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## **Better-Management Newsletter 29 October 2015**

**Banksters rule the world via CDSs / Chinese coercion - the Spratly Islands / “British Industry” is an oxymoron / Climate Change - COP21 degenerates / USA - budget madness / Oil - who would be mad enough to invest?**

### **Banksters rule the world via CDSs**

It is intriguing to see the banksters determining the fate of countries, corporations and industries.... and these same banksters were the folk who got off “Scott free” after their criminality before, during and after the GFC...it was left to share holders to effectively pay their fines...and to central banks to bail them out and then watch them pay themselves huge bonuses with the taxpayers funds.

<http://www.bloomberg.com/news/articles/2015-10-27/inside-the-secretive-circle-that-rules-a-14-trillion-market>

Does this stink..or what? Well obviously it does, but nothing has changed....

### **Chinese coercion - the Spratly Islands**

The Chinese claim to sovereignty of the Spratly islands is hotly contested by its neighbours as China scold the USA...

<http://www.bbc.com/news/world-asia-china-34647651>

I hope I won't be accused of falsifying Chinese history?

<http://www.reuters.com/article/2015/10/27/us-china-defence-idUSKCN0SL03720151027>

I realise that South Korea are about to revise a number of aspects of their history. But for China, they do it on a regular basis.

China is building more, and bigger, gas guzzlers...do they look like stopping this anytime soon?

<http://www.forbes.com/sites/jackperkowski/2015/10/20/2015-an-inflection-point-in-china-automobiles/>

### **“British Industry” is an oxymoron**

The words “British Industry” are an oxymoron. The country becomes ever more reliant on imported food and energy. Industrial output is falling due to high wages and high imported costs of raw materials and energy. What is left is service industries, feeding off the carcass. Naturally, these are weighted to the financial sector which is disproportionate to the size of the economy...and thereby the reason why Britain is bound to the EU...

<http://uk.reuters.com/article/2015/10/27/uk-britain-economy-idUKKCN0SL0YA20151027>

“Super Mario” is considered a fool by David Stockman. More QE and low interest rates means more support for the indebted of Europe. Is that sensible or an invitation to a crash party?

[http://seekingalpha.com/article/3602646-the-central-bankers-death-wish?source=email\\_macro\\_view\\_eco\\_1\\_18&ifp=0](http://seekingalpha.com/article/3602646-the-central-bankers-death-wish?source=email_macro_view_eco_1_18&ifp=0)

Niall Ferguson, the eminent historian is already giving an historical perspective of what is wrong with the EU...

“The great migration of 2015 makes it clear that the European Union (EU) is an attractive destination for hundreds of thousands, and probably millions of people. It is so attractive that since January this year, 2,600 people have died crossing the Mediterranean trying to enter the EU. Yet, viewed from the inside, Europe looks a mess. The European economy seems much closer to "secular stagnation"-in Larry Summers's phrase-than the United States economy. European politics is also in disarray. In almost every member state there is at least one populist party, and nearly all of them are deeply hostile to immigration.”

### **Climate Change - COP21 degenerates**

It seems that COP21 to be held in Paris is generating some extreme opinions...

<https://www.rt.com/news/319806-persian-gulf-uninhabitable-climate/>

and

<http://www.telegraph.co.uk/finance/newsbysector/energy/11958713/Fossil-fuel-companies-risk-plague-of-asbestos-lawsuits-as-tide-turns-on-climate-change.html>

Humanity’s biggest problem is that the fossil energy resources are finite, that we have used the most accessible of them, that the cost to society of not having as much net energy from them is huge.... and finally, that we have no suitable alternative energy storage systems for transport purposes. As of today, oil and natural gas are irreplaceable in our industrial society. Without copious supplies, our society will collapse.

Perhaps if the self righteous attendees had to travel to Paris by canoe, they may actually “get the picture”. Some other thoughts on this...

<http://peakoilbarrel.com/looking-back-10-years-after-peak-oil/>

### **USA - budget madness**

A deal has been struck between Democrats and Republicans to set the US Federal budget and approve an increase in the US debt ceiling.

But with this comes an agreement to sell off some of the family silver...

<http://www.bloomberg.com/news/articles/2015-10-27/u-s-plans-to-sell-down-strategic-oil-reserve-to-raise-cash>

Don't they know that every month henceforth...they will certainly continue into the future to import more and more of the oil they use? The word for this is just plain "dumb". But they are politicians aren't they, so what can we expect?

### **Oil - who would be mad enough to invest?**

Iran's negotiators are today spending more time trying to find capital to restart their oil sector, than in sorting out nuclear deal issues. But once they get the green light on sanctions, some oil will flow...

<http://www.bloomberg.com/news/articles/2015-10-27/the-oil-market-may-need-to-wait-until-2016-for-iran-supply-boost>

But who would be stupid enough to invest? Get the picture?...

[http://bismarcktribune.com/bakken/bakken-oil-companies-declare-bankruptcy/article\\_2d83e3d0-3f4d-5549-b69d-7a2f62fddbd5.html](http://bismarcktribune.com/bakken/bakken-oil-companies-declare-bankruptcy/article_2d83e3d0-3f4d-5549-b69d-7a2f62fddbd5.html)

With the shale plays in USA delivering huge losses to investors, with BP's Macondo rig having cost USD32bn and counting, with the financial calamity of Kashagan, with Shell pulling out of the Arctic, what is the future for investors in the oil industry at a selling price of USD43.30/bbl?

<http://blogs.platts.com/2015/10/26/deepwater-horizon-us-arctic-drilling-rfs-blending/>

All so called "renewable energy resources" (including solar, wind, biofuels etc) are totally reliant on the availability of fossil fuels and without them, cannot be deployed.

Our leaders are woefully stupid if they do not see this.

Yet we have bankers and economists likening the oil industry to asbestos??? Crazy stuff. Sitting on a branch while trying to cut it off at the tree...

Meantime the pragmatists in China are laughing as they sign up spare long term supplies!

[http://seekingalpha.com/article/3602526-imports-of-crude-oil-by-china-in-2015?source=email\\_macro\\_view\\_com\\_2\\_15&ifp=0](http://seekingalpha.com/article/3602526-imports-of-crude-oil-by-china-in-2015?source=email_macro_view_com_2_15&ifp=0)