

### III. Economics

# BlackRock's War Against the Nation-State

by Richard Freeman

Feb. 15—Former BlackRock executive Friedrich Merz is on the ballot in the German Federal elections Feb. 23, seeking the chancellorship. The weekly Friday Symposium hosted by The LaRouche Organization Feb. 14, titled, “BlackRock's War Against the Nation State,” featured TLO President Diane Sare and EIR economics expert Richard Freeman on the topic. The following is an edited transcript of Freeman's opening presentation. The full program is [video archived](#).

BlackRock is trying to destroy nation-states. It's actually trying to destroy sovereign credit systems; it's trying to destroy Ukraine and Germany; and it's trying to destroy mankind. We have a role to play by initially exposing this, but also taking actions. Because just as people would be very happy to know that the NATO proxy war in Ukraine might come to an end on decent terms, and change relations between the United States and Russia, BlackRock will be gnashing its teeth.

It's not a company in any real sense of the word; it's an instrumentality of the City of London and Wall Street for carrying out dirty operations and destroying things. It is one of the leading institutions for what we call the military-industrial-financial complex.

It is simultaneously the largest institutional Bitcoin owner in the world, which it has propelled itself to be within the last 12 months. It is the leading force for the “reconstruction” of Ukraine. And very importantly and

ominously, it is trying to take over Germany.

In the February 23rd elections in Germany for the Bundestag, Friedrich Merz, former BlackRock executive, is the Christian Democratic Union Party candidate for Chancellor of Germany. The leading parties will be assigned proportions for the 630 seats, based on their vote. There won't be a majority of one party that takes all the seats, but his party is slated as the leader. What is critical is that Merz was the chairman of the supervisory board of BlackRock Asset Management Deutschland AG from 2016 to

2020. What he did there—which we'll get into—gives an idea of what he will do to Germany: a destruction of the government, the takedown of social services, cutting here and there with an openly Schachtian policy. This will destroy one of the most important nation-states in the world—or at least make an attempt to do so.

### What and Who Is BlackRock?

With that said, I would like to first detail what BlackRock is, and then go from there. Look at the top officials. Larry Fink is the Chair-

man and CEO of BlackRock and one of the founders of it. He was involved in setting up the mortgage-backed securities system when he was working with First Boston. So, he has a long history of dirty operations, speculation, and so forth against the economies of the world.

Three national central bankers are members of BlackRock. Most companies in the world, if they had



Larry Fink Facebook page

Larry Fink, chairman and CEO of BlackRock.



WEF/swiss-image.ch/Remy Steinegger



WEF/swiss-image.ch/Monika Flückiger



U.S. Dept of State

Left to right: Phillip M. Hildebrand, Vice-Chairman, BlackRock; Dr. Stanley Fischer, senior advisor, BlackRock; Dr. Jean Boivin, Head, BlackRock Investment Institute.

one central banker on their board, they would consider it an accomplishment; BlackRock has three. There is Philip Hildebrand (on the left), who is the Vice Chairman of BlackRock. He was the head of the Swiss National Bank, which has a long history of dirty, off-shore money operations. The second central banker is Dr. Stanley Fischer (in the middle), who was the head of the Israeli Central Bank, and then he became the Vice Chairman of the U.S. Federal Reserve. The third central banker is Jean Boivin, who is the head of BlackRock Investment Institute, and was a leading officer of the Central Bank of Canada.

These three people—if you want to call them that—went in 2019 to the Federal Reserve’s annual Jackson Hole Economic Symposium in Wyoming, with a proposal that they presented, titled, “Dealing with the Next Downturn from Unconventional Monetary Policy to Unprecedented Policy Coordination.” This conference gathered central bankers, [U.S.] Treasury Department officials, and top bankers of the world to congregate for three to four days in August.

The proposal, in summary, was that we’re going into a situation where we can’t keep using stimulation from the Federal government; so that type of stimulation will not work. We

can’t print more money, as we did in 2007 to 2009; that could run into problems. So, what was their proposal? Their proposal was that you set up something called a standing emergency fiscal facility. They said it’s a facility in the budget that would make decisions to bail out the financial instruments which would be collapsing. And the U.S. government would not be controlling this; it would be controlled by the central bankers—these three people and others—who would run the United States government the next time the blow-out occurs.

TABLE 1  
**They Are Owned by Wall Street Speculators**

Company	#1 Stockholder	#2 Stockholder	#3 Stockholder
Lockheed Martin	State Street Corp.	BlackRock, Inc.	Vanguard Group
Raytheon Technologies	Vanguard Group	Capital Group	Wellington Mgmt.
Northrop Grumman	State Street Corp	Capital Group	Vanguard Group
Boeing	Vanguard Group	BlackRock, Inc.	State Street Corp.
General Dynamics	Longview Asset	Vanguard Group	Newport Trust Co.
L3Harris Technologies	BlackRock, Inc.	Vanguard Group	Capital Group
General Electric Co.	Vanguard Group	Capital Group	Fidelity Mgmt. Co.
BAE Systems	Capital Group	BlackRock, Inc.	Invesco

TABLE 2

**They Are Addicted to Blood Money from Wars**

Company	Military Sales Revenue (billions)	Military Sales as % of Total Company Revenue
Lockheed Martin	\$59.4	96%
Raytheon Technologies	\$39.6	59%
Northrop Grumman	\$32.3	89%
Boeing	\$29.3	46%
General Dynamics	\$28.3	77%
BAE Systems	\$25.2	96%
<b>TOTAL OF TOP SIX</b>	<b>\$214.1</b>	<b>73%</b>

That's one feature of BlackRock. There is much more about the origins and functions of BlackRock, and cohort firms State Street and others. *EIR* [published](#) a rundown on this last year.

**Blood Money from Wars**

What we exposed about BlackRock is its role as a continuous sponsor of wars. We pay taxes, different people around the world pay taxes. What this has done is, some of that tax money goes to BlackRock undergirding the war industry that is the source of the endless, illegal, destructive warfare killing hundreds of thousands of people and setting the world at the edge of nuclear annihilation.

The chart here shows the position of BlackRock in the leading defense companies. It was part of a [fact sheet](#) distributed to the U.S. Congress last year, given that the war situation was very dangerous. The top defense companies are Lockheed Martin, Raytheon, Northrop Grumman, Boeing, General Dynamics, L3Harris Technologies, General Electric Co., and BAE Systems, which is the premier British defense system company. Look where BlackRock is. For Lockheed Martin it's the number-two largest stockholder.

What happens is, there are 1300 investment vehicles—electronic funds operations, management entities—that 35 million people invest in, into BlackRock. This gives BlackRock pools of money, which the City of London and Wall Street can not only invest, but infuse into the military-industrial-financial complex policy-making, coming from the top. BlackRock is the

number-two stockholder with 9% of Lockheed Martin. They're the second-largest stockholder of Boeing.

BlackRock is the largest stockholder of L3Harris Technologies. People may not be familiar with that one; it's very important in this military-industrial complex. And they're the number two stockholder in BAE Systems. Then you'll see Vanguard, State Street, and Capital Group asset management companies,

which permeate all throughout this complex.

You can say that they're addicted to blood money from wars. They don't want the Russia-Ukraine conflict—which was an orchestrated conflict—put to rest. They will do as much as they can to arm Europe for what they intend to be the next phase. We can hopefully shut that down, but that's not the way they're thinking.

Consider the percentage of the sales of these defense companies that are military-related. For the year 2023, for Lockheed Martin, it's 96% of their sales; there's almost nothing else they do but military, and remember, BlackRock is their number two stockholder. For Raytheon, military sales are 59% of their total; Northrop Grumman 89%; BAE Systems 96%. The military revenue of these companies, which is then passed through BlackRock into Wall Street, the City of London, and elsewhere, is \$214 billion. Three-quarters of it comes from the war machine.

If you want to stop the war machine, take on BlackRock. The *EIR* fact sheet on this last January, 2024, was titled, "The Military-Financial Complex Is Bloated on Blood Money from Wars." The research team that put this together showed where some of these funds, if invested differently, could go, including building a 42,000-mile rail system in the U.S., helping to build the North American Water and Power Alliance, and so forth.

**Bitcoin and Crypto**

It turns out that BlackRock, which had very little Bitcoin, is now a leading player. First, be clear about cryptocurrency. People have a funny idea of it; that it's

just an investment vehicle. It's not; that's far from the truth.

Consider what was reported from *Bitcoin IRA*, in an article Sept. 24, 2024, headlined, "BlackRock Becomes the Largest Institutional Bitcoin Holder":

BlackRock has solidified its position as the largest institutional holder of Bitcoin ... marking a pivotal shift in the cryptocurrency landscape and setting the stage for increased institutional adoption. This development signifies a profound integration of Bitcoin into traditional financial systems.

What does that mean? They want to take over and destroy the sovereign credit and currency systems of the United States and other countries of the world. This is what they're using the funds for, that they're conglomerating.

Think about what Bitcoin really is. Bitcoin is based on what they call a mathematical formula puzzle. It's not a puzzle that engages your mind in anything intelligent. If you solve the puzzles, it allows a company that "mines" Bitcoin—and a miner, in short, is a company that employs a lot of computers to solve the puzzle. There's nothing physical; there's no mine, there's no coin, and so forth. So, if they "mine" and solve this puzzle correctly, they will receive a new issue of Bitcoin.

Bitcoin, or any cryptocurrency, has no value; it's worth nothing. Here is what's to be said about cryptocurrencies: What happens is—Sam Bankman-Fried—when we had a crisis two years ago from one of the companies, this is how they got formed. You reach an agreement by a company that says it's going to issue Bitcoin or Plancoin or Simplecoin or whatever on a trading platform. Usually the company that's setting up the Bitcoin owns part of the trading platform. Then they [the cryptocurrency company and the trading platform company] reach an agreement for an artificially set, arbitrary price, which they then bring to market. It's like you and I sitting together and saying, "Why don't we do this?" "Yes, we'll do it." There is no coin;



*Ten U.S. F-35 Lightning II aircraft.*

Courtesy Photo/Air Force

it's an electronic computer entry, which is absurd. The BlackRocks and financial sharks bid the cryptocurrency's price upward. The "value" of a single Bitcoin now is \$95,970. It has no value in terms of the productive physical economy; in terms of potential relative population-density as defined by economist-statesman Lyndon LaRouche.

There are now 10-20,000 separate cryptocurrencies in existence, depending on which source you use. You can go to the internet right after this, and there are videos on how you can set up your own, actually worthless Bitcoin company. It gives you all the ways to do it. What's important here is that this is a Nietzschean bent that's being introduced into the economy, but also the minds of people. It does two things: It destroys the sovereignty of nations to issue their own currency under their own control for productive purposes, as Alexander Hamilton, the first U.S. Treasury Secretary, would say. Instead, these 10-20,000 cryptocurrencies are under the control of speculators such as BlackRock, which will wreak havoc. What they're trying to do is to get legitimacy for these coins as an alternative mechanism alongside the dollar.

The dollar has real problems right now because of the decaying physical economy of the United States. But the dollar was created under Article I, Section 8 of the U.S. Constitution, which enables the U.S. Congress to coin money. That's the basis of the dollar; the economy's productive power is therefore its value. We don't

need 20,000 different U.S. dollars. What is interesting is that some of the people who consider themselves patriots and sovereignists and want to defend their country—including some in President Donald Trump’s Administration—are big endorsers and buyers of Bitcoin, which their limited understanding and greed prevent them from seeing will undermine the very sovereignty of the country, because that’s why these cryptocurrencies exist.

The other thing you should know about crypto is that it’s used in the drug trade, the weapons trade, the black markets trade. It’s like Hong Kong and Shanghai Bank, the world coordinator of a primal Venetian predatory slime mold. This is what we are seeing with BlackRock.

### **Positioned for Ukraine Reconstruction**

BlackRock has positioned itself to be the major investor in the reconstruction of Ukraine. As the publication *Quartz* reported March 14, 2024, “BlackRock and JP Morgan are backing a \$15 billion investor fund to rebuild Ukraine. It will cost almost half-a-trillion dollars to reconstruct Ukraine.” It’s true, that’s the kind of price that it would take to reconstruct Ukraine. But what’s behind this?

Just to give you a sense of how connections with BlackRock would work, on January 23, 2024, a publication called *City UK*, which represents the City of London, prognosticated under the headline, “UK and Ukraine Forge Closer Ties to Revitalize Economy and Investment Attraction through New Financial Initiatives.” What are their initiatives? *City UK* reports:

The City of London and the London Stock Exchange have signed a landmark memorandum of understanding with the Ministry of Economy of Ukraine to support the development of the Ukrainian financial and related professional services industry through the City Ukraine hub.

The hub is a mechanism for how the British intend to drain Ukraine. BlackRock has gotten into it. But this could change dramatically because of what is unfolding very rapidly, toward a positive change in relations between the United States and Russia.

However, if instead there is a sort of “we’ve ended the war, let’s turn aside and let Ukraine do whatever Ukraine is going to do,” it means BlackRock and the City of London directly will be in there, in the middle

of it. While they may build some necessary things like train stations, what they will do is continue the looting of Ukraine which went on under the International Monetary Fund from 1993, when Ukraine became independent of the Soviet Union, until 2010, when Viktor Yanukovich came in as President, to begin to give a different direction for physical development of Ukraine. Then came the 2014 Maidan coup, and he was out.

Ukraine shrank; it lost millions of people. And if this hub is instituted—and I don’t know that it will be, because of the change in the situation—it will be grim, dangerous.

However, we’re on the precipice of not only something that’s dangerous, but also of a total change toward ending 500 years of colonialism worldwide, and getting the development of the BRICS. But if BlackRock goes in there, then Ukraine will be destroyed further. There won’t be any reconstruction. Ukraine was exploited, and the Ukrainian people should now have their nation be developed.

### **BlackRock’s Friedrich Merz**

We come back to Friedrich Merz. Germany is being destroyed. I will just cite a couple of reasons why this is. Two days before February 24, 2022, when the Russians started their special military operation, the Germans cancelled the second Nord Stream pipeline system; just cancelled it. Then, they pushed for the ending, along with others in Europe led by Britain, of the importation of Russian gas and oil. There’s an article that appeared in the *Financial Times* that said at the time, Germany was dependent on imports for about 60% of its total energy. A huge amount came from Russia at preferred prices. That was the first thing.

Then in September 2022, when Nord Stream was blown up, veteran investigative reporter [Seymour Hersh](#) pointed out that this involved intelligence forces in the United States—and, we suspect, in Britain as well. He gave some evidence and so forth. You would think Germany would have jumped to say, “Let’s document this. We’re going to hold a hearing in the Parliament and look into it.” That didn’t happen.

U.S. President Biden had said earlier, in Feb. 2022, that the U.S. would find a way to derail Nord Stream 2. When a reporter asked Chancellor Olaf Scholz, standing next to Biden, whether he would commit to that, he [said](#) like a puppy, “We are acting together,” in effect, we go along with whatever the U.S. decides.

But then you had two other things: the development of the Green policy, which was to shut down in 2023 the three remaining of the original 11 nuclear plants in Germany. They were excellent plants, built by Siemens. Germany was one of the developers of nuclear power, as everyone knows. It was part of the heritage of their scientific tradition. And Germany shifted to so-called renewable energy—solar and wind. I won't go into it here.

What happened as a result of those two operations and Germany's decision, was that Germany went along with the SPD's Olaf Scholz's Chancellorship, and the environmentalist Greens' destructive policy, which was largely supported by Merz.

What happened? What did Merz do when he was the head of BlackRock Asset Management Deutschland AG? He was deep into the world of derivatives and so on. It's what they do. BlackRock Asset Management Deutschland puts out an Annual Best Execution Disclosure, and you can see it there. In April 2023, there was issued a corporate 23-page document, reporting on the kind of activity going on by BlackRock, of the type Merz would have done when he was there. The report's "Contents" page indicates the scope and purpose of their "qualitative analysis"—equity shares, equity derivatives, credit derivatives, and securitized derivatives. That's what Merz did. He was also an advisor and on the board of Hong Kong and Shanghai Bank (HSBC); and an advisor to AXA, which is a big French



CC/Steffen Proßdorf

Friedrich Merz



CC/Thomas Wolf

BlackRock's German headquarters in Frankfurt am Main, Germany.

investment insurance outfit, which is very dirty, very nasty. That's his background.

Meantime, the German economy has been [declining dramatically](#) all along. What happened as a result of the energy policy is disastrous. The cost of wholesale electricity in 2024 is sky high. It's \$84 per megawatt hour in Germany, versus \$38 per megawatt hour in the United States. The U.S. cost itself is not a great situation; it used to be much lower, but we've had things going on in the United States. The statistics may be off a bit, but that's the realm. So, it's 2.3 times more expensive. Electricity costs are hitting industry, hitting homeowners, and hitting everyone. If you have to pay double what the Americans pay, what will it do to cripple your economy?

Compare German industrial production, 2024 to 2023. Overall, German industrial production contracted by 4.5%. Statistics from the Federal Statistics Office, by sector, are dramatic. The automotive industry collapsed by 7.2%; machinery and equipment, 8.1%; fabricated metal, 6.4%; electrical equipment, 14.6%. This is not just a slight downturn, this is an ongoing collapse.

The question is, can the decline be stopped and reversed? There is a way. But if Merz is elected, the already bad situation will be turned into the sabotage of the most important economy in Europe, an economy that can contribute tremendously to what could be done to rebuild the world. Germany has lost 600,000 manufacturing work-

ers in just four years, which is 9.5% of all manufacturing workers.

Merz endorses Friedrich von Hayek. He posted to X on March 8, 2024 this statement [machine translation from the German]. “Hayek writes: ‘If the state sets in motion an excessive bureaucracy, it loses its prosperity and also its freedom.’ What we are experiencing in Berlin with the #SPD and #Greens is the opposite of what makes freedom and innovation possible. It is the path to bondage.” The words freedom and bondage are in Hayek’s piece, *The Road to Serfdom*.

Von Hayek’s policy, if applied, will take out the rest of Germany’s functioning industry. Helga Zepp-LaRouche, Schiller Institute founder and leader, and candidate for Chancellor on the Büro Party slate (Civil Rights Movement Solidarity), mentioned to me that, on February 9th, when German Chancellor Olaf Scholz and Friedrich Merz debated, Merz said, “I want to increase the defense percentage of the German budget from 2% to 3%.” Scholz, in one of the few sane things he has said, replied, “Where are you going to get the money from?”

You know, von Hayek was the advisor to British Prime Minister Margaret Thatcher when she applied shock therapy and took a hatchet to cut the budget—because the von Hayek and Lockean conception, which is also the conception of certain libertarians, is that you have police, you have military, but you have almost no other function for a sovereign government.

This view is completely opposite of the outlook that built up the United States. It is opposite to the General Welfare clause of its Constitution. The Merz/von Hayek outlook will lead to a Schachtian policy. As they build up their military defense, and cut the means of livelihood for people who are already being dumped out of the labor force, this will be a danger to everything Germany represents. It will be a danger to the whole world.

## What Will Happen?

Zepp-LaRouche says she doesn’t know what’s going to happen; she does think that Merz may win, unfortunately. It looks like his party, the Christian Democrats, may get 30% to 32%. But what kind of coalition can be formed to govern? She reported to me that there was a meeting at the apartment of a Herr [Armin] Laschet, who is a former CDU leader, where they met with the Greens. So, there could be a CDU/Green al-

liance. But Helga wasn’t sure, because she said it also may be that they can’t form a government. That’s certainly what has been happening in France. So, we will watch this, but if, one way or another, Merz comes to power, we’re going to see—in addition to his own outlook—the outlook of BlackRock; taking apart the fourth largest economy in the world, using Schachtian methods.

I’m not saying it’s set in stone, but that’s why I say BlackRock is against all of humanity. It’s not a simple investment firm. It’s got tons of money—\$11.55 trillion. That’s more than the GDP of a large number of countries in the world. But it’s used for the purposes of ultra-destruction; just as I said it would not be happy if there would finally be peace after almost three years of a NATO proxy war in Ukraine, but BlackRock remains dominant.

The Büro slate, running candidates in Berlin, will be using the next nine days to bring the BlackRock question before everyone. Because, while we are perhaps moving in a direction of an entirely new, positive paradigm, this Merz threat poses the need to inoculate the public, and to do as much as we can to prevent him from winning.

The last thing I want to do, to end, is to point to the fact that Germany has excellent machine-tool companies. I would say, from what I can tell, the German, Italian, and Swiss machine tools—the Chinese are catching up very quickly—are good, but the Germans are a leap above. If you look at the list of top names in the sector—Kern Microtechnik, DMG Mori, Grob-Werke—these are excellent companies.

If we can change the whole situation in Germany in the process of what we’ve been talking about, to change the United States, too, as described in the [pamphlet](#) we just recently put out, the renewed economic capacities can be a contribution to building up Africa, to building up Ibero-America, to building up Europe, to reconstructing Ukraine, and rejuvenating the German economy. That shift, if we can implement it fast enough, can be very effective.

There are a lot of things said about BlackRock, but what I just listed are the ones that, if we can convey them to people around the world—and very importantly in Germany and in the United States—we have a chance of realizing what is important, that is, lifting up populations, ending poverty, and developing every portion of the world.