



Australian Citizens Party

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MEDIA RELEASE

Friday, 24 January, 2020

Don't let central bankers use 'green swan' to deflect blame for coming crash

Piggybacking off the Australian bushfires, and in time to appeal to the 119 oh-so-wonderful billionaires assembled at the annual World Economic Forum in Davos, Switzerland, the architects of "bail-in" at the Bank for International Settlements (BIS) have warned that the next global financial crisis could come from a "green swan" climate change event.

Not so fast.

A new global financial crisis is set to erupt any time, but it will be caused by the unpayable mountain of debt that has built up from reckless and criminal financial gambling that the BIS and the world's central banks have fuelled through their policies. How convenient to blame climate change for something they have caused—it both deflects blame from the real cause, and provides a pretext for unelected central banks to seize more power over the economy.

The 2007 book *The Black Swan*, by Nassim Nicholas Taleb, was about rare and unpredictable events, using the example of Europeans believing that all swans were white until they discovered black swans in Australia. Taleb observed that such events can have extreme impacts (the timing of his book, just prior to the 2008 financial crash, ensured the term "black swan" entered the popular lexicon). The BIS is claiming that climate change could provide a green swan that crashes the financial system.

The 20 January 2020 BIS paper, "The green swan: central banking and financial stability in the age of climate change", states:

"[I]ntegrating climate-related risk analysis into financial stability monitoring is particularly challenging.... Traditional backward-looking risk assessments and existing climate-economic models cannot anticipate accurately enough the form that climate-related risks will take. These include what we call 'green swan' risks: potentially extremely financially disruptive events that could be behind the next systemic financial crisis. ... This complex collective action problem requires coordinating actions among many players including governments, the private sector, civil society and the international community. 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



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international level.”

The BIS paper foreshadows a number of measures that represent a fascist transfer of power from elected governments to unelected central bankers. These include a global carbon tax, which would be a violent lurch down the path of ending national sovereignty, and central banks “intervening” in the “climate emergency” by buying coal-fired power stations to shut them down.

The BIS paper follows a flood of gushing press coverage for the world's largest hedge fund, BlackRock, announcing its US\$7 trillion fund would no longer invest in coal companies. BlackRock has enormous power to shape the global investment landscape, thanks to the increased concentration of the global financial system in fewer and fewer too-big-to-fail megabanks and funds. They've been allowed to grow so big that they wield more power than governments, yet their size means governments and central banks are guaranteed to bail them out if their decisions get them into trouble. At the August 2019 Federal Reserve-sponsored annual summit at Jackson Hole in the US state of Wyoming, BlackRock called for monetary-policy “regime change” to give central banks control over government spending, so the power of government can be used as a “green” stick to force changes to the economy. Bank of England Governor Mark Carney is a driving force behind this push. Before you cheer that this is necessary to save us from the climate change “emergency”, understand that it means private financiers and unelected central banks will be setting up a dictatorship over the financial system, which they've been pushing for all along.

Put aside that unlike black swans, green swans don't exist—unless perhaps on Mars. And put aside that a [2018 study by University of Colorado Boulder Professor Roger Pielke Jnr](#)—a scientist at the National Centre for Atmospheric Research in 1993-2001 and a recipient of the Eduard Brückner Prize in 2006 for “outstanding achievement in interdisciplinary climate research”—showed that overall financial losses from weather/climate natural disasters have *decreased* as a percentage of global GDP since 1990. The truth is the world is heading for a financial collapse, caused by the very institutions now trying to use climate change to seize more power.

Contrary to the claims of politicians and bankers, the 2008 crash wasn't an unforeseeable black swan. The Citizens Party (then CEC) and the US physical economist Lyndon LaRouche were among a number of institutions and people who warned it would happen (see the book and movie *The Big Short*, for instance), for the reasons it happened—the build-up of unpayable debt from years of banks



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engaging in reckless financial gambling in asset bubbles and toxic derivatives. These reckless practices had been aided and abetted by government deregulation policies and central banks.

After the crash happened in 2008, instead of forcing banks to change their ways by returning to policies such as the Glass-Steagall separation of banking from speculation, governments bailed them out with taxpayers' money, and central banks pumped in trillions in printed money, driving interest rates down to zero and negative, and blowing out global debt from US\$173 trillion in 2008 to more than US\$250 trillion today. On top of that, the BIS, the G20 Financial Stability Board based at BIS headquarters in Switzerland, and central bankers like Mark Carney used the same pretext of "financial stability" they are using in the BIS's green swan report to invent the policy of "bail-in", whereby they justify stealing the deposits of innocent bank customers to prop up banks if and when they are in danger of failing because of their financial gambling.

There are now flashing warnings signs another crash is imminent, including the US "repo" crisis which has forced the New York Federal Reserve to pump more than US\$400 billion into the New York banks in just four months. Don't fall for the BIS and central bankers' ruse of blaming it on climate change so they can seize more power. Instead, join the fight to legislate real solutions, including the Glass-Steagall separation of banking, and a national bank for investment in the real economy, which can bring the financial system back under democratic authority and ensure it serves the people, not the Davos-type elite.

[Click here for a free copy of the CEC's 2018 pamphlet: *The next financial crash is certain—End the BoE-BIS-APRA bankers' dictatorship!*](#)

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