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John's Newsletter Tuesday 15 January 2015

Oil (as usual). China - a mixed bag. Can technology save us?

The latest Goldman Sachs report suggests that oil prices are unlikely to rebound within the next several months at least...even until end 2015. To me that sounds logical and this report certainly corroborates that...

<http://peakoil.com/production/u-s-oil-shales-still-growing-fast>

Prince Alwaleed al Talal seems to know the score...

<http://www.usatoday.com/story/money/columnist/bartiromo/2015/01/11/bartiromo-saudi-prince-alwaleed-oil-100-barrel/21484911/>

A swarm of interesting stuff from China

I think the Chinese economy may be impacted if the Government continues to hunt down "fraudsters"...from Sinocism...

["Xi calls for more anti-corruption efforts despite achievements - Xinhua"](#) Xi Jinping told discipline officials that "strong remedies must be used to cure the illness" of corruption. He introduced 2015's four-point discipline work requirements, which underscored that corrupt officials must be held accountable for their actions, responsibility for the building of the Party should be strengthened at all levels and the improvement of systems needed to continue. In addition, efforts to rectify undesirable workstyles should continue and misconduct, Xi said, must be dealt with accordingly. "Our determination [...] will not change. Our courage to rid our bones of poison will not diminish. We will also continue to hold the sharp sword of counter corruption high," Xi added. The president stressed that Party discipline system reform must continue alongside enhanced institutional innovation and supervision. Party rules are an important test of loyalty, he said, thus, discipline should always be given priority...Xi told officials to better supervise state-owned enterprises (SOEs). "State-owned assets and resources belong to all the people [of China]," Xi said. The CPC's control of such enterprises should be intensified and the supervision of SOE bosses strengthened, he said."

At least they are honest about propaganda J...from Sinocism...

["China's propaganda leaders outline priorities for 2015 | China Copyright and Media"](#) On 5 January, the Propaganda Department organised a conference for directors of local propaganda departments nationwide. Standing Committee member Liu Yunshan and Liu Qibao both gave speeches outlining propaganda priorities for 2015. Furthermore, it seems that the Cyberspace Administration of China organised a parallel meeting for propaganda online. There have been only intermittent references to this, which in a number of cases were removed from the Internet

rapidly. The following summary of the propaganda speeches was published on Xinhua's website:"

China is into the drone game with a raft of new drones about to be released at the HongKong toy fair this year – but also the military is planning extensive use...from Sinocism...

[“China’s Drone Program Keeps Stealthily Inching Forward | Foreign Policy](#) The latest version of the Tian Yi may alone not attract much attention. But its inclusion in the steady, incremental development of drone technology has American military officials worried that China will one day surpass the United States in an industry it pioneered and currently dominates. // I think a more immediate development may be how the US and other countries will react if (when?) China starts using armed drones in Xinjiang and around Xinjiang's borders. Given that the US has already droned more than one US citizen (granted not in US territory) and droned many more in Pakistan, Afghanistan, Yemen and elsewhere, any criticism from the US should be easily deflected by China. Drones can be very useful, but they are clearly a Pandora's Box the US has opened and that China intends to use to its maximum interest, as we should expect them to.”

All is not well on the Chinese border with Korea as Korean soldiers cross the border for food...from Sinocism...

[“North Koreans Cross Frozen River to Murder Chinese for Food - Bloomberg](#) In the December incident, a North Korean soldier shot four residents of Nanping, a border village of about 300 in northeastern Jilin province. Around 20 villagers have been murdered in Nanping by North Koreans in recent years, a senior local official said in an interview. Some residents are leaving the village, located within sight of an unnamed North Korean army base, said the official, who asked not to be identified because of the sensitivity of the subject matter.”

China has also and rather arrogantly messed with Taiwan's air traffic control systems – assertiveness again....from Sinocism...

[“China Opens Southeast-Coast Air Routes in Snub of Taiwan - Bloomberg](#) China announced new commercial flight routes along its southeastern coast today, as Taiwan warned the move created safety risks and threatened to “evict” any planes that strayed into its airspace. China's Taiwan Affairs Office called on Taiwan to show “more understanding and less suspicion” toward the opening of four flight routes along China's southeastern coast that aim to ease congestion on routes between Shanghai and the Pearl River Delta, spokesman Ma Xiaoguang said today in Beijing.”

Can technology save us?

As you know, by year end 2015, humanity will number approx. 7.25 billion people. Together with our livestock and technology we manipulate the oceans and atmosphere to our own ends and we comprise more than 97% of all land mammals. We demand growth, we demand a bigger share, we are not satisfied with any practical limits to our spending of the earth's resources. Our systems require growth or they will collapse.

We have a rubbish gyre the size of Texas in the middle of the Pacific Ocean. We still have no way to fix that and we still keep throwing plastic into that vortex. To solve our problems, the first thing we must do is to accept the existence of the problem and the second thing is to stop making things worse. The central problem for humanity is the fact that we are programmed to ignore our self-inflicted problems and to make them worse. So conceptually anyway, we cannot change course.

In my last email, I pointed out that we are reaching (if we already have not reached) the limits to our economic growth. But there is no sign that we will stop reproducing little human earthlings and of wanting to speed up the depletion of the world's large but finite resources.

In his book, "The collapse of Complex Societies", Joseph Tainter (who seems to be regarded as authoritative by everyone I know) points out the way that...

1. The societies of yesteryear (Romans, Egyptians etc.) died because they ran out of "key" resources, and
2. None of those societies were able to use technology to save themselves.

The noise from environmentalists and scientists is clear.... our current predicament is becoming serious. Yet the standard answer (and yes it is a cop out!) is that, "mankind has solved its problems in the past, so someone will figure it out". As a myth, that is a placebo but nothing else. There is no evidence that any society has achieved what we expect to achieve now.

We have 30,000 climate scientists trying to prove there are simple answers – and to me, that looks like garbage.

But, who are these people who will do the job for us? Well there is Dick Weir at EESor, who together with all the scientists alive in the world today, total far more than the number who have ever previously lived and died - in our roughly 200,000 year history (as a homo sapiens identifiable species).

All our inventions have been at random intervals. But now we have innovation of everything and our effort is growing exponentially, but still uncoordinated and with random success. Our ability to devote so much resource to innovation since the industrial revolution, is a direct result of the availability of an energy surplus which is on a sharp decline via falling EROEI for coal, oil and gas....the baddies of our age. These under-pinning energy resources are blamed, now outlawed or about to be outlawed (if such is possible) as a result of the theories of the scientific class. But they were the reason why the OECD stopped slavery and substituted machines for human and livestock labour.

Let's provide further narrative of why a techno-fix won't work... by looking critically at a video (that requires an hour of your time)...

<https://www.youtube.com/watch?v=1MsUypIHZhc>

The book that provides the substance for this is "Techno Fix: Why Technology Won't save us or our Environment" by Michael Heusemann.

For those with less time, this article may provide something of a summary of key points....which are to pose the question, will we see a future as masters of the universe, or will our society collapse like all those that have gone before?...

<http://resourceinsights.blogspot.co.nz/2015/01/the-central-contradiction-in-modern.html>

My opinion is irrelevant. However, the more I seek solutions through technology the more impressed I am with progress. But equally, the more dubious I am that we will succeed in our future aspirations within the next 200 years. On balance I tend to agree with Heusemann.

Why am I sending out these perspectives?

We each have different perspectives of what is real and what is not.

But we start the year of 2015 with potential for financial collapse sometime in the future in Greece, Russia, Japan, China, the EU and USA. The global financial system is interlinked and the derivatives that bind all banks together are weapons of mass financial destruction. The world is floating on debt and that has always been the final cause of failure for most businesses and countries up to now. It will only take one bank to set off the collapsing dominoes and destroy the global financial system.

Students of collapse (like Dimitri Orlov) wonder that collapse has not already taken place – yet many of us see nothing but business as usual.

For the last 2-3 years I have been saying from the economic measures taken by central banks, that the global economy will see deflation followed by hyper-inflation

As time passes, the wall gets closer and there are much clearer indications of deflation including oil price collapse – whether in Japan, USA, EU or elsewhere. But no-one can say when we will reach financial Armageddon – which could come with hyperinflation or with a bank debt crash..

So if you are of an optimistic frame of mind, you will probably say no, we will triumph.