RollingStone

How JPMorgan Chase Became the Doomsday Bank

The financial giant is the fossil-fuel industry's biggest lender. Protesters hope a national campaign of civil disobedience will force it to change course

By Bill McKibben

Protesters picket outside a Chase Bank branch in New York City, 2019. Erik McGregor/ LightRocket/Getty Images

Bankers like numbers. Numbers tell the story. No emotion gets in the way. So let's look at the numbers: Over the past three years — that is, in the years after the world came together in Paris to try to slow climate change — JPMorgan Chase lent $196 billion to the fossil-fuel industry.

Over the past three years, JPMorgan Chase lent more money to the fossil-fuel industry than any bank on Earth — 29 percent more. And over the past three years, JPMorgan Chase lent more money to the most expansionary parts of the fossil-fuel industry (new pipelines, Arctic drilling, deep-sea exploration) than any other bank — 63 percent more.

That's not to say that other banks don't do plenty of damage: Citi, Wells Fargo, and Bank of America are all in the hundred-billion-dollar club. But Chase is in a league of its own. It's the First National Bank of Flood and Fire. It's Hades Savings and Loan. It is the Doomsday Bank.

It's possible that could start to change as early as Tuesday, Chase's annual investor day, when CEO Jamie Dimon comes out to greet the public. The bank has been under unrelenting pressure from activists — just last week, on successive days, they besieged the company's Pacific Northwest headquarters in Seattle, leading to more than two dozen arrests. And on Friday, a private memo to high-end clients from company economists, in which they explained that climate change could produce "catastrophic outcomes where human life as we know it is threatened," was leaked to the British press. Perhaps Chase management will follow the recent lead of other players like giant asset manager BlackRock or investment bank Goldman Sachs and make at least some concessions. Perhaps it won't.

The story of Chase Bank is a big part of the story of how the planet warmed 1 degree Celsius, melted the Arctic, and burned a billion animals in Australia over Christmas. And the fight to change Chase — which will culminate in massive civil disobedience in late April — is a big part of the fight to keep that one degree from becoming three, and the planet becoming a wasteland.

Chase Bank had its birth in a different, smaller environmental disaster. New York in 1798 had 60,000 residents, and 1,000 of them died in a yellow-fever epidemic. No one knew the cause, but Aaron Burr seized the moment to form the Manhattan Co., with the ostensible aim of bringing clean water from the Bronx River down to Wall Street. According to historian Gerard Koeppel, who details the Machiavellian backstory in his book *Water for Gotham*, it was really more of a front for launching a new bank to rival Alexander Hamilton's Bank of New York.

Burr managed to insert into the charter for his water venture a clause allowing the company to "employ surplus capital" in "any monied transactions or operations," giving it powers "nothing like any company that existed in America." The "unsuspecting believed a water company had been born," Koeppel writes. "Burr knew he had sired a bank." It did lay water pipes under some of Lower Manhattan, but few customers were served, and epidemics continued; the company's monopoly prevented the city from building its own system for decades, producing "an enduring agony for New Yorkers."

A century and a half after its shady birth, the Manhattan Co. merged with Chase National Bank, which had in turn acquired the Equitable Trust Co., owned by the original oilman, John D. Rockefeller. (Chase Manhattan settled on its logo in 1961 — the stylized octagon is supposed to represent the primitive wood water pipes of Burr's original company.) At various points along the way, it acquired giant Chemical Bank (which had itself acquired the slightly less giant Manufacturers Hanover Corp.) and also JP Morgan and Co., named for the most important 19th-century banker and the man who helped found U.S. Steel and General Electric. All of which is to say: an incredibly big, incredibly rich, and incredibly well-connected bank.

Its most prominent leader was David Rockefeller, grandson of the oil pioneer, who ran it from 1969 to 1980. He established it as a global giant — some of his internationalism seems prescient now (he set up the first U.S. banking operations in Moscow and Peking) and some less so (he helped get the Shah of Iran to America for medical treatment, which in turn helped reignite hostilities still ongoing).

Whatever your take on Rockefeller's politics, he didn't subscribe to the "money is the only thing that matters" ethos that marked Wall Street's next generations. When Rockefeller was in his nineties, his granddaughter Miranda Kaiser remembers accompanying him to a meeting at the bank. "Jamie [Dimon] was presenting with all the other top officials to a very select group of investors," she recalls. "All of their presentations were very focused on one thing: how they were going to maximize returns. Grandpa was the last one to go. 'All that is great,' he said, 'but let's not forget our social responsibility as a major corporation.' He was not well-received — as I remember, there was a lot of glowering. The guys in the expensive suits, they looked jazzed-up when Jamie was talking about returns, but when Grandpa was talking they looked profoundly uncomfortable."

The Rockefeller family, outspoken in their efforts to combat Exxon, their original family business, over climate change, is now beginning to challenge Chase. Says Kaiser, 48, who runs the refugee resettlement charity USAHello, "It is disturbing that JPMC has continued to be the world's largest investor in fossil fuels despite the clear role of that industry in climate change and its devastating global effects."

Jamie Dimon is one of the two key characters in this story. The son and grandson of stockbrokers, Dimon started his career at American Express, where his father was an executive VP. Dimon worked with Sandy Weill to form Citigroup, and after a falling out, ended up as CEO of Bank One; when that was purchased by Chase in 2004, he became president and CEO of the company, and has built it into the biggest bank in the country. He's reaped the requisite rewards — a net worth nearing $2 billion, a $10 million Park Avenue apartment, and a Westchester estate in Bedford, New York, where, according to *Vanity Fair*, he's "perfectly happy spending his two-week vacation alone, making his own coffee and wandering around the local Target in his jeans." (Perhaps some adviser should tell him that these are hobbies one can pursue with mere millions.)

JPMorgan Chase chairman and CEO Jamie Dimon in 2019. Photo: Patrick Semansky/AP Images/Shutterstock

Anyway, Dimon was friendly with President Obama, and has insisted that he wants "a more equitable society," and added, apropos of Jesus, "I do think we're our brother's keeper." On climate change, especially, his public pronouncements are fairly progressive: In the lead-up to the Paris climate talks, he joined with other financial executives to say, "We call for leadership and cooperation among governments for commitments leading to a strong global climate agreement." When Trump pulled the U.S. out of the climate accords, Dimon said, "I absolutely disagree."

But maybe not that much. Unlike Tesla CEO Elon Musk or Disney CEO Bob Iger, the Paris decision didn't cause Dimon to resign from Trump's various business advisory boards. Instead, he told reporters that Trump "is the pilot flying the airplane," and that "when you get on the airplane, you better be rooting for the success of the pilot," and that "I'd try to help any president of the U.S. because I'm a patriot."

And really, who cares what he said, because what his bank was doing was at least as damaging to the Paris accord as Trump's pronouncements. Presidents can do only so much — Trump hasn't even been able to stem the collapse of America's coal industry. But bankers can supply the thing the fossil-fuel industry needs above all, which is money.

Here's the score: In the years since the Paris accord, Chase has been the biggest global funder of liquefied natural gas; the biggest American funder of coal mining and of tar-sands oil; the biggest Arctic oil-and-gas funder in the world; the biggest funder of ultra-deepwater oil-and-gas drilling on the planet; and the second-biggest funder on Earth of fracked oil and gas. Right before the Paris climate accords were signed, scientists at the journal *Nature* published a landmark study detailing precisely which fossil-fuel resources absolutely had to be left in the ground. It's as if Dimon and his bankers took the list and used it as a guide for booking business: If you had a particularly damaging project in mind, the kind that would open up a whole new area for oil development or some infrastructure that would lock us in to depending on fossil fuels for decades to come, then Chase was the window you lined up at. "Chase is number one with a bullet," says Jason Opeña Disterhoft, a senior campaigner for the Rainforest Action Network team that tracks banks and their fossil-fuel investments.

To explain that — to explain how Chase became more than garden-variety bad, how it became first-in-class, all-chips-in-the-middle bad — requires more than Dimon and his hypocrisy. You need to meet the second player in this drama, a man named Lee Raymond. He's not a high-profile player like Dimon, always jetting off to Davos; in fact, until very recently, if you googled news stories about "Lee Raymond," you'd mostly get accounts of an actor named Raymond Lee who features in HBO's *Made for Love*; and another man named Raymond Lee who is currently director of public works for the city of Amarillo, Texas; and a longtime photographer at the *South Bend Tribune* named Joe Raymond, who once took a famous picture of a Notre Dame running back named Lee Becton. That all changed earlier this month, when a shareholder advocacy group, Majority Action, called for Raymond's ouster from Chase.

But despite his relative invisibility, if there's a single Bond villain of the climate crisis, it's him; this is the guy sitting at the head of the table stroking his cat as destruction nears. Or maybe that's too harsh — let's assume he wasn't hoping for the inferno. But the fact is that no single human being was better positioned to do something that might have slowed the chaos now engulfing us.

Short course: Lee Raymond went to work at Exxon after earning his Ph.D. in chemical engineering. He spent his entire working life there, joining its board in 1984, becoming president of the company in 1987, and eventually winding up as CEO from 1993 to 2005, a job that paid him $686 million, or $144,573 a day. Long before his retirement from Exxon, he also joined the board of Chase, and he has remained there ever since, becoming, in 2001, lead independent director, the closest thing Dimon has to a boss. That is to say, he has led the biggest oil company and the biggest oil lender from the beginning of the global-warming era to the present.

Former Chief Executive Officer and Chairman of ExxonMobil Lee Raymond in 2008 in Washington, D.C. Photo: Chip Somodevilla/ Getty Images

And he has done more than lead them. Here's how Majority Action put it when it launched the campaign to get him removed from the board: "He was the architect and public face of ExxonMobil's efforts to promote denial of the risks and likelihood of climate change, even after Exxon scientists warned executives of the danger." Thanks to intrepid investigative reporting from the Pulitzer-winning [InsideClimate News](), the *Los Angeles Times*, and the Columbia Journalism School, we know that beginning in the late 1970s, Exxon's scientists started intensive study of global warming (of course they did — they were the largest private company on Earth, and their product was carbon). Those scientists reported accurately and frequently to senior executives about how much and how fast it would warm — one chart, discovered in an archive, showed a spot-on, perfect prediction for what CO2 concentrations and temperatures would be in 2020. And they were believed — Exxon actually began building its offshore oil platforms higher in order to compensate for the rise in sea level they knew was coming, and they started plotting their Arctic drilling schemes for the days when they knew the ice would be melted.

So, in June 1988, when NASA scientist James Hansen went to Congress to say that global warming was real and underway, one possible version of history could have gone like this: Exxon President Lee Raymond could have taken to the TV that night and said, "You know, our researchers have found much the same thing." Had he done that, no one would have been likely to describe Exxon as a climate-alarmist Chicken Little. But he didn't do that. Instead, Exxon, with its peers in the oil, gas, coal, and utility businesses, set about the job of supplying the money and talent to the endless front groups that concocted a phony debate about whether or not global warming was "real," a debate that has consumed decade after decade, when we could have been hard at work. So instead of beginning with modest steps, like a small carbon tax, to bend the curve of emissions, we went full speed ahead with business as usual. Humanity has produced more carbon since that day in 1988 then in all of human history before, and as a result, we now face almost impossibly steep cuts in emissions if we are to meet climate targets.

Raymond, arguably the most important oilman on Earth, didn't spend much time on TV or talking to reporters even then, but there are a few moments when his behind-the-scenes role broke through. In October 1997, he addressed the World Petroleum Congress, meeting in Beijing. The timing was crucial — it was about two months before the world would meet in Kyoto, Japan, for the first attempt at a global agreement to limit greenhouse gases. The Clinton administration was on board, but unlike Dimon and his "the president is the pilot" rhetoric, Exxon was not. ("I'm not a U.S. company, and I don't make decisions based on what's good for the U.S.," Raymond once explained).

There's no video of that speech in Beijing, just a smudgy Xerox of the typescript, but it ranks as one of the most irresponsible addresses an American has ever delivered (granted, there's stiff competition). Bloomberg News summarized his words like this: "First, the world isn't warming. Second, even if it were, oil and gas wouldn't be the cause. Third, no one can predict the likely future temperature rise." In fact, he went even further, telling the Chinese — then beginning to embark on the fossil-fueled expansion that would make them the world's biggest carbon emitters — that the Earth was cooling. Even if the scientists were right about the greenhouse effect, he said, "It is highly unlikely that the temperature in the middle of the next century will be significantly affected by whether we act now or 20 years from now." As it turns out, nothing could be further from the truth: Because we didn't act then, we're in a crisis now, and one we may have waited too long to solve.

It's too hard to find anyone at Chase who wants to talk on the record about Raymond — the closest I came was a former managing director, John Fullerton, who now runs a nonpartisan think tank called the Capital Institute. Raymond "was the one director management feared," says Fullerton, "because he ran the compensation committee and is a hardass." His nickname at Exxon, according to Steve Coll's magisterial book *Private Empire,* was indeed "Iron Ass"; even *The Wall Street Journal* once noted his "disdain for gay rights" and his "strikingly politically incorrect character for a modern-day, big-company CEO." Given Exxon's global-warming record under Raymond's leadership, Fullerton continues, "how he is not on trial for crimes against humanity is beyond me."

It's hard to know what Chase thinks about any of this. Dimon joined some other CEOs in 2019 at the Business Roundtable for a discussion of "purpose" in the modern corporation, explaining that "major employers are investing in their workers and communities because they know it is the only way to be successful over the long term," adding that "these modernized principles reflect the business community's unwavering commitment to continue to push for an economy that serves all Americans."

Since that is a little short on specifics, I've repeatedly sent Chase representatives lists of questions and requests for interviews with Dimon and Raymond, and received back only a few paragraphs of what one spokesman called "broader context." This included the news that Chase "promotes inclusive economic growth and opportunity in communities where it operates," that it is "installing efficient LED lighting across its operations," and that it has a "commitment to facilitate $200 billion in clean financing by 2025." I've asked what that money is going for and have gotten no reply.

It's much easier to track down the people trying to deal with the projects that Chase bankrolls. Consider, for instance, the Keystone XL pipeline, which would bring tar sands down from Alberta, Canada, to the Gulf of Mexico. For more than a decade now it's been the subject of fierce opposition from indigenous people along the route in Canada and the U.S., from farmers and ranchers who don't want their land taken to scientists who point out that these are precisely the kind of projects we must abandon if we have any hope. (Hansen, who delivered the original greenhouse-gas warning to Congress, once declared that pumping the economically recoverable oil from the tar sands would be "game over" for the climate). Nonetheless, year after year, TC Energy, the Canadian firm building the pipeline, has been Chase's single biggest fossil-fuel client, taking 6.7 percent of all of Chase's energy financing.

"I would ask Mr. Dimon to come visit us here in the middle of America, where we protect our land and water with everything we have because the land is everything we have," says Jane Kleeb, the chair of the Nebraska Democratic Party, who has devoted much of her life to fighting the pipeline. "Our culture, identity, and livelihoods are tied to the land. If he met us, if he sees the land, if he feels the water, I'm confident he would stand with us. It's easy to forget us and discount us and instead focus on your shareholders when you don't have to look us in the eye and tell us we don't matter."

Or go a little farther north, to Minnesota, where Chase-funded Enbridge is hard at work trying to build another tar-sands pipeline, this one called Line 3, which would double the capacity of current pipes and reroute them through country held sacred by Ojibwe bands and other indigenous groups. "It's time to move on, Jamie," says Winona LaDuke, leader of the native group Honor the Earth (and a Harvard undergrad in the years that Dimon was at the university's business school). "Enbridge is militarizing the north country, funding hate, and shackling pristine lakes to a dirty-oil pipeline. After 60 hearings and 68,000 people testifying against this pipeline, Enbridge is going to cause a civil war in northern Minnesota — there will be blood," she says. "And after $38 million of military repression at Standing Rock [the Dakota Access Pipeline was another Chase-funded project], we want a transition. Line 3 is the equivalent of 50 new coal-fired generators. What we need is renewables and efficiency."

Or go to Australia, or the Marshall Islands, or Paradise, California, or Bangladesh, or the Mekong Delta, or anywhere else on a long and growing list. They could even ask the 2,900 Chase employees relocated from their downtown headquarters after Hurricane Sandy crashed into Manhattan in 2012.

Almost 40 years ago, a few months out of college, I was a newly minted staff writer at *The New Yorker.* I persuaded the editor to let me do a Talk of the Town story on the other recent grads arriving at Chase for their first jobs in finance. I joined the first three days of Credit Course 8-2, meeting on the 10th floor of those Lower Manhattan headquarters. In only 200 days, a second-vice-president assured them they'd be ready to "go out there and lend some money." The highlight of those opening classes was a trip to the vault in the bank's basement, which was described not only as "the world's largest," but also as "A-bomb-proof." Everyone got to touch the gold bars.

I thought of that experience in January, when I was sitting in the Chase branch nearest the U.S. Capitol with a dozen other protesters, waiting to be arrested. (I noted the energy-efficient LED lighting). We were helping launch what is turning into a nationwide spring offensive that will culminate April 23rd with protests at thousands of Chase branches in the 40 states where it operates. Maybe it's all pointless and hopeless — maybe it would have been wiser (certainly more lucrative) to stick with the gold bars.

But there's actually reason to think that stopthemoneypipeline.com might work. For one, Chase's lending to the oil-and-gas industry is vast, but it's only about 7 percent of its business — it's not like Exxon, which has no real option but to fight. And if the electoral map is tilted toward the red, the money map goes the other way: The people Chase really cares about, the ones with funds to invest, are mostly in those pockets of blue, where people care deeply about the climate crisis. (That's why BlackRock, the biggest asset manager on Earth, started moving some money out of fossil fuels in January, a seismic development that drew widespread coverage. BlackRock wasn't alone; in the past few months, Goldman Sachs announced that it would stop lending for coal projects and drilling in the Arctic, and the European Investment Bank, the largest public bank in the world, swore off fossil-fuel lending altogether).

It's possible Chase will follow suit at its annual investor day tomorrow; perhaps the prospect of thousands of people starting to cut up their credit cards or moving their accounts will make them blanch — a video of Jane Fonda with a sharp pair of scissors and a Chase card has circulated widely in the past few weeks, as she joined young climate activists and faith leaders in a call for actions on April 23rd (the day after Earth Day) in thousands of branches across the country. "If you don't move your money, we'll move ours," she said. All the polling indicates that for young people, the climate crisis is the number-one political issue, so maybe the Doomsday Bank will even begin to find it hard to recruit the next class of bright-eyed young loan officers for the trip down to the vault.

Chase blinked last March, after a long campaign by people calling them to task for lending to private prisons. So who knows? Right after our January arrests, a Chase spokesman told Politico that "we have a significant amount of work underway to further build upon our efforts on climate-related risk and opportunity, and we look forward to sharing more in the coming years." Activists will have a harder time forcing broad action on fossil fuels than on prisons, because oil and gas make a lot more money for Chase. But if the bank took even the obvious first step — deciding to stop lending to the kinds of projects that expand an industry that every scientist agrees must now contract — the results would reverberate everywhere, bouncing from one stock market to the next as the sun rose around the planet. The speed of that reaction — far faster than political change is likely to come — might let us start catching up with the physics of global warming.

Given the stakes, it's worth a full-on try. Maybe you're one of that fast-growing group of people beginning to feel queasy about the climate crisis — beginning to feel like you need to do more to make a difference. You probably don't have a coal mine in your neighborhood, or a fracking well in the cul de sac. But the odds are high there's a Chase Bank branch not far away. So here's your chance to take a stand.

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