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On VE Day / While Xi was in Moscow / Now to Canada / \$150B in fines / China's role in the world / King Abdullah's legacy / Oil EROEI RIP

On VE Day

Russia's guest of honour was the Chinese Premier – to celebrate VE day...from Sinocism...

[“Spotlight: Xi's presence in Moscow's V-Day celebrations highlights shared resolve to safeguard world peace - Xinhua](#) In a signed article published in the Russian Gazette recently, Xi recalled the sacrifices and contributions China and Russia made in WWII, reaffirmed the two countries' joint determination to uphold the outcome of the war, and called for win-win cooperation in dealing with international affairs. "Xi said the peoples of China and Russia will stand together with all peace-loving nations and peoples firmly against any attempt to deny, distort or tamper with WWII history," said Pavel Negoitsa, director-general of the Russian Gazette. "This is important because it is what the Russians are now concerned about, and our closest neighbor pointed it out clearly," Negoitsa said. In his article, Xi quoted Russian historian Vasily Klyuchevsky as saying that "If we lost the memory of our past, our mind and soul would be lost in the darkness," in a bid to show the determination of peoples of China and Russia to fight against attempts to rewrite the wartime history.”

While Xi was in Moscow

From Sinocism...

[“Russia and China Sign Cooperation Pacts - NYTimes.com](#) President Vladimir V. Putin of Russia and President Xi Jinping of China presided over a signing ceremony that included a road map to balancing their regional interests in Central Asia, secured more than \$6 billion in Chinese investment in a Russian intercity rail line and established an information security agreement heralded as a “nonaggression pact” between the countries in cyberspace. Continue reading the main story. Yet amid the warm words and declarations of shared intent from the two leaders, there were also signs of tense, behind-the-scenes negotiations. Notably absent from the agreements signed Friday was a compromise on a price for gas to be sold by Russia to China through a new, multibillion-dollar pipeline from the fields of Western Siberia to the Chinese border.”

Russia and China have a special BRICS bank to add to the AIIB...from Seeking Alpha...

“[Russian President Vladimir Putin ratified](#) an accord Saturday to set up a \$100B reserve fund for the so-called BRICS nations, aimed at reshaping the Western-dominated international financial system centered around the IMF and World Bank. China is poised to provide the largest share of \$41B to the pool, while Russia, Brazil and India will provide \$18B each. South Africa is set to chip in the remaining \$5B.”

This shows the BRICS slowly pulling into a separate banking cabal.

Now to Canada

In a country where much electricity is from renewable sources, all roads lead to the electric car...eventually...

<http://www.cbc.ca/news/canada/calgary/oil-price-swoon-pushes-canadians-to-embrace-gas-guzzlers-1.3053857>

It is kind of Elon Musk to prepare the way for the mythological EESU...

<http://www.bbc.com/news/technology-32545081>

We realise that grid storage will be important for the wind farms and massive solar installations but there are good reasons why home storage is an important target market...

<https://www.greentechmedia.com/articles/read/three-charts-that-explain-why-tesla-is-developing-a-residential-battery>

But what Tesla has is really crap...

http://seekingalpha.com/article/3132996-the-silliness-of-teslas-10kwh-back-up-battery?source=email_the_daily_dispatch&ifp=0

Of course if you can store electricity at 3,500 volts that would be a game-changer. That is what EESor wants to achieve (but can they?)

What will the big bad banker boys do next to get those outrageous bonuses (in USA)?

The battle for the little guys goes on...yet the little guy still gets “stiffed”...from Seeking Alpha...

\$150B in fines

“[More than seven years](#) after the global financial collapse, regulators and investors are still working through a mile-high pile of lawsuits and other civil actions, and it seems like the fines keep on coming. Since the crisis, banks and other institutions have paid more than \$150B in fines, settlements and other penalties, according to a tally by *FT*. That compares with the roughly \$700B in profits generated by U.S. banks between 2007 and 2014. So where have all the payments gone? The biggest have landed in the Justice Department, which has amassed some \$50B. Other heavy collectors include the FHFA, Fannie Mae ([OTCQB:FNMA](#)), HUD and the SEC. Among the banks paying the biggest amounts, BofA (NYSE:[BAC](#)) tops the list -

with nearly \$58B, followed by JPMorgan (NYSE:[JPM](#)) (\$31.3B), Citigroup (NYSE:[C](#)) (\$12.8B) and Wells Fargo (NYSE:[WFC](#)) (\$9.7B).”

Meantime they prepare to take us to the cleaners again with ZIRP, NIRP and money printing L.

For the Middle class, things are looking extremely bad and bad to the point where the stats cannot be reversed...

http://seekingalpha.com/article/3126136-the-real-financial-crisis-that-is-looming?source=email_macro_view_eco_8_35&ifp=0

China's role in the world

China’s resolution to pursue expansionism and other goals has led to a sense of resignation in US Government circles...from Sinocism...

“[A frosty peace beckons for the US and China - FT.com](#) Washington is giving up on Beijing becoming a stakeholder in the present global order”

Other comment suggest the relationship is getting quite “frosty”.

King Abdullah's legacy

King Abdullah of Saudi Arabia was concerned to eke out his kingdom’s oil to leave some for future generations. Before he died, the Saudis rejected a seat on the UN Security Council because they believed that the UN was powerless to act...given the right of veto of competing majors. They then decided on direct action. But oil is at the centre of their universe.

Now the focus is on market share and “damn the price” to burn off the competition. But there is a change afoot in Saudi Arabia...

<http://www.reuters.com/article/2015/05/01/us-saudi-oil-aramco-idUSKBN0NM36H20150501>

Meanwhile do we maximise our production and depletion and go for economic growth, or do we “tailor our suit to the cloth?”...

<http://peakoilmatters.com/2015/05/01/peak-oil-one-track-minds/>

Oil EROEI RIP

John Michael Greer suggests the current deflation will intensify...

<http://peakoil.com/consumption/the-whisper-of-the-shutoff-valve>

Deflation? Too many commodities? Gail Tverberg provides an interesting perspective on oil supplies and the impact of energy and EROEI on the global economy...

<http://ourfiniteworld.com/2015/05/06/why-we-have-an-oversupply-of-almost-everything-oil-labor-capital-etc/>

This is supported by the Hills Group analysis as follows...that shows us the practical impact of falling EROEI for oil of all varieties.

” In 1970 a gallon of oil supplied 85,435 BTU of useable energy to the end consumer. In 2015 it will supply 22,945. The 62,490 BTU difference is the amount of extra energy it takes to extract, process, and distribute that gallon.”

I have a few reservations about these figures but they are the first time anyone has dared to conduct an independent study. Even if the true decrease in net utility is 50% the figure stated above, there will be blood.

In the USA, the seeds of the next crash have been sown and yet Mr Obama seems totally unaware that the Saudis are the ones who have triggered the crash...

<http://oilprice.com/Energy/Energy-General/How-Shale-Is-Becoming-The-.COM-Bubble-Of-The-21st-Century.html>

In international finance, the writing is on the wall...

http://seekingalpha.com/article/3163026-bis-on-buildup-of-financial-imbalance?source=email_macro_view_mar_out_0_0&ifp=0

I really do not like these graphs.

The real world cannot afford oil over USD65/bbl for Brent. The oil industry cannot afford to produce oil for that price. So something must give.