Bank of Israel's Governor Stanley Fisher Nominated Federal Reserve Vice Chairman

By Stephen Lendman
Global Research, January 02, 2014
Region: USA
Theme: Global Economy

Napoleon was no democrat. He had his own ideas about conquest and dominance. He knew a thing or two about money power. He said:

> "When a government is dependent for money upon the bankers, they and not the government leaders control the nation."
>
> "This is because the hand that gives is above the hand that takes. Financiers are without patriotism and without decency."

The Fed just commemorated 100 years of financial terrorism. In mid-December, Obama nominated Stanley Fischer as Federal Reserve vice chairman. If confirmed, he'll replace Janet Yellen.

She'll become Fed chairman end of January. She'll do so when current chairman Ben Bernanke steps down.

From January 2005 through June 30, 2013, Fischer was Bank of Israel governor. He holds dual US/Israeli citizenship.

He was involved earlier with the Bank of Israel. In 1980, he was a visiting scholar. In 1985, he was Reagan administration advisor to Israel's economic stabilization program.

At the time, neoliberal policies were implemented. Knesset members amended the Bank of Israel Law.

Doing so prohibited it from printing money for industrialization, full employment and immigrant absorption. Israel embraced transformative change for the worst.

Power began shifting from various government agencies to the Finance Ministry and Bank of Israel. It's similar to how America was financialized.

In 1985, Israeli policy included budget deficits reduced to near balance. Inflation was dampened the wrong way.

Wages, public pensions and other social benefits were cut. Shekel debasing began. Unions lost power. Worker exploitation followed.

The Arrangements Law established an emergency Economic Stabilization Plan. Doing so sidestepped normal legislative procedures.

Knesset members were prevented from debating its socially destructive provisions. A race to the bottom followed. It continued throughout the 1990s. It did so under Fisher. It does so today.

Policies include mass privatizations, welfare and social benefit cuts, wealth disproportionately shifted from ordinary Israelis to corporate interests and super-rich elites, as well as other so-called structural adjustments.

Fischer studied in England and America. In the early 1970s, he was a University of Chicago associate professor. In 1976, he became a US citizen.

In the late 1970s and 1980s, he taught at MIT. From 1988 to August 1990, he was World Bank vice president and chief economist.

From 1994 through August 2001, he was IMF first deputy managing director. He's a former Citigroup vice president and president of Citigroup International. In late 2001, he became a Group of Thirty member.

Current ones include:

- former Fed chairman Paul Volcker;
- former ECB governor Jean-Claude Trichet;
- current ECB governor Mario Draghi;
- former Federal Reserve Bank of New York president/Goldman Sachs managing director E. Gerald Corrigan;
- current Federal Reserve Bank of New York president/former Goldman Sachs partner William Dudley;
- former Treasury secretary Larry Summers;
- former Mexican president Ernesto Zedillo;
- former Treasury secretary Timothy Geithner;
- former Bank of England governor Mervyn King; and
- current Bank of England governor Mark Carney, among others with similar credentials.

Fischer is a senior member.

Neoliberalism writ large is official US policy.

In the 1980s, Fisher helped Israel become by far the largest recipient of US aid. Loans increasingly became outright grants.

Israel today gets billions of dollars in annual aid, the latest weapons and technology, unrestricted US market access, benefits afforded no other nations, and much more.

It does so in violation of the 1961 US Foreign Assistance Act. It stipulates no aid be provided to governments that engage:

> "in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman, or degrading treatment or punishment, prolonged detention without charges, causing the disappearance of persons by the abduction and clandestine detention of those persons, or other flagrant denial of the right to life, liberty, and the security of person, unless such assistance will directly benefit the needy people in such country."

As Bank of Israel governor, he helped AIPAC's sanctions campaign. Its goal is financially and politically weakening and isolating Iran.

He supports regime change. He does so in Syria. He backs the worst of Israeli crimes. He's pro-war, pro-Wall Street.

He's a globalist in the worst sense. He'll let Israel influence US monetary policy. He'll lobby for increased Israeli aid.

Fischer is polar opposite what's needed. Not according to the Wall Street Journal. It calls him "a dean among the world's top central bankers."

Wall Street bosses want him as Fed second in command. He'll "provide Ms. Yellen with a heavyweight partner," said the Journal.

His experience "places him very much at the center of the economic policy-making establishment of the past two decades…"

He was instrumental in arranging Citigroup's 2008 bailout. "The IMF was a lightning rod during his tenure…"

He supported the worst of its neoliberal unfairness. He did so as Bank of Israel governor. He's got more of the same in mind for Americans.

Bernanke supports his appointment. In November he said:

> "Stan was my teacher in graduate school, and he has been both a role model and a frequent adviser ever since."
>
> "An expert on financial crises, Stan has written prolifically on the subject and has also served on the front lines."

Former IMF chief economist Simon Johnson questioned his nomination. "What's the rationale for this candidacy," he asked? "I don't get it."

In November, Fisher addressed a Wall Street Journal CEO Council meeting. He called Fed QE "dangerous (but) necessary."

He lied claiming (w)ithout the Fed, we'd have had a much deeper recession."

> "Without the extraordinary things that it's done, the economy would be in much worse shape today and we need to remember that."

False! QE reduced the money supply. It did so "by sucking up the collateral needed by the shadow banking system to create credit," said Ellen Brown.

It's an "asset swap." Assets for cash reserves "never leave bank balance sheets," she said.

Doing so is counterproductive. It's self-defeating. It constrains economic growth.

It doesn't create jobs. It benefits Wall Street. It does it at the expense of Main Street.

It works when used constructively. Money injected responsibly into the economy creates growth. A virtuous circle of prosperity is possible.

It creates jobs. When people have money they spend it. Bernanke's QE wrecked the economy. He did so to benefit bankers.

A protracted Main Street Depression harms millions. Conditions go from bad to worse.

Yellen and Fischer endorse the same policy.

Stephen Lendman lives in Chicago. He can be reached at lendmanstephen@sbcglobal.net.

His new book is titled "Banker Occupation: Waging Financial War on Humanity."

http://www.claritypress.com/LendmanII.html

Visit his blog site at sjlendman.blogspot.com.

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Articles by: Stephen Lendman

About the author:

Stephen Lendman lives in Chicago. He can be reached

at lendmanstephen@sbcglobal.net. His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III." http://www.claritypress.com/LendmanIII.html Visit his blog site at sjlendman.blogspot.com. Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.