GREEN FINANCE

How Climate Hysteria and Radical Environmentalism Are Supposed to Save the System

by *EIR* staff

Greening World Finance

Sept. 20—The global push for a transition to a "climate sustainable economy" cannot be understood unless it is put in context of the bankrupt global financial system. The "greening of the economy" is nothing but the last effort to bail out the system with a new giant financial bubble. Not accidentally, in a paper published on September 12, 2019, the Institute of International Finance, the cartel of the financial industry, has characterized the green economy as "the new gold."

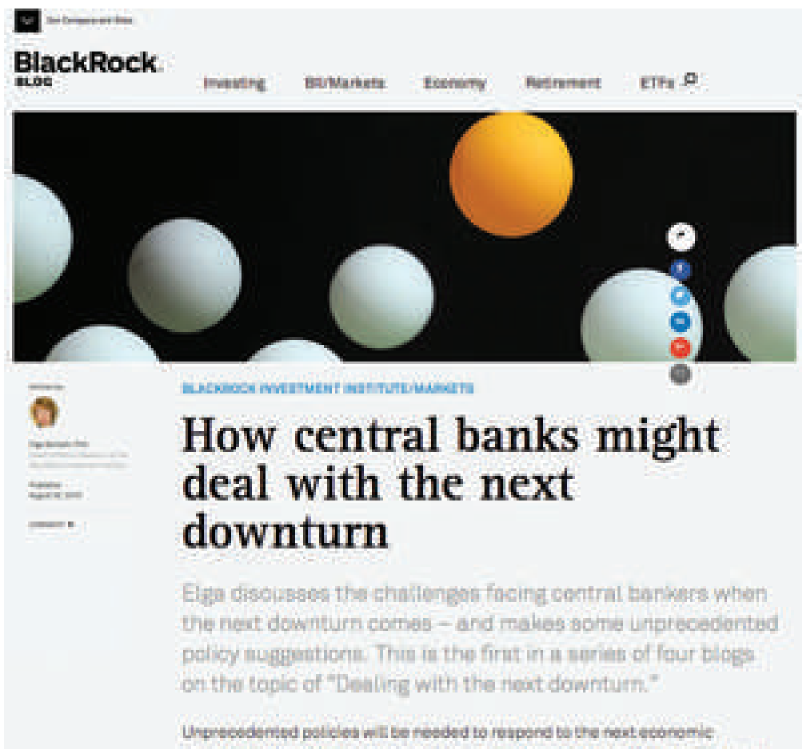
As we are drafting this report, central banks and government efforts to keep the global financial system artificially alive after the 2008 financial crisis are approaching their exhaustion. The big 2008 bailout blew out central bank balance sheets and pushed government budgets to the limit of over-indebtedness, rolling over and actually increasing the global debt bubble.

Overall, global debt had grown to $244 trillion as of the third quarter of 2018, a 100% increase from a decade ago. At the same time, austerity measures implemented by governments in order to make the bailouts "fiscally sustainable" have brought the real economy to a halt. A decade of liquidity injections by central banks with zero and now negative interest rates has kept inflating the bubble while failing in the purported aim of reviving the real economy.

As a result, the system is facing a liquidity crisis in the short term, which will require an even larger bailout effort than in 2008, when the Fed alone committed up to $16.8 trillion overnight to prevent a total collapse.

Nobody has the crystal ball to forecast when the collapse will occur, but warnings such as the one that occurred on September 17, when a liquidity crisis sent the interbank lending rate up to 10%, forcing the Federal Reserve into emergency liquidity actions and back toward quantitative easing programs, should be taken seriously.

The answer of the financial industry to the threatened collapse of the system is the creation of a new giant bubble financed with taxpayers' and "helicopter"



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Philipp Hildebrand, former Swiss National Bank chairman

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Mark Carney, Governor of the Bank of England.

money. The new bubble is called "green finance." It won't work, but it will do devastating damage to society if we don't stop it in time.

A 'Regime Change' For the Financial System

In leading the efforts for "greening" the financial system, both Bank of England Governor Mark Carney and Wall Street giant BlackRock LLP are promoting many other new and exotic ideas to save the current bankrupt system.

Among the proposals brought up, before and after the meeting of central bankers at the Kansas City Fed's August 2019 Economic Policy Symposium in Jackson Hole, Wyoming, is that offered by four prominent BlackRock executives, who issued a paper proposing a new monetary policy to be applied when the next crisis hits; they called it "going direct," meaning that central banks could print money and directly lend to governments, institutions, firms, etc. Such a policy, sometimes called "helicopter money" (as by former Fed Chairman Ben Bernanke), is supposed to allow a return of some desired inflation without increasing public debts.

One of those executives, former Swiss National Bank Chairman Philipp Hildebrand, called the scheme a "regime change" in monetary affairs in an interview with Bloomberg Aug. 15, 2019:

> We are going to see a regime change in monetary policy that's as big a deal as the one we saw between pre-crisis [of 2008] and post-crisis, a blurring of fiscal and monetary activities and responsibilities.

In this "regime change," the central banks will still be independent of the governments, but the governments won't be independent from central banks. BlackRock called its immediate scheme the Standby Emergency Fiscal Facility, or SEFF.

From his side, Carney, speaking at the Jackson Hole meeting, proposed that, to have a world economy less hostage to the United States-China trade disputes, one should create a synthetic world currency to replace the dollar, an international new reserve digital currency he calls a "Synthetic Hegemonic Currency" (SHC). He described it as being modeled on Facebook's proposed Libra, *but* issued and controlled by central banks working with, but ruling *over* governments.

The central banks' "regime change" could happen much more quickly than Mark Carney was letting on in

his remarks about a "Libra-like" digital currency replacing the dollar.

The global pile of bonds with negative interest rates has climbed to nearly $18 trillion, more than 30% of the entire universe of bonded debt. There is almost no "advanced economy" government debt outside the United States which does not have a negative yield. And U.S. Treasury rates are being pushed toward zero interest, as the Federal Reserve cuts rates and as investment funds exit from negative-interest bonds elsewhere and pour into Treasuries, where interest, for a little while longer, can still be earned.

Lending at significant interest now characterizes an increasingly "subprime" world of corporate leveraged debt (lending to already super-indebted companies and "zombie companies), consumer rotating credit such as credit cards, auto loans, etc., and debt of cash-strapped local agencies. Above all, lending at interest characterizes speculative trades and instruments, etc., including those derivatives contracts which enable profits to be made by lending at negative interest! This regime prioritizes securitization and speculation more and more, and is now looking toward another crash of unsupported and unpayable "subprime" debt of various kinds—the "everything bubble."

In a world of negative-interest sovereign debt, investor demand for governments' sovereign debt could, in the very near future, drop significantly. Already on Aug. 21, another "shocking" development occurred: A 2-billion-euro German government bond, of 30-years maturity but with a negative interest rate [!], failed to sell at auction. This leaves big dealer banks holding sovereign debt which didn't sell, to be bought by the central banks—which was the outcome in the German case.

And in a second step, it can leave the central banks to simply print the whole amount which governments once borrowed for their spending. That is the regime-change BlackRock proposed.

Digital Money and Green Boondoggles

As "shocking" as BlackRock's scheme and Mark Carney's "Libra-like" proposal are in themselves, equally striking is that both are leaders in the current "climate change finance." The Green Finance Initiative of the central banks is spearheaded by Carney's Bank of England.

BlackRock LLP, together with the Rhodium Group, are pushing a sophisticated "Google Maps"-type program classifying the "climate change risk" to investments in U.S. municipal bonds, electric utilities, and commercial real estate, literally property by property. Risk, that is, from "extreme heat waves," wildfires, floods, extreme storms, etc. Fossil fuel production facilities are all classified "high risk" in this program, reflecting only the virtual reality of investment advice—get out of them.

BlackRock's program is a pilot project for the "sustainable finance classification system" the European Commission is working at, also called "Taxonomy" (see below, "The High-Level Expert Group on Sustainable Finance"). Once the Taxonomy system is in place, customers can be induced to invest their money into "green projects," and a "committee of experts" can be designated by central banks to decide how to spend the money printed for government "use in creating inflation."

On the record of their current activity, if the BoE's Carney and BlackRock's "experts" get their way, "green finance" is going to be the central banks' favorite cause for printing "fiscal money for purposes of inflation" ("helicopter money.")

And no such helicopter money is more finger-tip controllable by central banks than a world digital currency issued by them.

As Lyndon LaRouche said, if London, Wall Street and the central banks stubbornly refuse to accept the necessary bankruptcy reorganization of their system, they have no other option than to supply the rope to hang themselves. The straightforward and urgent measures to prevent them hanging all of us with them, are the Glass-Steagall Act, and pushing the central banks aside by creating "Hamiltonian" national banks to issue productive credit for national purposes.

The Tipping Point

In his 2019 book *Hydrogen is the New Oil: How 7 Energy Battles Are Giving Birth to a Carbon-Free World*, French energy expert Thierry Lepercq prophesizes that what happened to the subprimes is about to happen to the financial assets of the oil and gas sector:

> In effect, the investments into subprimes, real estate loans made to people not really able to repay them, were all based on a single strong conviction: the U.S. real estate market, which

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The heads of delegations to the UN Climate Change Conference Paris COP21, left to right: Enrique Peña Nieto, François Hollande, Angela Merkel, Michelle Bachelet.

> never saw a low for generations, would never decline. Therefore, if somebody didn't repay his subprime loan, the bank would evict the person and by selling the house, get more money back than ever invested.
>
> However, when the real estate bubble fueled by the subprimes reached its tipping point in 2007, all the actors, banks, professionals, public authorities, were in a state of denial: "It cannot go down." . . . In one instant, the markets shifted from confidence (based on denial) to panic, the effect of a thousand beating wings of a butterfly.

The author's evaluation is that the Divest Oil Initiative, which encourages investors to sell shares and bonds of oil and gas companies, is gaining steam. At the end of 2018, already $6 trillion had left the sector.

Towards a 'Minsky' Climate Moment

It has to be noted in this context, that Bank of England Governor Mark Carney and his French counterpart Villeroy de Galhau, former BNP Paribas investment banker now governor of the Banque de France, have repeatedly called the world's financial institutions to take into account the risk of a sharp and sudden drop in the value of financial assets challenged by energy transition.

According to the current Malthusian financial oligarchy, the estimated amount of losses of "stranded" assets, i.e., the fossil energy resources considered from now on as "non-exploitable" for reasons of carbon emissions and climate hysteria, is evaluated at $20 trillion since the historic speech of Mark Carney at the 2015 G20 summit in Belek, Turkey. At that time, Carney, who, besides being the Governor of the Bank of England, presided over the Bank for International Settlements' Financial Stability Board and served a role in the crafting of the Preamble to the Paris COP21 Climate Summit Agreement, colorfully described the pending risk as a "Minsky climate moment," a brutal crash of stranded fossil fuel-related assets.

Some insiders of the current financial system believe that such a "Minsky climate moment" represents the miraculous opportunity of a systemic breaking point eventually allowing them to save their failed financial interests via a green overhaul of the global financial system.

To such insiders, the decision is whether to wait for—or, even better, to cause the emergence of—the right time to sell, or even to short these assets that are considered intrinsically worthless, and to do so at what they hope will be their highest price before collapsing.

Profiles of the Green Finance Conspirators

The December 2015 Paris COP21 conference was a watershed for Green Finance policies. Although the recommendation to build a Green Finance system was already the essence of the famous 700-page report on the "economics of climate change" commissioned in 2006 by the British government and written by London School of Economics economist Nicolas Stern, it was the Paris COP21 that for the first time Green Finance made its way into a final document.

In that framework, the following institutions, among others, were founded:

- The Network for Greening the Financial System (NGFS), to convince and engage central banks and supervisors in policies to "green" world finances;
- The High-Level Expert Group on Sustainable Finance (HLEG) to draft EU policies;

• The Green Finance Institute (GFI), to make sure that the City of London maintains its hegemony over the "Greened" finance system.

The common purpose of those initiatives is to promote legislation that diverts financial flows from the "CO_2 economy" into a "CO_2-free economy."

Network for Greening the Financial System

The Network for Greening the Financial System (NGFS) was created at the COP21 by eight central banks and supervisors and now has 42 members and eight observers. Its stated purpose:

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Villeroy de Galhau, governor of the Banque de France.

> To help strengthen the global response required to meet the goals of the Paris agreement and to enhance the role of the financial system to manage risks and to mobilize capital for green and low-carbon investments in the broader context of environmentally sustainable development.

What distinguishes the NGFS from the other Green Finance institutions is the "manage risks" function proper of supervisors and central banks. Being aware of the fact that a massive shift from CO_2-connected assets to CO_2-neutral assets can provoke a deadly shock to the financial system (the "Minsky climate moment"), the task is to price that risk and build reserves—or their equivalent.

Its mastermind appears to be Bank of England Governor Mark Carney. Its steering committee is heavily populated by Northern European institutions: Bank of England, Banque de France, Bundesbank, Nederlandsche Bank, and the Swedish FSA. The Bank al-Maghrib, Banco de México, Monetary Authority of Singapore, and the People's Bank of China are also members of the steering committee.

Its website and administrative HQ is hosted by the Banque de France in Paris following Carney's full backing of Villeroy de Galhau, a former executive of BNP Paribas currently governor of the Banque de France.

On April 17, 2019, the NGFS presented its latest report, "A call for comprehensive action." At the presentation event at the Banque de France, François de Vilhau had the following to say:

> Climate change is real; it is global and irreversible. Even if policymakers bear the primary responsibility, we need all hands-on deck to tackle climate change, as demonstrated today with this wide audience. Indeed, 'preventing the airplane from crashing' remains a continuous endeavor, which is now undertaken by many more institutions every day. In mainstreaming sustainable finance, finance cannot replace policymakers, but finance can help. And as a central banker and supervisor, the Banque de France is determined to help. Last year, in Amsterdam, I even said that this challenge is our 'new frontier.' This is why we initiated the Network of central banks and supervisors for Greening the Financial System (NGFS), during the One Planet Summit on December 2017. And, in 16 months, our club of the willing has increased almost fivefold, from 8 founding members to over 40 members and observers with its Chair Frank Elderson [official of the Dutch Central Bank and member of the Supervisory Council of the European Central Bank] and the Banque de France as Secretariat. We are now represented on the five continents; NGFS members' jurisdictions cover 44% of global GDP and 45% of greenhouse gas emissions. We collectively supervise two-thirds of systemic financial institutions, banks and insurers alike. What appears obvious to most of us today was not previously set in stone.

The report recommends four actions:

> First, integrate the monitoring of climate-related financial risks into day-to-day supervisory work, financial stability monitoring and board risk

management. Supervisors are encouraged to set expectations to ensure financial firms are adequately addressing the financial risks from climate change, including by conducting scenario analysis to assess their strategic resilience to climate change policy. Firms are encouraged to take a long-term, strategic approach to the consideration of these risks, and to embed them into their business-as-usual governance and risk-management frameworks.

Second, lead by example. Central banks are encouraged to integrate sustainability into their own portfolio management.

Third, collaborate to bridge the data gaps to enhance the assessment of climate-related risks. Public authorities should share and if possible, make publicly available any climate-risk data.

Fourth, build in-house capacity and share knowledge with other stakeholders on management of climate-related financial risks. An important element to achieving effective consideration of climate risks across the financial system is to support internal and external collaboration.

The High-Level Expert Group on Sustainable Finance

The High Level Expert Group (HLEG) on Sustainable Finance was created in 2016 and drafted what has become the Commission Action Plan, approved by the EU Council in February 2019.

Founder of the HLEG is Christian Thimann, Chairman of the Management Board at Athora Insurance Holding Germany, and former senior AXA manager, long-time advisor to the EU Commission and the ECB. Thimann, who teaches at the Paris School of Economics, boasts of having drafted the infamous EU Fiscal Compact together with Olivier Guersant, Director-General of the EU's General Directorate on Financial Stability and Capital Markets (DG FISMA), who later founded the HLEG with Thimann and EU Commissioner Valdis Dombrovskis.

In a speech at the House of Finance at Goethe University in Frankfurt on July 27, 2019, Thimann said:

> If you read the [COP21] Agreement suddenly in Article 2, the financial sector is mentioned. It was an issue for ecologists, industrialists, and scientists. And suddenly in the 21st session [i.e., COP21] you have a remarkable sentence about finance. It says the following: "The climate targets will only be achieved, if we start to reorient capital flows towards a low emission world. . . ."
>
> This is now a process that is going on, where the European Commission is asking experts from the private sector: Can you please tell us, how we would do that…? And this is the program that the commission has been working on for two years, which is now being cast into law.

Thimann went on to praise Greta Thunberg's FridaysForFuture and Extinction Rebellion (XR) movements, saying:

> And then come the political lessons, when 12 million young people come into the streets and suddenly you have this big topic going.

In a March 13, 2019 article, Thimann recounted the "inside story" of how the HLEG came to life and how it drafted the EU Action Plan. In only three years of work, the HLEG has lobbied all EU institutions, committees and subcommittees, held a consultation with financial institutions and issued a final report in January 2018. But,

> Before we had published our final report, we had in a sense achieved our goal: to make sustainable finance a permanent part of Europe's approach to governing capital. Two months later, the Commission released its own action plan, with a striking correspondence between our core recommendations and its proposals for hard policy and regulatory action. Now one year on, the intensity of EU action on sustainable finance is truly impressive, whether on developing a common taxonomy, introducing new labels and standards, incorporating sustainability into investment advice, integrating environmental, social and governance (ESG) into credit ratings, clarifying investor duties, upgrading prudential regulation, or strengthening disclosure and corporate governance. At the end of February 2019, the EU approved the first legislative action under the Action Plan focusing on investment benchmarks.

Composition of the High Level Expert Group on Sustainable Finance, founded December 2016

Expert	Title	Organisation	Stakeholder group
BECKER, Julie	Member of Executive Committee	Luxembourg Stock Exchange	Finance (stock exchange)
BILLING, Magnus	CEO	ALECTA	Finance (pension fund)
CANFIN, Pascal	CEO	WWF France	Civil society
DUPRE, Stan	CEO	2° Investment Initiative	Civil society
FISHER, Paul	Senior Associate	University of Cambridge	Academic
GROSZEK, Mieczyslaw	Vice President	Polish Bank Association	Finance (banks)
HARRIS, David	Head Sustainable Business and Director of ESG	London Stock Exchange Group	Finance (stock exchange)
HOLMES, Ingrid	Director	E3G	Civil society
HUSSON-TRAORE, Anne-Catherine	CEO	NOVETHIC	Research
KIDNEY, Sean	CEO	Climate Bonds Initiative	Civil society
KIVISAARI, Esko	Deputy Managing Director	Federation of Finnish Financial Services	Finance
KRUSE, Claudia	Managing Director, Global Responsible Investment and Governance	APG Asset Management	Finance (asset manager)
MATTISON, Richard	CEO	TRUCOST (S&P Global)	Finance (ratings/analytics)
McCarthy, Arlene	Special Advisor to the Chairman, Bloomberg	AMC Strategy	Finance (data/analytics)
MICILOTTA, Flavia	Executive Director	EUROSIF	Civil society
SCHMIDT, Michael	Board Member	DEKA Investment	Finance (asset manager)
THIMANN, Christian (Chairperson)	Group Head of Regulation, Sustainability and Insurance Foresight	AXA	Finance (insurance)
VANDER STICHELE, Myriam	Senior Researcher	SOMO	Civil society (Research)
WAYGOOD, Steve	Chief Responsible Investment Officer	AVIVA investors	Finance (insurance)
ZAOUATI, Philippe	CEO	MIROVA	Finance (asset manager)

Green Finance Initiative

The Green Finance Initiative (GFI) was created in London in 2018 to make sure that the City of London remains in control of the "greened" financial system.

On its web page, GFI states:

> The City of London Corporation—the body responsible for running London's Square Mile—regards green finance as prudent, profitable and one of the best tools available in the race to cut carbon. That's why, in January 2016, we launched our Green Finance Initiative in partnership with government.
>
> The initiative brings together international expertise from across the financial and professional services sector. It aims to:
>
> • Provide public and market leadership on green finance;
>
> • Advocate for specific regulatory and policy proposals that might enhance the green finance sector worldwide;
>
> • Promote London and the UK as a leading global centre for the provision of green financial and professional services.

The GFI's chairman is Sir Roger Gifford, a British banker whose connections to Sweden raise questions about the network that controls Fridays4Future's Greta Thunberg. (Also take note of the fact that one of the primary controllers of the pathetic Thunberg is Pro-

fessor Kevin Anderson, a leading climate fanatic in the UK, who predicts that only an elite of one-half billion people will survive the coming global warming disaster.)

Gifford is UK head of branch of Skandinaviska Enskilda Banken, the Swedish SEB bank, which does some financing for IKEA, whose Daniela Rogosic, their global PR director, is on the Advisory Board of Greta promoter Ingmar Rentzhog's "We Don't Have Time" platform. Gifford is also head of the British-Swedish Chamber of Commerce.

The GFI was publicly launched during the Climate Action Week last July in London. Presenting the new institute, initially funded by the UK Treasury and the City, former Barclays banker and GFI CEO Rhian-Mari Thomas explained that the GFI mission:

> To accelerate the domestic and global transition to a zero carbon and climate resilient economy through mobilizing capital." The main focus of the GFI will be to build "capacities and financial products to finance resilient [green] infrastructure" globally, "financing sustainable commodity production across the supply chain," and "enforcing leading financial institutions to co-create the revenue-generating and profitable solutions with business, with policy makers."

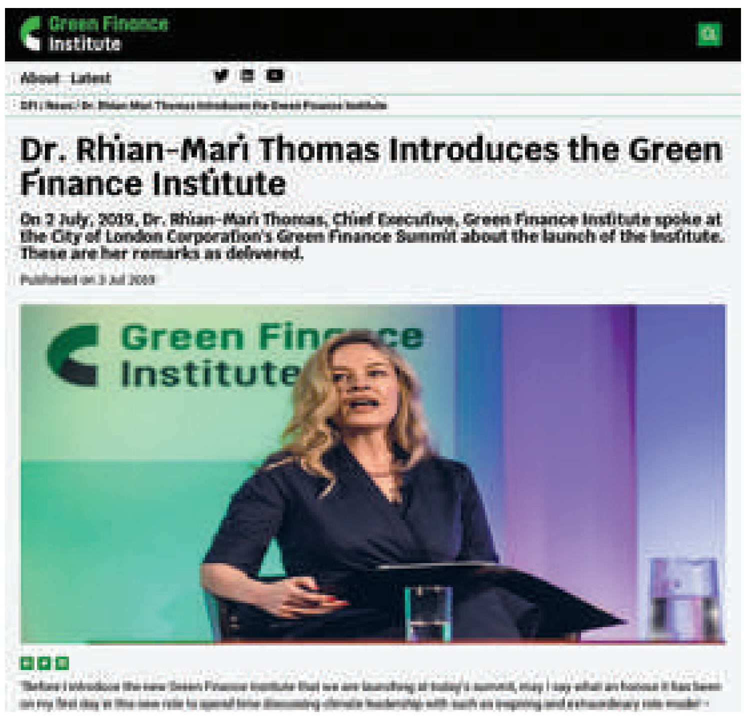
In other words, the financial "industry" will "produce" new securities and derivative "instruments" to draw liquidity issued by central banks. A portion of those securities will be even purchased by the ECB in its next asset purchase program.

The launch of the GFI during the Climate Action Week shows how the financial institutions, the media, the corrupt political elite and the XR battering ram acts in a coordinated way to achieve their aims.

One month earlier, The Extinction Rebellion (XR) movement had scored its first success in the United Kingdom, where the House of Commons adopted its demand of declaring a Climate Emergency on May 1. The motion for a Climate Emergency was introduced by Labour leader Jeremy Corbyn.

The Sustainable Finance Working Group

The Sustainable Finance Working Group (SFWG) is the "private counterpart" to the work of the Central Banks and Supervisors Network for Greening the Financial System. Established in 2018 by the Institute of



International Finance (IIF), the global association of financial institutions, the IIF has co-authored all decisions to bail out and “reform” the financial system since 2008, including the introduction of the infamous “bail-in” procedures. One could actually say that the financial industry represented by the IIF and the system of central banks is one and the same thing, as proven by their officials going through revolving doors in both directions. Indeed, current chairman of the IIF is Axel Weber, former head of the Bundesbank.

On its website, the SFWG states its aim:

> To bring together key stakeholders to identify and promote capital markets solutions that support the development and growth of sustainable finance. The SFWG includes representatives from global banks, major institutional investors, credit ratings agencies, consultancies and other interested parties, as well as public sector collaborators such as the UN Environment Programme (UNEP), World Bank/IFC and many more.

The IIF Sustainable Finance Working Group is chaired by Daniel Klier, Group Head of Strategy and Global Head of Sustainable Finance for HSBC (formerly the Hong Kong and Shanghai Banking Corp.) The SFWG has four subgroups, which cover a range of themes including:

- Engagement with Regulators and Policymakers (including the Central Banks and Supervisors Network for Greening the Financial System);
- Disclosure and Data (including the work of the Task Force for Climate-Related Financial Disclosures);
- Taxonomy and Impact Investment (defining and scaling up sustainable finance); and
- Climate Economics (understanding the impact of environmental, social and governance (ESG) risks for the global economy and financial stability).

The SFWG boasts:

> IIF member firms around the world have been launching a wealth of new products, investment vehicles and programs to help bring sustainability considerations into the mainstream of global finance. Our job is to help connect these initiatives and align forces with public sector efforts to reach the same vitally important goals.

SFWG’s Chair Daniel Klier comes from HSBC, one among the top speculative megabanks in the world. HSBC’s derivatives book expanded 15% in the first six months of 2019, with gross derivatives notional value standing at $39 trillion at the end of June.

In a letter to the European Commission dated March 25, 2019, the IIF recommends that the Taxonomy scheme being worked out at the Commission leaves no option to companies but to engage in the Green economy. The perspective it gives for manufacturing companies and farms is: either you go green or you die.

The letter is signed by Sonja Gibbs, IIF Managing Director and Head of Sustainable Finance and Global

Policy Initiatives. Mrs. Gibbs is co-author of a report dated Sept. 12, 2019, with a self-betraying title: "Sustainable Finance in Focus: Green Is the New Gold." The authors gloat about the growth of the green bubble, which "came close to $235 billion in the first eight months of 2019," and is expected to reach $350 billion in 2019. A chart shows that returns on so-called green bonds have been higher than Investment Grade Bonds: 14.8% vs. 13.8% cumulatively 2017-to-date.

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Green New Deal rally, in Detroit, July 2019.

However, the green bond market is still miniscule: 0.5% of the $110 trillion global bond market. The IIF suggests a few measures to promote its expansion, including providing more liquidity and the "further development of a green high-yield bond market, as well as green securitization and green lending markets."

High-yield is a synonym for junk bonds. Securitization allows spreading the risk across the global system. This is repeating the same failed recipes over and over again in the hope that they will work.

Green New Deal

The Worst Infrastructure Plan Is Also the Most Expensive

The cost of building solar power infrastructure—solar panels and photovoltaic cells—has been reduced further in China than in any other country. There, what are sensibly called "rooftop solar" installations are paid no more when they sell power to the city grids, than they are charged when they have to buy power because the sun is not shining. Thus, since May of 2019, no subsidies have been paid out.

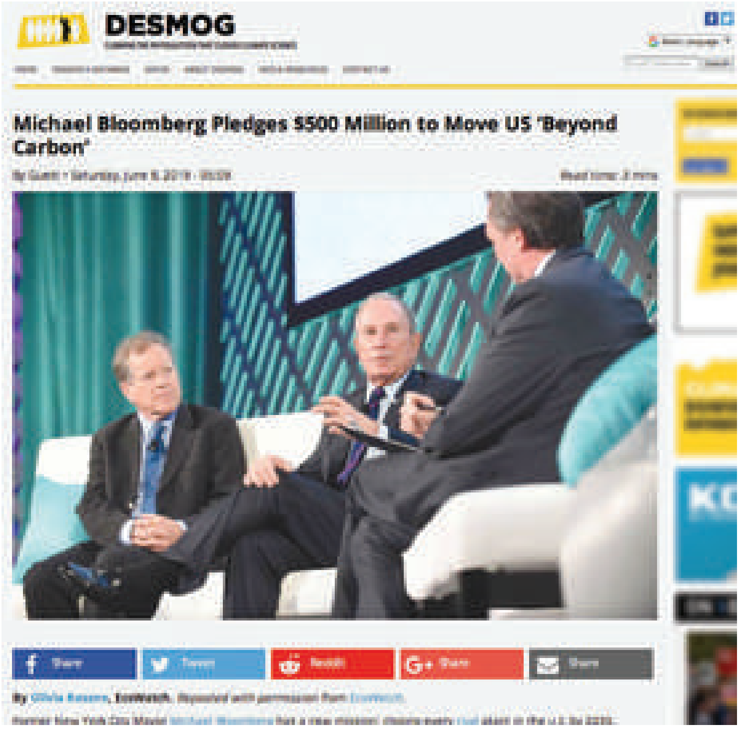
But this does not make solar a baseload power source. The users rely on a local or regional grid that is powered by baseline power sources, most often coal- or gas-powered plants. The energy efficiency is low; the power density is, comparatively, even lower. Nor does this exchange price between "rooftop solar" and the grid express the *actual* costs of solar power; solar power is still dependent on a publicly-financed power grid. Anyone talking about "going off the grid" is speaking only of the smallest installations on a house or shed, and relying on expensive batteries to store enough power for that micro-installation.

When it comes to what are called in China "solar plants," which are intended to provide power to a commercial enterprise like a warehouse or a computer center, the state subsidy definitely remains in place even in the power exchange; and the uncounted costs are much higher. The solar panels are not placed on the roof of the building, but in a "solar farm" more or less distant from the commercial facility, and additional elements of the electric grid are needed to step up, transport, and step down the electric power.

Far more important: Solar and wind power are completely inadequate to greater human enterprises because of their very low and varying (intermittent) power density. Can anyone imagine launching into space on a solar-powered rocket? Riding a magnetic levitation railroad powered by wind turbines?

Since 2006, massive programs to build solar and wind farms and new electric grids to link them, have always been accompanied with proposed heavy new taxes, sometimes on "the wealthy," but always on "carbon"—that is, coal and oil production, blast furnace steel production, gasoline and internal combustion engines, etc.

This began with the "Global Green Party," including the U.S. Green Party, in 2006, inspired by the Intergovernmental Panel on Climate Change (IPCC); then the British "Green New Deal Group" in 2008; and most



influentially, the United Nations Environmental Programme's Green New Deal proposal that same year.

In the United States this idea of a heavy carbon tax for "green" spending is being pushed by the senior figures of the Wall Street establishment: George Shultz, James Baker III, and Michael Bloomberg.

The "Baker-Shultz carbon tax" of $40/ton rising to $65/ton is being promoted personally by these figures into Congress and the financial and business community, avoiding demonstrations and publicity. Acting in parallel is the biggest and most powerful investment fund on Wall Street, BlackRock LLP, as already detailed above.

Multibillionaire Michael Bloomberg is more the activist, having considered a 2020 presidential campaign as a green new deal Democrat. Bloomberg's green-infrastructure colleague Arnold Schwarzenegger, under sponsorship by the British Rothschilds and the royal family, had publicly toyed with the same idea in 2008, despite not being U.S.-born. Bloomberg gives green grants through his foundation, including one, for the "greening" of Georgetown, Texas, which wrought such misfortunes that the city of 70,000 has demonstratively given it back.

As in that misguided example, the basis of the Green New Deal has always been the same since 2006:

- shut down electricity production by coal, oil, nuclear power, and to a great extent by hydroelectric power;
- replace it all, somehow, by solar and wind farms and geothermal energy schemes;
- build new electricity grids to transfer this power from the desert, mountain, and rural plains areas where it will be generated.

Advocates of such a scheme must deal with the uncomfortable fact that the intermittent power sources they propose must be backed up by "spinning reserve power" produced with natural gas—a fossil fuel—all the while promising that breakthroughs in "energy storage"—huge batteries—will, someday, replace the natural gas turbines.

They do not hide the fact that they plan to spend immense funds carrying out their scheme.

Now, with the Green New Deal resolution/legislation put into Congress at the start of its current session in January 2019 by Sens. Ed Markey and Bernie Sanders and Rep. Alexandria Ocasio-Cortes, another order of magnitude has been added to the spending: simply printing money.

> Funding would come primarily from certain public agencies, including the U.S. Federal Reserve and a new public bank or system of regional and specialized public banks.

More than 40 Democrats in Congress endorsed this resolution, with some sleight-of-hand about imitating the German Kreditanstalt für Wiederaufbau (KfW), the Franklin Roosevelt era Reconstruction Finance Corporation (RFC) or the Asian Infrastructure Investment Bank (AIIB).

The Democrats now insist that any "infrastructure" legislation has to claim a connection to the KfW, which has become Germany's largest lender to "green" solar and wind projects. But unlike the KfW or the AIIB, the Federal Reserve issues currency, i.e., prints money. That gives you an idea that the immense planned expenditures for a "Green New Deal" are now going far beyond a carbon tax alone.

Sen. Bernie Sanders' Green New Deal, the latest one, specifies throwing $16.3 trillion in public funds alone into the green pot, in the decade to Jan. 1, 2030, by which time the United States economy and households are supposed to be using exclusively solar, wind, and geothermal electricity.

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Democratic Presidential Green campaigns in Detroit, August 1, 2019.

Suffice to say that $8 trillion is the highest estimate any expert has made, of the investment needed to build new high-technology platforms of U.S. economic infrastructure as a whole—redeveloping ports, replacing old lock-and-dam systems, building protective sea gates and seawalls against destructive storms, electrifying intercity and urban rail corridors, new water management and water purification and desalination projects, etc., *and* to add a great deal of highly efficient nuclear baseload power to the electricity grid for economic expansion.

Why is it that part of Sanders' Green New Deal, demands putting twice that much into what is best called an attempted "re-electrification" of the power grid with solar and wind power, and an intention to replace fossil-fuel road driving and structural heating with electric cars, trucks and buildings? The Sanders proposals don't even consider electrifying the existing rail system, much less expanding and improving it.

The partial answer is that solar and wind technologies are far below nuclear or even coal, in energy efficiency, power density, reliability, and useful life. Solar and wind require new energy storage systems of huge batteries—$850 billion, says Sanders. They will require a new electric grid, because they are generated at such great distances from the centers of industry and urban life—another $560 billion, says the Senator. Plus some $1.65 trillion to build the massive solar and wind farms themselves, gobbling up hundreds of times more space than nuclear plants producing—reliably and constantly—the same electrical power.

The Green New Deal says:

> The New Deal provided inexpensive electricity to America through efforts like the Rural Electrification Administration and the Federal Power Marketing Administrations. If the federal government was able to electrify America under FDR without computers or any of the modern technologies we have available to us today, think of what we can do today.

As if computers produced electricity rather than consuming it! The New Deal electrification was actually based, above all, on the creation of great new electric generation capacity with *hydropower*, then a more efficient electricity technology than steam from coal or oil, and one which used ongoing technological breakthroughs in dam design and construction. This was a technological step forward; solar and wind power are leaps backward.

In fact, Sen. Sanders' $16.3 trillion appears to be a public funds *underestimate*. A group of academics at Stanford University, led by Environmental Engineering Prof. Mark Jacobson, published "road maps" for all 50 states to reach a so-called "zero-emissions economy"—in their planning, by 2035 rather than Sanders' 2030—and they say it will take $25-30 trillion! That's 3-4 times the highest estimate yet made by sane experts for a complete high-technology rebuilding of America's economic infrastructure. Jacobson's team includes Dr. Jonathan G. Koomey of Stanford, who works out of George Shultz's Rocky Mountain Institute; and Prof. Robert Pollin of University of Massachusetts, who runs a "green energy" company which would greatly benefit, and has worked for the United Nations and—for the Sanders Institute of Senator Bernie.