

---

## Economics Briefs

---

### UN Is Partner of the Green Billionaires of Davos World Economic Forum

The “public-private partnership” of the United Nations apparatus and the global Green New Deal engine known as the (Davos) World Economic Forum (WEF), goes well beyond the obvious climate extremism of UN Secretary-General António Guterres. Since already in 2019 there has been a formal “partnership” of the green billionaires of the WEF and the bureaucracy—as opposed to the member nations and their missions—of the United Nations.

This formal 2019 agreement is called the United Nations-World Economic Forum Strategic Partnership Framework for the 2030 Agenda. It can be found posted by the WEF [here](#). To cite merely one paragraph of it: “2. *Climate Change*: The UN-Forum partnership will focus on achieving clear, measurable and public commitments from the private sector to reach carbon neutrality by 2050.... Collaboration will seek to ... accelerate commitments and platforms for public private cooperation in critical high-emitting sectors such as transportation, including land-based transport, shipping, and air travel, and heavy industry, particularly steel, cement, oil and gas and aluminum in order to advance the economic transformations necessary to limit global temperature rise to no more than 1.5°C.”

This refers to the WEF announcement at its summit in 2020, of the intention to use “carbon pricing” and carbon taxes to cut down the eco-

omic activity of the industries named above. In fact, the Partnership document says: “The UN-Forum partnership will focus on aligning financial systems and accelerating finance flows toward the 2030 Agenda and the Sustainable Development Goals.” This is called “shifting the trillions” by the green billionaires and giant fund managers like BlackRock, Inc.—cutting off investment to force the abandonment of the carbon-intensive technologies upon which modern industry depends.

---

### Commitment to 50% Electric Vehicles Is Being Discredited

The Biden Administration’s demand that 50% of U.S. motor vehicles be fully electric by 2030 is being defied by reality. The rash of reported vehicle fires and losses of power has caused Chevrolet to stop EV production and recall 69,000 Chevy Bolts, following recalls of more than 130,000 EVs by Hyundai, Ford, Volvo and BMW. One well-publicized fire of a Bolt while charging, *after* it had been serviced in the recall in Spring 2021, was that of Vermont State Senator Timothy Briglin, who had been a strong advocate of the technology.

Recalls with new technologies are common, but the problem of EV fires is a very serious one. They are extremely difficult to put out, repeatedly reignite for many hours after being extinguished, typically requiring 10,000 gallons of water to be applied, and have required special training in fire departments across the United States. If the car is being charged in a garage when the lithium

battery ignites, it will set the house on fire.

This is a *minor* problem, however, compared to the lack of electric power generation or transmission capacity to make mass conversion to EVs possible. The above [problems](#) come with 2 million EVs, out of 300 million vehicles, on U.S. roads—less than 1%. The *EIR Special Report The Great Leap Backward*, published in February, demonstrated that the goal of even 100 million EVs, if accompanied by continued shifting to wind parks and solar power farms in place of baseline plants, would require nominal installed electric capacity to increase by half, and 100,000 new miles of transmission lines be built.

---

### Ontario Faces Huge Power Gap under ‘Net Zero Emissions’

A study released by the Power Workers Union (PWU) of Ontario, Canada finds that the province will have to increase its installed electric power capacity by at least 55 Gigawatts by 2050 to pursue electrified vehicles, buildings, etc. and reach the mythical “zero emissions.” That amount is *four times* Ontario’s current total of nuclear, hydro, and “renewables” capacity. And it is probably an underestimate by as much as 25 GW, the report finds, particularly if the province goes through with the planned closure of the Pickering nuclear power plant in 2025. The [report](#) is titled, “Electrification Pathways for Ontario to Reduce Emissions,” and was reported by WNN television on August 20.

---

## World Semiconductor Shortage Worsening, Auto Plants Closing

The fact that global auto production is likely to be cut by nearly 15% in 2021 is a clear indication that the shortage of semiconductor “chips” which appeared in the Fall of 2020 is continuing to worsen. The IHS Markit analysis firm posted an estimate August 19 that auto production will be down by more than 7 million vehicles this year, and that production disruptions will continue in 2022.

The most dramatic announcement, by world production leader Toyota Motor Corp. that it will shut down 14 plants in September and cut its production by 40%, was not even included in the IHS Markit analysis. VW’s announcement was: It will be running only one shift this fall at the world’s largest auto production plant, in Wolfsburg, Germany, after extending its summer pause by one week. U.S. auto producers Ford and General Motors have been keeping some of their plants closed or on short shifts for months.

---

## Repo Loan Crises Track Financial Crashes

*EIR*’s continued warnings that the mid-September 2019 “repo crisis” set off a countdown to a crash, were duplicated by the economists Pam and Russ Martens in their “Wall Street on Parade” column of August 12. Using almost four decades of data on the Fed’s provision of liquidity to financial firms published in the just-released Annual Report for 2020, they show that there have been three episodes of sudden, massive rises in so-called repurchase-agreement or

“repo” lending by the Fed to the banks. The first episode occurred in 1998—a 365% spike in daily repo loans demanded by the banks and provided by the Fed—and peaked just two months before the global stock and bond market crashes of 1998 began. The second episode began in late 2007; liquidity “loans and other credit extensions” listed in the Annual Report spiked by 24 times in the next 12 months, from \$72 billion to \$1.6 trillion, ending in the global financial crash of September 2008.

And the third such episode began with the “repo crisis” which suddenly forced the Fed into action in September 2019, and has shown a second wave this summer. This liquidity lending torrent has surged again in mid-2021 despite unlimited quantitative easing of \$120 billion/month for the past 18 months. In 2009 the beginning of QE replaced the liquidity lending after the 2008 crash, ending “repo” operations for 10 years. But this time QE has been immediately followed by another, even larger spike of liquidity loans this summer and the formation of a Standing Repo Facility to provide them.

Now there are indications the Federal Reserve may try to announce in September the start of “tapering” of quantitative easing securities purchases—which have been supporting Wall Street’s markets—with “repo” and other liquidity operations at a very high level. Minutes from the FOMC’s July 27-28 meeting revealed discussions of a tapering announcement in September.

---

## First-Ever Declaration of Colorado River Water Shortage

Another dry year in the American Southwest—intensification of a gen-

eration-long drought—has left the Colorado River watershed that supplies 40 million people with drinking water and water for agriculture at record low levels. For the first time ever, the U.S. Bureau of Reclamation on August 16 declared a Colorado Basin water shortage and cut water allocations to states starting 2022, including an 18% cut against Arizona.

The 1,450-mile-long waterway acts as drinking water supply, hydroelectric power generator, and means of irrigation of otherwise desert crop fields across seven Western U.S. states and two in Mexico. Though the infrastructure has been able to handle these building crises so far, extremely dry conditions developing since the late 1990s has rendered it insufficient. Long-existing plans for water transfer from the high Northwest of the continent, and for widely-distributed desalination plants, must now be acted upon.

Nearly the entire Upper Colorado River basin is experiencing “severe drought or worse at a time of typically “high water.” The entire river experienced its driest 12-month period on record from May 2020 to April 2021. A deficit of soil moisture from last year diminished this past Spring’s runoff. The availability of water also limits food for cattle; farmers who grow hay had to put cattle on irrigated land that would normally be used to grow hay later in the season, creating another loss in income for them. This second season of drought is requiring them to buy expensive food or sell their cattle.

The Colorado River’s massive reservoir, Lake Powell, is now at its lowest point since it was created in the 1960s. The boat ramps for visitors which drew 4.4 million people to the lake in 2019, who spent \$420 million, this year no longer reach the water. Now, the lake is only for water for the downstream states.