

The Curious Silence of the British Media Regarding Mark Carney and the Secretive G30

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The governor of the Bank of England, Mark Carney has at least two things in common with Mario Draghi, the president of the European Central Bank (ECB): He worked for Goldman Sachs before becoming a central banker, and he is a member of the Group of Thirty. The EU-Ombudsman has just [called it maladministration](#) on the part of the ECB to let Mario Draghi be a member of that secretive bankers' club. This should invite the question: What about Mark Carney and the Bank of England? The British press, apparently, couldn't care less.

The Financial Times dutifully reports that "An EU watchdog wants the European Central Bank to ban Mario Draghi, its president, and other senior officials from an exclusive club of global financiers, saying the links could erode belief in the institution's independence and quotes [Ombudsman Emily O'Reilly](#) writing:

The implied closeness of the relationship through membership — particularly between a supervising bank and those it supervises — is not compatible with the independence obligation of an institution such as the ECB, for which independence is a hallmark of its operations.

The Guardian reports similarly and notes that

The G30 includes directors from banks regulated by the ECB, including Germany's Bayerische Landesbank, U.S. giant JPMorgan, whose Luxembourg subsidiary is ECB-supervised, and until recently Spain's Santander. The chairman of UBS, Axel Weber, and the chief executive of Credit Suisse, Tidjane Thiam - two large Swiss banks with several subsidiaries in the euro zone - are also members.

However, at least judging from what is available online, both newspapers fail to dwell on or even allude to the potential ramifications for the membership of Mark Carney in the G30. All they do is mention his membership in passing. In the case of the Guardian, this reads:

At present its members include Draghi, Bank of England Governor Mark Carney and People's Bank of China Governor Zhou Xiaochuan, as well as Draghi's and Carney's predecessors, two former chairs of the U.S. Federal Reserve, two former U.S. treasury secretaries and a former head of the Bank of Japan.

However, the ramifications are rather obvious. Only last year, the deputy governor of the Bank of England [had to step down](#), because she failed to disclose that her brother works for a large bank, as the code of conduct of the Bank of England would have required her to do. The same code of conduct demands of the employees of the Bank of England that:

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We must be free of any **suggestion of inappropriate influence**. Selflessness, objectivity and impartiality are a core part of our Bank values. We are expected not to allow outside interests to influence or **be suspected of influencing** our judgment or decisions in our work at the Bank. We need to ensure that actual or **perceived conflicts of interest**, and **perceptions of influence or unfair advantage**, do not arise.

While it is open to discussion, if Carney's mingling with leading global bankers behind closed doors gives those bankers a chance to inappropriately influence him, it is almost beyond doubt that it can give rise to the suspicion or perception of such inappropriate influence. The European Ombudsman has just, after a yearlong investigation, come to the conclusion that this is the case regarding the President of the ECB.

Still, the British media is turning a blind eye. Either they are shockingly incompetent, or the influence of the Bank of England and/or the G30 is quite extensive.

For the G30, a lot is at stake. It is no coincidence that there are only two **former** chairs of the Federal Reserve board among the members. US public official cannot be member of a secretive body with members from industry. Thus, members of the G30 who are appointed to the board of the Federal Reserve, have always left the G30. This is why only (and always) the president of the New York Fed is a member. The New York Fed (rather scandalously) is a private organization, owned and controlled by the Wall Street banks it supervises and thus does not abide by the rules for public officials. If it should become established that no ECB-president can be a member and if Britain wakes up and keeps the Governor of the Bank of England from participating, the G30's effectiveness in tightening the links between leading global financial institutions and the most powerful central bankers would be severely weakened.

More background on the controversy around the G30 is here:

[Why Mario Draghi will not be able to stay in the Group of Thirty](#) 18.8.2015

[Draghi insists on continuing the G30-scandal - new report is out](#) 11.10.2015

[The Group of Thirty might finally end its scandalous existence](#) 22.1.2017

[The ECB resorts to omissions, half-truths and misrepresentations to defend Draghi's G30-membership](#) 19.11.2017

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