

BlackRock and State Street Corporation

The Real Face of the Military-Industrial-Financial Complex

by Richard Freeman

Dec. 31, 2023—Taxpayers in the United States and NATO nations throw vast sums of money annually to the military-industrial-financial complex for economic waste and physical destruction, which provides a bonanza for Wall Street and City of London banks and asset management companies. They hold the dominant stock ownership of companies that produce the instruments for war. They undergird the war industry that is at hand for endless, illegal, and destructive wars, killing hundreds of thousands of people, and setting the world at the edge of nuclear annihilation.

It is time we put a face on the enemy, in order to dismantle the war machine and retool it to produce goods that end poverty and advance man's physical and cognitive powers.

Here we look at two of the giant asset management companies: BlackRock and State Street Corporation. They sell investment products, such as exchange traded funds (ETFs) to individuals, and especially to the wealthy in the upper 10% income bracket. These asset management firms pool money together from their clients to invest into the leading military industries, such as Lockheed Martin, Raytheon, and Northrop Grumman. The investments that BlackRock and State Street make do not technically belong to them, but to their clients. However, BlackRock and Wall Street speculators use the immense sums of money



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BlackRock, the world's largest asset management firm, while sucking money from military industries, transmits war policy to them. Shown: BlackRock's headquarters at 50 Hudson Yards in Manhattan, and an M1A2 Abrams tank.

to exert influence and a significant kind of control over the U.S. and the world.

BlackRock is the world's largest asset management firm, holding \$9.4 trillion of assets under management; State Street, the world's fifth largest asset management firm, holds \$3.7 trillion of assets under management. They are both strategically important in sucking blood money from military industries, and simultaneously transmitting City of London/Wall Street war policy into the military industrial firms.

BlackRock

Some 35 million people invest in one of BlackRock's 1,300 investment vehicles, such as exchange traded funds (ETFs), money market funds, etc. Since 2008, BlackRock has grown its assets under management from \$1.3 trillion to \$9.4 trillion, a 15% compound annual growth rate.

Consider some of BlackRock's leading figures:

Laurence Fink: Founder and current CEO of BlackRock, Fink got his start working for First Boston Corporation, an investment bank which specialized in the speculative mergers and acquisitions market.

Fink became a major force in popularizing and spreading the mortgage-backed securities market at the center of the last housing bubble. When this burst, it helped trigger the 2007–2009 financial crash, nearly bringing

down the world financial system. In 1986, Fink and his department had also lost \$100 million on a bad speculative interest rate bet.

In 1986, Fink and some of his First Boston colleagues formed BlackRock. Over the years, Fink secured money from unknown sources to take over one company after another. On Dec. 1, 2009 BlackRock acquired the British Barclays Global Investors (“BGI”), one of the world’s largest asset managers. From the takeover, BlackRock’s assets under management more than doubled, from \$1.44 trillion to \$3.29 trillion. Instantaneously, BlackRock became the world’s largest asset manager. Fink benefited from the financial crash, telling the *Financial Times* on May 6, 2019, “We would not have been able to do the BGI purchase if it wasn’t for the financial crisis.”



WEF/Faruk Pinjo

Laurence D. Fink, Founder, Chairman, and CEO of BlackRock, controls the biggest asset management firm in the world, known as the “universal stockholder.”

Fink started acquiring politicians and bankers. He began working with Bank of England Governor Mervyn King and Federal Reserve Board Chairman Ben Bernanke, and was put at the center of the effort to salvage the speculatively bloated monetarist world financial system (which should have been allowed to go under, and been replaced by a Hamiltonian system).

A March 2, 2010, *Vanity Fair* article, entitled “Larry Fink’s \$12 Trillion Shadow,” highlights Fink’s role:

Today, through an array of government contracts, BlackRock has effectively become the leading manager of Washington’s bailout of Wall Street. The firm oversees the \$130 billion of toxic assets that the U.S. government took on as part of the Bear Stearns sale and the rescue of AIG; it also monitors the balance sheets of Fannie Mae and Freddie Mac—which together amount to some \$5

trillion—and provides daily risk evaluations to the New York Fed on the \$1.2 trillion worth of mortgage-backed securities it has purchased in an effort to jump-start the country’s housing market.

In 2020, following the freezing up of the overnight Treasury repurchase market starting September 2019 and the deepening COVID pandemic, Federal Reserve Chairman Jerome Powell hired BlackRock on behalf of the Federal Reserve Board, to run purchases of corporate bonds and commercial mortgages. The April 20, 2020 *Forbes* [article](#) snidely called it, “A Glaring New Conflict of Interest.” On May 21, 2020, *Bloomberg’s Businessweek* ran an [article](#), “In Fink We Trust: BlackRock Is Now ‘Fourth Branch of Government.’”

A Fistful of Central Bankers

BlackRock executives work to set policy.

Philipp Hildebrand: Between Aug. 22–24, 2019,

Businessweek
Finance

In Fink We Trust: BlackRock Is Now ‘Fourth Branch of Government’

When the Fed looked for bond-buying help in a crisis, it turned to the giant money manager.

Philipp Hildebrand, currently Vice Chairman of BlackRock, put forward a proposal to the annual Kansas City Federal Reserve Bank summit of bankers, central bankers, and Treasury officials, in Jackson Hole, Wyoming, to increase the power of central banks to make an all-inclusive change in the world financial system. The [paper](#) was titled: “Dealing with the Next Downturn: From Unconventional Monetary Policy to Unprecedented Policy Coordination.” Perhaps, the reader would not be shocked to learn that the Swiss-born Hildebrand had been Chairman of the Governing Board of the Swiss National Bank, the country’s central bank. But the reader may be more than a little surprised to find out that two other authors of the paper—Stanley Fischer, then a senior adviser to the BlackRock Investment Institute, had been Governor of the Bank of Israel in 2005–2013, and then Vice Chairman of the U.S. Federal Reserve Board, 2014–2017—and Jean Boivin had served as Deputy Governor of the Bank of Canada from 2010–2012. Boivin was serving as Global Head of Research for the BlackRock Investment Institute.

This is a veritable central bankers conclave—it is almost unheard of that a single financial institution would have as officers three former central bankers.

The paper’s main finding, is that

unprecedented policies will be needed to respond to the next [expected] economic downturn. [Emphasis added—ed.] Monetary policy is almost exhausted as global interest rates plunge towards zero or below [and thus, central banks could not cut interest rates further to prop up the system—ed.]. Fiscal [budgetary] policy on its own will struggle to provide major stimulus in a timely fashion given high debt levels and the typical lags with implementation [and thus, budgetary measures such as tax cuts to get money into the hands of the population to support the inflated value of financial assets, would make the debt levels even higher, and would not work fast enough—ed.].

Therefore, the authors claim, with monetary and budgetary solutions ruled out, they proposed a “third

by “going direct,” this proposal was actually aimed only at propping up the bloated system. It would be a central bankers’ dictatorship.

Sandra “Sandy” Boss, who had been Chair of the Bank of England’s Risk Committee Board, was hired in April 2020 by BlackRock and is now a Senior Managing Director.

BlackRock and the Revolving Door of Government

Wally Adeyemo: Finally, Wally Adeyemo, who over 2017–2019 had been a senior advisor at BlackRock, was inserted into the Biden Administration as Deputy Secretary of Treasury, that is, the number two person in the Treasury. Thus, BlackRock has significant access to the U.S. Treasury.

George Osborne: As well, in February 2017, BlackRock hired George Osborne as an adviser. Osborne had been, during 2010–2016, the United



WEF/swiss-image.ch/Remy Steinegger



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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.

way,” which they called “going direct” in order to get a stream of emergency funds into the population directly and quickly, which the population would then spend to hold the system up. The solution: they called for the establishment of “a standing emergency fiscal facility (SEFF),” *that is, a facility in the budget, over which the central bankers would have control.*

This SEFF would authorize the central bank, e.g., the Federal Reserve, “to make purchases of private assets”—like stocks and bonds; this would effectively be a bailout of financial institutions using “airplane money.” This proposal is illegal in the U.S., where only the U.S. Congress and President have authority over the U.S. budget and the creation of money. Though claiming the intention to get money into the hands of the general population

Kingdom Chancellor of the Exchequer, the government’s chief financial minister. Osborne stayed on as BlackRock adviser until March 2021, paid a salary of £650,000 for a one-day work week. Osborne’s real job was to work and coordinate with the City of London, and clear a path for BlackRock in the financial world.

Further, there are some important people on BlackRock’s Board of Directors:

Gordon Nixon was President and CEO of the Royal Bank of Canada, the largest bank in Canada, and one of the world’s 25 biggest banks, integrated into City of London-Wall Street operations.

Marco Antonio Slim Domit is Chairman of the Board of Directors of the Mexico-based conglomerate Grupo Financiero Insbrusa, which is owned by his father Car-

los Slim Helú, whose wealth is estimated at \$104 billion, making him one of the 10 richest oligarchs in the world. This gives BlackRock massive money access.

Mark Wilson, former President and CEO of the London-based Aviva plc insurance company, which traces back to 1696, is the biggest in United Kingdom and 12th largest in the world.

State Street Corporation

State Street Corporation is the fifth largest asset management firm in the world, with \$3.7 trillion of assets under management. Originally, it traces one of its channels of funding and influence to Union Bank, chartered in 1791 in Massachusetts, representing old “Boston Brahmin” aristocratic family money, especially in the maritime trade. In 1925, the Boston-based National Union Bank merged with State Street Trust, taking the name of State Street, however maintaining much of Union Bank’s structure.

Like BlackRock, State Street Corporation built itself through an aggressive series of takeovers. In 2003, State Street acquired the securities service division of Deutsche Bank for \$1.5 billion; in 2007, the company acquired Investors Bank and Trust for \$4.5 billion.

In 2007, the U.S. Department of Treasury’s Troubled Asset Relief Program had to make an emergency injection of \$2 billion into State Street to rescue it from going under. But heedless to the dangers, State Street quickly resumed its aggressive program of mergers and acquisitions to buy out other companies and become super big.

State Street’s leadership, assembled in its Board of Directors, represents some of the firms that are part of the structure that administers Wall Street and the City of London. For example:

Sean O’Sullivan, who was Group Managing Director and Group Chief Operating officer of HSBC Holdings. That firm, headquartered in London, is the 7th largest bank in the world. That bank, originally the Hongkong and Shanghai Banking Corporation, was the world’s principal opium financing bank, part of Dope, Inc., from the time of Britain’s seizure of Hong Kong after the 19th-Century Opium Wars.

Patrick de Saint-Aignan, retired Managing Director and Advisory Director of Morgan Stanley, one of the world’s biggest and most powerful investment banks.

Marie Chandoha, the retired President and CEO of Charles Schwab, the world’s biggest discount brokerage. Today, Schwab is the nation’s largest publicly traded investment services firm, with around \$8.18 trillion in client assets.

DonnaLee DeMaio, retired Chief Operating Officer

of the insurance giant American International Group (AIG), which was led by Maurice “Hank” Greenberg, and engaged in shady operations. The collapse and near-failure of AIG in 2007–2008, was a major moment in the financial crisis. AIG, a company with about \$1 trillion in assets, had made large investments in toxic derivative swaps in subprime mortgages. The Federal Reserve bailed the company out for \$180 billion and assumed a controlling ownership stake.

Sara Mathew, retired Chairman and CEO of Dun & Bradstreet, which provides commercial data, analytics, and research for businesses, possessing a database of over 500 million business records worldwide.

William Craig Freda, retired Vice Chairman of Deloitte, the world’s largest accounting firm.

Central to the Military-Industrial-Financial Complex

As you can see, BlackRock and State Street are integrated into the highest level and operational mobilization of the City of London and Wall Street. At the same time, they have sunk their teeth into the war industry amidst the growing militarization policy following 9/11, in order to suck out ever greater amounts of blood-money. As demonstrated in the Schiller Institute [leaflet](#), “The Military-Financial Complex Is Bloated on Blood Money from Wars,” State Street Corp. and BlackRock are the first and second largest shareholders of Lockheed Martin, the world’s largest defense contractor, as State Street owns 14.4% and BlackRock owns 6.8% of its stock, respectively. State Street is the largest stockholder of Northrop Grumman, the world’s third biggest defense contractor, owning 9.2% of that company’s stock. BlackRock is the second largest stockholder of BAE (British Aerospace), the sixth largest defense contractor, owning 9.9% of that company’s stock.

The speculative BlackRock, State Street, and other members of the Wall Street asset management gang, are the largest stockholders of the world’s war industry.

The British oligarchy-led City of London-Wall Street financial center, in part utilizing BlackRock, State Street Corp, HSBC Bank, JP Morgan Chase, and in part utilizing such institutions as the Royal United Services Institute (RUSI), transmits its deadly policy of war and destruction into the military-industrial-financial complex.

It is time to strip the military-industrial-financial complex of its power, by dismantling and reconverting the war machine’s industrial workplaces of war to instead produce goods to advance mankind.