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Ready for Grexit contagion / Warfare prep - for what? / USA out-manoeuvred by China / China reinforce the Silk Road / Chinese pollution / The Yemen disaster / Obama's disastrous reign

Ready for Grexit contagion

Greece is top of mind in Europe this week...I anticipate there will be a lot of financial news out of the EU in the two or three weeks ahead...

<http://www.telegraph.co.uk/finance/economics/11547734/Europe-ready-for-Grexit-contagion-as-Athens-gets-closer-to-Russian-cash.html>

Not only are the likes of Japan, South Korea, Vietnam and Philippines now in an arms race with China but Europe and USA are doing the same in Europe...

<http://www.telegraph.co.uk/news/worldnews/europe/russia/11547247/Europe-faces-a-real-threat-from-Russia-warns-US-army-commander.html>

Silly really. But Poland is getting air defences and offensive weapons and Germany announced the purchase of another 100 high spec tanks.

Warfare prep - for what?

Meanwhile, along the Southern periphery of Europe at the gateway to the Middle East, Turkey is at work...this is a fair description of what is happening...

<http://www.mintpressnews.com/the-real-war-no-one-is-taking-about-the-global-clamor-for-oil-and-gas/204474/>

What has taken them so long? Borrowing money you cannot repay is something that little children are taught....so what makes economists and bankers think they are exempt. Or are they (as Goldman's Lloyd Blankfein suggested) allowed to because they are "doing God's work"...

<http://www.telegraph.co.uk/finance/economics/11548318/Caveat-creditor-as-IMF-chiefs-mull-unpayable-debts.html>

As countries keep their printing presses going, interest rates near zero and as banks start to look a little more risky, the gross global derivatives contingent debt apocalypse builds. So here is some interesting stuff on gold and currencies...from David Morgan...

<https://www.youtube.com/watch?v=TznDcv8ep9w&feature=youtu.be>

To change the subject... Breton Woods is now fading into history...as less and less relevant to our financial direction.

USA out-manoeuvred by China

The USA has been comprehensively out-manoeuvred by China over the establishment of the AIIB...from Sinocism...

[“Rush to China’s Bank Pushes U.S., Japan to Speed Trade Talks - Bloomberg Business”](#) China’s success in lining up 57 countries for a new infrastructure bank is piling pressure on the U.S. and Japan to advance a Pacific trade deal seen as critical for the allies to remain a center of gravity in Asia. U.S. and Japan negotiators huddled in Tokyo this week, aiming to reach agreement on their portion of the 12-member Trans Pacific Partnership before Prime Minister Shinzo Abe meets President Barack Obama late this month. TPP’s prospective members, which don’t include China, have missed a series of deadlines since the U.S. announced its participation in 2009.”

But with Mr Obama now entering the “lame duck” period of his final term, it may be that the TPP stalls in Congress.

China reinforce the Silk Road

The arrangements with the “five Stans” and Russia seems secure and to the South India and China have a tenuous peace. But moves to sweeten the relationship with Pakistan will affect China’s relationship with India...from Sinocism...

[“China Readies \\$46 Billion for Pakistan Trade Route - WSJ”](#) Beijing’s primary concern is that instability in neighboring Pakistan and Afghanistan is spilling into China’s predominantly Muslim northwest, and could grow worse with the withdrawal of U.S. troops from the region. China sees a historic opportunity to redraw the geopolitical map by succeeding where the U.S. has largely failed, building critical infrastructure that could kick-start economic growth and open new trade routes between China and Central and South Asia. A cornerstone of the project will be to develop the Pakistani port of Gwadar, a warm-water port run by the Chinese on the doorstep of the Middle East.”

Chinese pollution

Chinese pollution sucks...but the Government has reached the point where something must be done...from Sinocism...

[“How Do You Keep Your Kids Healthy in Smog-Choked China? - NYTimes”](#) At one point last year, we considered joining the exodus of expatriates and locals moving out of China altogether. In the end, we decided to move to Shanghai, where we found that five other families in our son’s kindergarten class had made the same decision. It is only a half-solution; the city of 24 million has its own serious pollution. Still, it has far fewer very bad days than Beijing.

According to the air-quality charts that I keep, in 2014 Beijing had more than 60 days that averaged higher than 200, the threshold at which our sons' schools cancel outdoor play. Shanghai had only four. Don't be surprised if that Shanghai-Beijing clean air ratio changes over the next few years as Xi makes sure Beijing is cleaned up. We are leaving Beijing for DC at the end of the summer, after almost 10 years here. The pollution is a factor but not the main one. We can't get the kind of education here that we want our twins to have are very fortunate that we can in the DC-Area. I plan to continue Sinocism though not yet sure in what exact form and with what possible other collaborators"

Even the writers of Sinocism need to move...And

["Xinhua Insight: Cleaning up China's big rivers - Xinhua](#) On a recent fact-finding mission, a Xinhua reporter visited a tributary of the Huai in Anhui and found it covered in white foam and dead weeds with a foul smell. Local farmers said the smell is especially bad in summer and people who wade in the river develop a red rash. The problem is nationwide. The main streams of rivers are often given more attention than tributaries and lakes. It will be important to attach just as much importance to tributaries in order to hit the new targets, Wang said. "The response of the local governments to the plan matters," he said. "Can local authorities come up with detailed and feasible policies?"

Easier said than done I think. It will take decades. Diversion of industrial, commercial, agricultural and residential waste will not be easy as the waste stream needs both diversion and treatment/storage.

The Yemen disaster

There is really no cause for fighting in Yemen other than the Sunni-Shiite angst, pitting Saleh (Iran backed) and his Houthi allies against the President who is Sunni/Saudi backed. This is a country of rocks, dirt, drugs and illiterate people bowing to bloodthirsty mediaeval worship. This really is a nasty business with 25 million people held hostage to the rain of death...

<http://www.reuters.com/article/2015/04/14/us-yemen-security-idUSKBN0N50TF20150414>

King Salman is certainly putting his stamp on history. The Saudis have the toys to play with and they also have a level of religious zealotry that can only be described as obscene. But the USA has been left on the sidelines as the civil war with four or five factions killing each other plays out in Yemen.

<http://america.aljazeera.com/articles/2015/4/17/us-generals-think-saudi-strikes-in-yemen-a-bad-idea.html>

Obama's disastrous reign

I have to wonder how the "peak-surfer" mantra will look once Obama's reign has ended...

““Since 1950 the USA has attacked more than 50 countries. It has bombed 30. It has made more than 50 assassination attempts and succeeded in more than 20 regime changes. The behavioral metaprogram: Be afraid. Be very afraid.....”

I suppose this is what you gotta do if you want to stay top dog.