through a policy generated outside the political sphere? It is ironical to hear that the reason for the privatisation of the Commonwealth Bank was to give the public the opportunity to have a share in it. Yet, if we are to believe that the Commonwealth Government is an administrative body acting on behalf of the Australian people and owning the Commonwealth Bank, then the latter Bank was already owned by the people."

From 1945 until 1996, the private banking cartel (under the direction of London and Wall Street banking interests) proceeded to destroy the sovereignty Commonwealth Bank. During the Hawke-Keating years, the government oversaw the complete sell-off of the national bank.

The very first advocate of an Australian national bank was King O'Malley in 1909, who gave a five hour speech in Federal Parliament using his background in banking and familiarity with the Hamiltonian national banking in the US to promote the concept. Although spoken over a century ago, his words are still relevant today.[151]

"*However great the natural resources of a nation, however genial its climate, fertile its soil, ingenious and enterprising its citizens, or free its institutions, **if its money volume is manipulated by private capitalists for selfish ends, its credit shrinks and prices fall**. Its producers and business people must be overwhelmed with bankruptcy, its industries will be paralysed, and destitution and poverty prevail…*

"*The movement of the money volume is the vital monetary problem - the master-key to the financial situation. Through the control of this movement prices may be made to rise or fall or remain substantially steady. This means control of justice or injustice, prosperity or panic, wealth diffusion or wealth congestion. Power to dominate the operation of the money volume is power to do justice or injustice between debtors and creditors, employees and employers, purchasers and sellers, landlords and tenants, money-lenders and borrowers; power to increase the weight and value of every debt - public or private - in the Commonwealth, power to generate prosperity or panic, power to regulate industry and determine the distribution of wealth. Such power is an attribute of sovereignty, the prerogative of the King, and ought to belong to none but the sovereign people exercised through His Majesty's Parliament and Government in the interests of the whole people. **At present the vicissitudes of mining speculations, management of private banking corporations and the blind chance of monopoly determine the movements of money.***

*The private banking system of the Commonwealth is only a legalized monopoly for the gathering of wealth from the many, and its concentration in the hands of the privileged few…. The question is why the Commonwealth and States cannot operate a banking system on a sounder security, **and gather the profits for the public benefit, instead of empowering a special privileged few to become wealthy by private banking."***

[151] Historic Hansard, House of Representatives, 3rd Parliament, 4th Session, 30th September 1909

“The men who increase and diminish at their pleasure the currency (not bank-note currency merely, but discounts, cheques, credits, promissory notes, drafts, letters of credit, and coin), possess the power to change prices at their will. ***Now the directors and managers of private banks possess this power, which is an attribute of sovereignty, and should only be exercised by all the people through the Government****.”* (Emphasis added)

CONCLUSION

The reach of the central bank empire has stretched far beyond their failed monetary policy or disastrous financial ’rescue’ packages, to now consolidating power *to exploit and rule over nature itself.*

Central banks are driving the privatisation of nature, control of natural resources and commodification and control of the global commons. Governments are required to cede their sovereignty and public money to central bankers and their private sector cohorts, in the massive wealth re-allocation event of ‘the climate opportunity’. Public money is to be used to fund ‘risky’ technologies and ‘uncertain’ projects - free R&D for the private sector, who will swoop in on opportunity and avoid any risk of expensive failures. This money is coming from welfare, pension funds and taxes. Wealth of the citizens is to be squandered for private gain.

Rather than restricting it, governments should *protect* cash - as this is government, state and sovereign money, which is being swept aside to make way for central bank money - Central Bank Digital Currencies. CBDC’s have a built in ‘veto’ switch. Governments could conceivably be at the mercy of their own currency - to try passing regulations that central bankers don’t like and see how far they get. The proposed ‘monetary regime change’ will not be to the benefit of governments or citizens.

Central banks can print unlimited money. They are buying up private assets and distorting markets, with the largest debt bubble in known history. We may be witnessing the nationalisation of *the entire financial sector*, under the control of central banks.

The work of economist Professor Richard Werner and the history of Australia’s own national Commonwealth Bank, demonstrates that **we do not need central banks.** Localism, decentralisation of power and distribution of credit for the public good results in innovation, industry booms and a rich and vibrant economy- the time of the national Commonwealth Bank ushered in Australia’s ‘golden age’.

Over a hundred years ago, King O’Malley addressed Australia’s Parliament. His words are still true today.
“Now the directors and managers of private banks possess this power, which is an attribute of sovereignty, and should only be exercised by all the people through the Government…. The question is why the Commonwealth and States cannot operate a banking system on a sounder security, and gather the profits for the public benefit, instead of empowering a special privileged few to become wealthy by private banking.”