Harvard: Reining in Technocracy to Increase Democratic Legitimacy

Caution on Technocracy sometimes comes from the oddest places. In this instance, from the Chair of the Systemic Risk Council and a Senior Fellow at Harvard. He concludes, “Even if, as I believe, technocrats need to retreat somewhat, the larger recommendation is that elected legislators need to step up.” TN Editor

In the United States, the marginal lawmaker in many fields is an unelected technocrat, sitting in a court or administrative agency. This is because the U.S. Congress has powerful incentives to delegate without setting clear goals or objectives, and the Supreme Court has incentives to let such delegations stand if government is to proceed. The effect is to leave judges at all levels with a choice between “deferring” to agency policy or imposing their own.

Meanwhile, one part of the administrative system, central banking, has emerged as a third pillar of unelected power, alongside the judiciary and the military. Unlike most agencies, central banking spans almost all the functions of government: fiscal, through monetary policy's latent powers; regulatory, through banking supervision; services, by effecting payments transfers and collecting statistics; and the emergency state's crisis management, by acting as the lender of last resort.

It will not do to declare the administrative state unlawful, as that is not going to lead anywhere very much. But nor will it do to fall back into acquiescence in or even celebration of the rise of government by technocracy. If nothing else, passive acceptance is unlikely to be sustainable. One of representative democracy's many remarkable characteristics is that it separates how we, citizens, feel about the government of the day from how we feel about the *system of government*. When, inevitably, parts of government fail or underperform—sometimes massively, as in the run up to the financial crisis—we can vote out our governors. But we cannot vote out our unelected governors.

This predicament cannot be remedied solely by a certain kind of liberalism, centered on legal checks on the proper excise of power. Liberal constraints are necessary, but not sufficient. If a democratic deficit afflicts central banks and independent regulators, the judiciary cannot cure it.

My recently published book, *Unelected Power*, tries to make sense of this predicament, offering a solution framed as "principles for delegation" in healthy constitutional democracies. I sketch only a few of the principles here.

In order to address the problem, legislators and commentators should take seriously the different degrees of insulation agencies have from day-to-day politics: insulation from the elected executive, through job security and instrumental autonomy, or insulation from the legislature, through budgetary autonomy, or from both. Although the book outlines some precepts for delegating to executive agencies and to semi-independent agencies like the U.S. Securities and Exchange Commission (SEC), I focus primarily on agencies insulated from both elected branches—the only group that deserves the label "independent agencies." Few truly independent agencies exist in the United States compared with some European countries.

The case for delegating to independent agencies cannot be expertise. Although expertise is necessary, expert bodies could be charged with publishing advice to political decisionmakers rather than deciding policy themselves. The most compelling rationale for delegation-with-insulation is, rather, the value of making credible commitments to policy objectives that enjoy wide support across the political community. Insulated technocrats, who are not engaged in a contest for short-term popularity, can better commit if their professional and public reputation can be harnessed to delivering a delegated mandate.

But if, as I argue, independent agencies are institutional technology for committing to the people's purposes, the people had better be let in via public debate centered on the elected legislature. More specifically, the objective set by the legislature had better be clear and monitorable. Otherwise, how would people know what the policy commitment was, and so how could the technocrats' self-regard be harnessed?

That call for cross-party and public consensus before insulting agencies from day-to-day politics is not as innocuous as it might seem. In many fields, sufficient consensus on policy purposes does not exist to warrant delegation-with-insulation. To state the obvious, while there are not serious calls for high and volatile inflation or for more financial crises, the constituency for environmental policy is, putting it mildly, fractured.

Moreover, across the advanced economy democracies, many, perhaps most, independent regulators have multiple equally ranked objectives, each vague. Whatever remains of the U.S. non-delegation doctrine that Congress cannot give law-making powers to administrative agencies unless the delegating statute constrains the regulators via an "intelligible principle," judicial practice has reduced those words to rather peculiar—and, to citizens, opaque—terms of art.

But even if clear and monitorable objectives were suddenly to descend from the ether, there is something incomplete in this analysis. Problems of commitment run right through every part of government, so making that a sufficient condition could easily become a recipe for delegating pretty much everything to independent agencies like the Federal Reserve, as tantalizingly proposed two decades ago in an essay by Alan S. Blinder. Instinctively, as citizens we know the answer: Under the West's system of representative government, the public does not want to let independent agencies make big choices on distributional questions or basic values.

Contrary, however, to President Woodrow Wilson's hopes at the turn of the last century, a neat dichotomy between politics and administration does not exist. What counts as politics can be determined only through politics itself—another reason why delegation-with-insulation requires careful public debate.

Read full story here…

Should Technocracy Retreat From Critic's Backlash Out Of Self-Interest?

Paul Tucker was Deputy Governor at the Bank of England and is a self-described Technocrat. This interview discusses the dynamics between Technocracy, Populism and Democracy, and he concludes that Technocracy would be better off to relax its grip for awhile and avoid stronger backlash. TN Editor

Do central bankers have too much power? On this episode of the Capitalisn't podcast, Paul Tucker, a former official at the Bank of England during the 2008 financial crisis and author of the new book *Unelected Power*, explains to hosts Kate Waldock and Luigi Zingaleshow technocratic hubris can imperil democracy.

Kate: So, Paul, why are you trying to impose constraints on yourself?

Paul Tucker: I believe in democracy. It's a precious—

Luigi: This makes him even more unique, a central banker who believes in democracy.

Kate: Hi, I'm Kate Waldock from Georgetown University.

Luigi: And I'm Luigi Zingales at the University of Chicago.

Kate: You're listening to Capitalisn't, a podcast about what's working in capitalism today.

Luigi: And most importantly, what isn't.

Kate: Should I introduce Paul?

Paul Tucker: Only use the Sir once, but only once. Okay?

Luigi: Sir Paul.

Paul Tucker: Yes. Luigi carries this off with the appropriate derision that a European knows how to deliver.

Kate: Okay, I had a plan for the Sir. Ahem, today we're joined by Sir Paul Tucker, an economist who is the former deputy governor of the Bank of England from 2009 to 2013. He's now a fellow at Harvard's Kennedy School and Harvard's Center for European Studies. He's also the first knight I have ever spoken to, which has me swooning. He has a new book, *Unelected Power: The Quest for Legitimacy in Central Banking and the Regulatory State*. So, welcome to the show, Paul.

Paul Tucker: Well, thank you very much for having me here.

Luigi: Paul is unique in many dimensions, but I think one I want to share with my listeners: generally retired, important figures like Paul write memoir books that are pretty boring. They sell very well. They make them rich, but they're pretty boring, and they tell the gossip of what was going on when they were in power. Paul has written a book which is exactly the opposite of this; it is a scholarly book where he reflects about the role of central banks today. He's the only central banker who would like to limit the power of central banks.

Kate: So, Sir Paul, what prompted you to write this book in the first place?

Paul Tucker: Two things, and they came together. The first was, I was intimately involved, and that's understatement probably, in designing the powers that were granted to the Bank of England after the financial crisis. It became a much more powerful institution. But actually, we leant against, I leant against some powers that some people wanted to give us. We argued for careful constraints around the new powers that we were given: supervisory powers, regulatory powers, all sorts of things.

In the back of our mind was a desire not to be too powerful, to be legitimate. I wanted an opportunity to write down what lay behind that, which was things like the values of democracy, and the rule of law, and constitutionalism. Not the kind of things that feature in discussions about central banking, but I absolutely promise were in my mind, and I think in Mervyn King's mind, the then governor, as we navigated all of that.

The second thing was the kind of … This came to me really while I was writing the book, I started writing the book in 2014, is the debate about technocracy versus populism. I just ended up believing that technocracy needed to retreat a bit, both for its own sake, and, actually, because there was a risk of people saying, “Well, too much, too much is in these unelected hands.”

The book in some senses is about central banking, because central bankers are so powerful today. I was lucky enough, privileged enough to have some of those powers. But it is also, I don’t think of it as a book that’s about economic policy. I think of it as a book that is about democracy, and power, and populism. But not one of the books that attacks populism, or attacks technocracy. But it’s about technocracy from the inside, and where would one technocrat take technocracy? Well, shrink it a bit.

Luigi: In your book, *Unelected Power*, you make some very interesting remarks and comparisons with the judiciary and the military. One of my favorite lines issued by Clemenceau, who was prime minister in France during World War I, is that, “War is too serious a matter to let generals run it.” Can you say the same thing about central banks?

Paul Tucker: Not quite, but I think that’s exactly the right way of thinking about it. I should’ve used that quote in the book. The reason you can’t … it’s not just that you can’t leave war to generals, the generals can turn on you. Finding a place for the military in our societies was a huge thing for centuries, because they are capable of taking over. They have in some countries. One of the great achievements of our societies is avoiding that.

Where this matters for central bankers is when you get absolutely to the edge of their powers, but they could still save the world. They could still make things better. But you haven’t provided for it in law. Or if it is provided for in law, no one ever remotely contemplated it. Let me give you an example. The European Central Bank saved the euro area in 2012, and it acted within its legal powers. The constitutional court later determined that. But it certainly acted in a way that no one ever had thought it could.

I think they did consult the German government. I think they should've gone to the Council of Ministers, which is essentially the governing body of the EU—in intergovernmental mode, there's an important constitutional nuance there—and said, "Do you want us to rescue your project, your country, your jurisdiction," rather than just assume it? That may sound like a formal thing, but it amounts to … it's consistent with our values that the unelected people should not take over. I certainly … you can't have central banks going beyond their legal boundaries. If they reach their legal boundaries, then it's over to the legislature. It's over to the fiscal people.

That might sometimes … when I say this in this country, sometimes people will say to me, "But then the people would've been worse off. Of course, the Fed should always come to the rescue, and they're going to get criticized." I understand that sentiment. But there's a trade-off between welfare today, and whether people accept the system of government. This is a judgment. The judgment about what to do when you're at the boundaries, those judgments must be made by elected people, not by unelected people.

Luigi: The mood today is exactly in the opposite direction. You certainly belong to the group of people called experts. There is an increasing tendency of experts to say, "You should let us do our job, because you people don't understand what you're doing." Certainly, a lot of people don't understand what central banks and bankers do. "You people don't understand what we're doing, so we need to operate without the constraint of you politicians who don't understand what we're doing."

Paul Tucker: I mean, what you say is true, but it's not the whole truth. There are other people that say, "Well, we've had enough of being ruled over by people that we didn't vote for, and can't vote out." We live, around the western world, in complex times. I absolutely don't just mean since the presidential election here, or the referendum in the UK, and the various elections in continental Europe.

Part of the reason people are … Let me put it this way. The more and more we put into the hands of so-called technocratic experts, the more we take a risk that there will be a backlash. So, I deliberately put it just through the voice of the technocracy itself. Part of my message would be, the technocracy needs to retreat a bit, if only out of self-interest.

Now, I actually think there's a deeper principled reason for retreating as well, but if only out of self-interest, technocracy ought to back off a bit, and not claim that it has the answer to every set of questions, because it doesn't.

Kate: All right, so I'm pretty sure … I'm 100 percent positive that I am the lowest common denominator amongst the three of us when it comes to knowledge of what central banks do. So, I'm going to start out with my impression of what the Fed does. Okay? It's as follows. It sets monetary policy. By that I mean it adjusts interest rates so that if, say, employment is low, and prices are low, or inflation is low, then the Fed will cut interest rates, so that it's less attractive to save, people will go out and spend more, and that will boost the economy, therefore raising employment.

The opposite may also be true. If there's high inflation and also high employment, the Fed may raise interest rates, and people will therefore cut back on their spending, and hopefully bring inflation down. Is that a fair characterization of monetary policy?

Paul Tucker: Yes, but it's quite a few steps down the road of what a central bank is. A central bank is an institution of the state of government that issues money. It's a special kind of money. It's the money that we pay our taxes with, ultimately. It is the money that people are obliged to accept in settlement of payment for the goods and services that we buy, consume, et cetera.

This is an extraordinary thing. The state creates this money, and it says, "We will give this money a special legal underpinning." If you and I … if I bought something from you, you and I would settle, not in that money probably, certainly if it was a large amount. We would settle. There'd be a transfer from a deposit, my deposit account with a commercial bank, to a deposit account with your commercial bank. But those banks would settle amongst themselves in the money of the Federal Reserve. Once you've created this money, you have to decide how much of it to have out there in the economy, or what price to put on it. That's where what you say comes in.

Luigi: But Paul, you said correctly that most of us do not transact with that money. We transact with deposits. Why in the 21st century, and there are, of course, a lot of reasons in the 18th and 19th century, but why in the 21st century do we actually let banks be in control of the creation of most of the money? Today when I deposit my money in the bank, I get zero percent. When my bank deposits at the Fed, it gets an interest. Why do they have access to an interest and I don't?

Paul Tucker: I think this is a great question. I think there is a good answer. Imagine that we all, all the population, had accounts with the Federal Reserve in this country, with the Bank of England in the UK, with the European Central Bank in continental Europe. We would hold balances with it. I want to suggest that if that was the case, that as well as being depositors with the central bank, when times got hard we would expect to be able to borrow from the central bank as well. We would want an overdraft account from the central bank.

It seems to me the most important thing in political sense that commercial banking does, is it gets the state out of determining the allocation of credit, who gets loans, and who doesn't. Now it may well be with the new technology that there will be a way of solving for us all being able to hold money issued by the Federal Reserve, without having accounts at the Federal Reserve, which could be used to borrow from the Federal Reserve. But I would be very nervous about what started off as a monetary initiative ending up as a credit initiative. There's a long history in this country, by the way, of people wanting to change the monetary system, and then when politicians get a hold of it, actually turning it into a policy about credit and lending.

Luigi: Why not use prices to allocate a given quantity? I think that if the deposits are safely at the Fed, and … you can then decide on where to invest them based on prices.

Paul Tucker: This is a model which is trying to separate the monetary system from the capital markets essentially.

Luigi: Yeah—

Paul Tucker: No, no. That might work eventually. But so long as you find small businesses, or people who can't access the capital markets, which is how things have been through the 20th and first part of the 21st century, then you will have some kind of banking-type institution, public or private, I prefer private, that makes loans to them. I think if we all have accounts with the Federal Reserve, the next stage, it

wouldn't happen in the first week … over the years, as decades passed, people would say, "Well, actually, the Federal Reserve should get into lending to parts of the economy as well." Be careful what you wish for.

Kate: All right, so in addition to what we've been talking about, the Fed also has other roles, though. Right? I mean, we've mentioned private banking. The Fed monitors, and, to some extent, does have control over private banks.

Paul Tucker: What I think central banks should be doing is ensuring the resilience of the biggest banks. Resilience comes in two forms, actually. For small or medium-sized banks, if they fail, the deposit insurer pays out to the insured depositors, regular people. That's fine. I don't think anyone should be in the business of trying to ensure that small or medium-sized banks are so safe that they never fail.

Now, actually, everybody made the mistake of hoping that the biggest banks would never fail. That, of course, wasn't true. They did fail, so we can't rely, even for the biggest banks, on supervision, the Federal Reserve, people in Europe, doing this so well, and the banks being so well managed that they will never fail. That failure will happen again. We need to ensure that that can happen in a more or less orderly way, so that the politicians aren't faced with a stark choice between fiscal bailout of the banks, and the bankers, and the bondholders, and the equity holders in the banks on the one hand, or, on the other hand, complete chaos.

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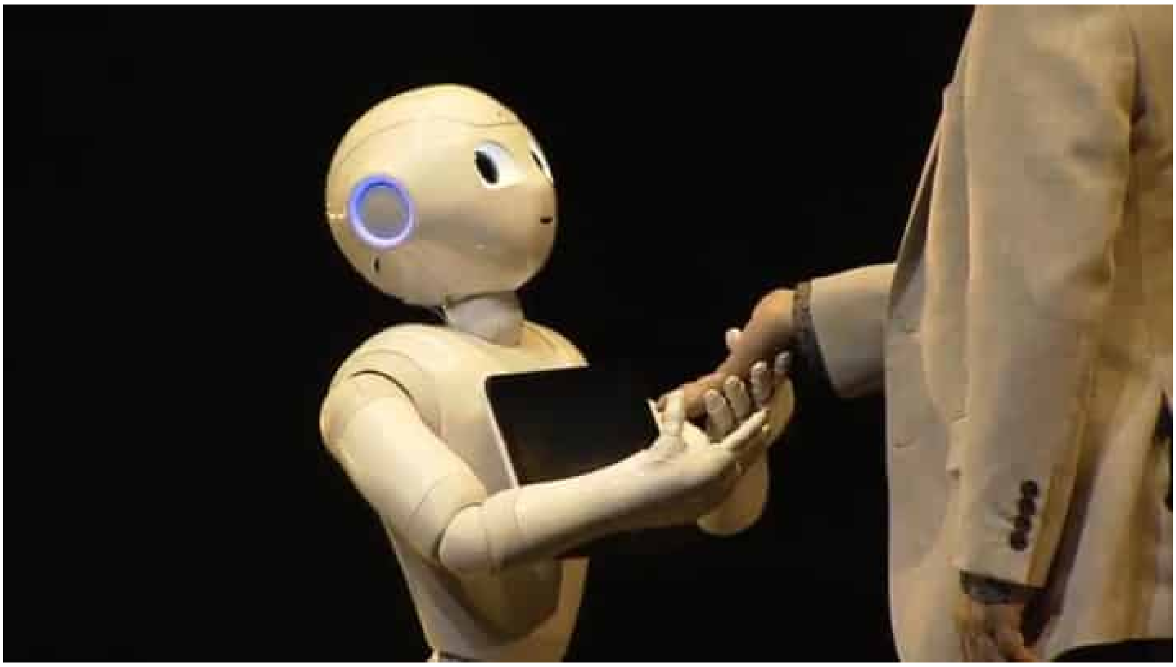

HSBC Staffs Robots That Dance, Take Selfies And Push Credit Cards

Is a robot worth more than a human? Apparently. The banking industry will soon be inundated with robots, displacing hundreds of thousands of human employees around the world, redefining the term "personal banking' as an oxymoron. TN Editor

Ground zero for the robot takeover of financial services is an HSBC branch in midtown Manhattan.

Here, crowds of camera phone-toting tourists cooed and clapped at Pepper, an adorable 4-foot-tall robot with a high-pitched voice and a tablet screen strapped to its chest, during a recent test run. HSBC executives are posting seven of the machines, created by SoftBank Robotics, in the lobby of their Fifth Avenue branch starting Tuesday to interact with customers and signal that the London-based bank is serious about technology.

“How may I help you?” Pepper asks in a cheerful voice, urging onlookers to select among a half-dozen options, including tutorials on self-service channels like mobile banking and ATMs.

In one demonstration, after pitching a credit card and summoning a human colleague to help close the deal, Pepper helped a user kill time by dancing hypnotically to a techno beat. The robot also poses for selfies and tells jokes.

After decades of portrayals in science fiction, robots are beginning to appear in everyday settings, doing menial tasks from vacuuming homes to flipping burgers. In finance, big banks including J.P. Morgan Chaseand Bank of America have focused on software rather than physical robots, pouring billions of dollars into artificial intelligence and machine learning to speed transactions, resolve complaints and improve service. HSBC is the first to employ humanoid robots in a U.S. bank branch.

“This is going to drive more people into the door,” said Pablo Sanchez, HSBC’s head of retail banking and wealth management for North America. “But once they’re in, it has to go beyond the gimmick. If it’s just people taking selfies, in two weeks that’ll be over. So we wanted to make sure it could do some really valuable things for our customers, educate them on our product set, be able to point them in the right direction.”

The bank, which worked with Softbank for six months to train Pepper, is tracking customers’ wait times and how well the robots are helping to sell more products and services, Sanchez said. If the machines help improve users’ experiences, the bank will roll them out to more of its

228 U.S. branches. Locations in California including Cupertino and Silicon Valley are next in line to get the robots.

The bank plans to gradually increase Pepper's capabilities, allowing users to complete product applications on its tablet, and eventually introduce other improvements to its branches. HSBC spent $131 million on the robots and other upgrades, including voice identification and new digital banking apps.

Read full story here…

Flashback 2007: Global Banks Adopting Islam

The Bible warns that "the love of money is the root of all sorts of evil" (1 Ti. 6:10). So, just when you think you have just about seen it all, something even more shocking turns up. Like this.

Either global bankers are seducing Islamic dictators, or vice versa. Even if they are seducing each other at the same time, the result will be the same: Islamic/Shari'a banking is coming to the United States and other western nations, thanks to global banks such as Citigroup, HSBC, Deutsche Bank, Morgan Stanley and Goldman Sachs.

With Great Britain now pledging to become the Islamic banking center of the world, the stampede by all global banks to enter the world of Islamic banking is well underway.

Western banking met Islam many decades ago, but only began to sleep with her a few years ago. Since then, it is has become a wanton and open affair.

The implications for the west, and especially for the United States, are staggering. Because all Islamic banking products must be created and offered according to strict Shari'a law, global banks are doing for Islam what it could never do on its own: give legitimacy to Shari'a and infiltrate it into the fabric of western society.

What is Islamic banking?

Simply put, Islamic banking and finance creates, sells and services products that are in strict accordance with Shari'a. In the Islamic culture, it is referred to as "Shari'a finance" and covers the practices of banking, investment, bonds, loans, brokerage, etc.

To insure Shari'a compliance, banks must hire Shari'a scholars to review and approve each product and practice as "halal", the Muslim equivalent of kosher in Judaism. Because there is a shortage of such scholars, there is competition between banks to find the best expert to sit on their boards of directors. This provides the highest legitimacy to each ruling because it is made at the director rather management level.

It should be noted that most of these scholars are from the school of radical Wahhabi/Salafi Shari'a in Saudi Arabia and elsewhere, holding views diametrically opposed to the basic values of Western civilization.

Shari'a finance has many differences from orthodox banking: Notably, it cannot charge interest (usury) and it calls for alms giving (zakat). It also calls for avoidance of excessive risk and may not be associated in any way with gambling, drinking alcohol, eating pork, etc.

Zakat demands a tithe of 2.5 percent of revenue be donated to Islamic charity. If western banks follow this rule, their contributions will be staggering. It is certain that a portion of this money will end up in the hands of radical Muslims who are sworn to destroy the U.S. and replace its government with Shari'a law.

Shari'a finance is a recent phenomenon. There were very few Islamic banks prior to 1980. However, with the Khomeini revolution in Iran in 1979, Shari'a was summarily imposed throughout Iran and Shari'a finance took off.

The dark side of Shari'a

Shari'a is the legal and judicial system of Islam that is brutally imposed on many Islamic countries in the middle east. It is the specific embodiment of the totalitarian ideology practiced by the Taliban, Iranian Mullahs and Saudi Wahhabis.

Shari'a is perpetuated by claiming to have its roots in the Koran, but in fact it is mostly the product of rulings and dictates made by Islamic scholars and caliphs over several centuries.

For non-Muslims, Shari'a is best known for its medieval, harsh brutality. Many rulings handed down by Shari'a courts have shocked the western world, for instance:

- The December, 2007 "teddy bear" case in Sudan, where a British teacher was sentenced to 40 lashes and a year in jail for allowing her students to name their teddy bear "Mohammad." Islamic mobs demonstrated in the streets and called for her execution.
- The November, 2007 case where a 19 year old gang-rape victim in Saudi Arabia received a sentence of 200 lashes for riding in the car with her rapists.
- In 2006, a 34 year-old mother was forcibly raped and ultimately tried and convicted of adultery, and was ordered to be stoned to death.

Shari'a demands total and unquestioned submission. Its subjects are told that Shari'a is given by Allah and that whatever befalls them (good or bad) is Allah's will. To question a judgment under Shari'a (right or wrong) is to question Shari'a itself and will only bring harsher punishment. If a person receives harsh punishment for something they didn't do, the rationale is that Allah could and would have prevented it if that had been his will. This fatalistic and deterministic approach allows Shari'a rulers to get away with virtually any thing that enters their head.

To the average western mind, Shari'a is no more than a medieval, barbaric code that somehow survived to the 21st century. It flies in the face of western law, philosophy, liberty and freedom. Furthermore, it is the vehicle used to call for the complete destruction of the west and in particular the United States of America, which then will be replaced by Shari'a dictatorships.

How the banking rocket took off

At the behest of global trade moguls, numerous Free Trade Zones (FTZ) were created throughout the Islamic world that were full of windfall conditions.

For instance, the Dubai International Financial Centre (DIFC), is a 110 acre free trade zone that was founded in 2004 in Dubai, UAE. According to the DIFC website, participants will enjoy *"zero tax rate on income and profits, 100 per cent foreign ownership, no restrictions on foreign exchange or capital/profit repatriation, operational support and business continuity facilities."*

Not surprisingly, Morgan Stanley's application was one of the first approved by the Dubai Financial Services Authority to operate within the DIFC.

The director-general of the DIFC Authority, Dr. Omar Bin Sulaiman, welcomed Morgan Stanley by stating,

> *This is a testimony to our status as an international financial centre of repute. Morgan Stanley is a highly reputed organisation and to have them here at the DIFC is a vindication of our strategy to create a*

world-class financial hub for the region. The opportunity available within the region, along with the state-of-the-art infrastructure and the international regulatory framework of the DIFC, provides the ideal platform for institutions such as Morgan Stanley to grow their business." [Emphasis added]

DIFC and similar Free Trade Zones are a banker's nirvana into which global bankers have rushed headlong to establish regional financial centers.

And the payoff? A chance to enter and then dominate the Islamic banking industry. Such banking has over $1.5 trillion on the table today, and is growing at a steady and explosive rate of over 15% per year.

Good old western know-how

Understanding that Islamic banking is a very recent phenomenon is underscored by the fact that its largest and most prestigious international conference, World Islamic Banking Conference (WIBC) has met for a mere 14 years. The most recent meeting just concluded in Bahrain and attracted over 1,000 banking delegates from 35 countries.

Two years ago, the 12th annual WIBC (2005) conference kicked off with the Governor's Table session titled "Regulation & Business: Creating a Framework for Islamic Banking & Finance to Thrive." Panel member and speaker number two was Dr. David Mullins, CEO of Vega Asset Management in New York.

Who is Mullins? He is in the white-hot core of international banking. Mullins was Vice Chairman and Governor of the Board of Governors of the Federal Reserve System under Greenspan during George H.W. Bushï¿½s presidency. As governor, he represented the Fed at meetings of the G-10 Governors, the International Monetary Fund, the Organization for Economic Cooperation and Development, and the Bank for International Settlements. Prior to that, he was the Assistant Secretary for Domestic Finance at the U.S. Department of the Treasury.

The next topic at the Governor's Table was "Industry in Transition: Trends & Innovations for Islamic Financial Institutions in an Increasingly

Competitive Global Market," where several speakers included Dr. Samuel L. Hayes III, Jacob Schiff Professor of Investment Banking Emeritus at Harvard Business School. According to Hayes,

> *The growing acceptance among Muslims of Halal savings and investment products over the past decade has been impressive. Consequently, a number of conventional Western financial institutions have eagerly moved into this market as the array of investment vehicles has broadened.*

The closed-door CEO Strategy Session was centered around the McKinsey Competitiveness Report, developed in conjunction with the WIBC by the very elite McKinsey & Company based in New York.

In fact, McKinsey & Company was listed as a Strategic Partner of the WIBC, alongside of global accounting firm Ernst & Young and the consummate global investment banker, Goldman Sachs. (Remember that in 2005, Secretary of the Treasury Henry Paulson was CEO and Chairman of Goldman Sachs.)

Another key speaker was Dr. Robert Kaplan, Baker Foundation Professor at the Harvard Business School and acclaimed author of many management books like Balanced Scorecard and Strategy Maps. In a pre-conference press release, Kaplan stated

> *I look forward to presenting to Islamic banking leaders the latest ideas on strategy execution that delivers performance breakthroughs. I will present how successful organizations have built strategy maps around a common value proposition, communicated to and motivated the workforce, and installed a new Office of Strategy Management to sustain strategy execution.*

More recently, on December 6, 2007, the general manager of the Bank for International Settlements, Malcolm Knight, addressed the Islamic Financial Services Board Forum in Frankfurt, Germany:

> *Clearly, there is expanding demand for these products, and a closely associated desire on the part of banks, including non-Islamic banks, to provide Islamic financial services. The broadening appeal of Islamic finance is also evident in the move by large international banks and other private sector financial institutions to provide Islamic financial*

services.

Mullins, Hayes, Kaplan, McKinsey, Goldman Sachs, Ernst & Young, Bank for International Settlements? Do you see the pattern?

The west is giving away the know-how, with gusto, to enable Shari'a banking and guarantee its success throughout the world. And to what ends?

For one, Britain's PM Gordon Brown has pointedly stated that he intends to make London the Islamic finance capital of the world. Further, he pledged that in 2008 the British government will issue its own "sukuk", or Shari'a compliant bonds. Yes, government debt issued as Shari'a compliant.

At the June 13, 2006 Islamic Finance Trade Conference in London, Brown revealed,

> *"Today British banks are pioneering Islamic banking – London now has more banks supplying services under Islamic principles than any other Western financial centre."*

Brown's statements can only be taken as a challenge by the New York banking establishment to beat him to the finish line. It doesn't matter who wins this race because the result will be the same: Shari'a banking is quickly encircling the globe and forcing a de facto acceptance of Shari'a law.

Conclusion

International bankers have long ago proven themselves to be completely amoral when it comes to money. They bankrolled the Bolshevik Revolution in 1918 just as blithely as they bankrolled Hitler in the 1930s. Fortunately for us, neither succeeded in conquering the world.

With Islam, odds of its succeeding are radically different. To start with, there are already 1.6 billion Muslims in the world, and it is the fastest growing religion in history. Secondly, the spread of Islam is richly financed by the oil that is extracted from mid-eastern countries. Thirdly, Islam has already infiltrated most of the west, especially in Europe.

And now, Islam has behind it the combined support and encouragement of the entire global banking community.

The unholy alliance between Islam and global banking may be the final leg on the age-old quest for global domination. Don't be surprised at the silence of the global elite the next time you hear Islamist mobs chant "Death to America" their goals are now intertwined.

More Restaurants Go Cashless, Accept Only Cards

In July 2017, Visa announced it would pay restaurant owners $10,000 to go cashless, and that it had other such campaigns as well. Now many more restaurants are making the switch from cash to plastic. The global movement to strip cash out of society is driven by Technocrats who know that Technocracy cannot thrive without data from every purchase. TN Editor

If you’re craving the Serrano Grilled Shrimp Bowl at the Tender Greens salad chain, don’t bother bringing cash.

Tender Greens, with28 restaurants on the East and West coasts, is one of a growing number of eateries that are either shunning cash and only accepting credit and debit cards and contactless payment systems, like Apple Pay, or experimenting with the strategy.

While no one has kept a running count of restaurants adopting the cashless policy, interest is clearly rising. A 2016 Federal Reserve study found the number of non-cash payments — including credit and debit cards — totaled 144 billion in 2015, having grown 5.3% annually between 2012 and 2015

Sweetgreen, another salad chain on the coasts and part of the Midwest, and some independent restaurants have adopted the same policy. Two national chains are exploring it.

In January, Starbucks made one of its shops in its hometown of Seattle cashless, and Shake Shack, the gourmet hamburger chain, began testing cashless kiosks at its Astor Place restaurant in New York City in October. Both chains declined to discuss their experiments.

Restaurant owners say ordering is faster from customers who slap down plastic instead of dollars, cutting a few seconds out of the process. But most of the benefits appear to accrue to the restaurants: less time taken counting bills, reduced pilferage, no armored-car fees or fear of stickups.

It’s a risky strategy. For starters, upscale Millennials — among the most coveted of diners because of their youth and affluence — prefer to pay in cash, according to Bankrate.com data. Also, more than a third of Americans between the ages of 18 and 37 do not have a credit card.

For customers, patronizing restaurants that don’t take cash means one less payment option when they need a quick meal during an all-too-short lunch hour. Plus, it raises questions about whether it discriminates against cardless teens and the poor.

Miah Daughtery took to social media in the fall after encountering the policy at a Sweetgreen restaurant in Washington, D.C.

"There's an assumption that people have a credit or debit card on them. If I didn't, does that mean I wouldn't be able to get lunch?" said Daughtery, 38.

She added that her parents grew up in an era when cash was king, so they would potentially be out of luck, too.

A committee in Chicago is weighing Alderman Edward Burke's proposed requirement that merchants accept cash. Massachusetts has had a Discrimination Against Cash Buyers rule on the books since 1978.

"Most people who use cash are people who don't have access to a bank account and are lower income," said Lana Swartz, co-editor of the book *Paid: Tales of Dongles, Checks, and Other Money Stuff.* "One of the cornerstones of American capitalism is everyone's money is equal."

[Read full story here…]

Swedes Are Rising Up Against Cashless Society

Highly Technocratic Sweden is the world leader in driving cash out of society, opting for all digital transactions. Citizens are finally figuring out what could happen if the digital system got turned off, or if they were denied access to it. Citizens in other countries should pay close attention. TN Editor

It is hard to argue that you cannot trust the government when the government isn't really all that bad. This is the problem facing the small but growing number of Swedes anxious about their country's rush to embrace a cash-free society.

Most consumers already say they manage without cash altogether, while shops and cafes increasingly refuse to accept notes and coins because of the costs and risk involved. Until recently, however, it has been hard for critics to find a hearing.

"The Swedish government is a rather nice one, we have been lucky enough to have mostly nice ones for the past 100 years," says Christian Engström, a former MEP for the Pirate Party and an early opponent of the cashless economy.

"In other countries there is much more awareness that you cannot trust the government all the time. In Sweden it is hard to get people mobilised."

There are signs this might be changing. In February, the head of Sweden's central bank warned that Sweden could soon face a situation where all payments were controlled by private sector banks.

The Riksbank governor, Stefan Ingves, called for new legislation to secure public control over the payments system, arguing that being able to make and receive payments is a "collective good" like defence, the courts, or public statistics.

"Most citizens would feel uncomfortable to surrender these social functions to private companies," he said.

"It should be obvious that Sweden's preparedness would be weakened if, in a serious crisis or war, we had not decided in advance how households and companies would pay for fuel, supplies and other necessities."

The central bank governor's remarks are helping to bring other concerns about a cash-free society into the mainstream, says Björn Eriksson, 72, a former national police commissioner and the leader of a group called the Cash Rebellion, or Kontantupproret.

Until now, Kontantupproret has been dismissed as the voice of the elderly and the technologically backward, Eriksson says.

"When you have a fully digital system you have no weapon to defend yourself if someone turns it off," he says.

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