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## **Better-Management Newsletter 27 January 2016**

**Obama decisions worst of any POTUS / Climate change fraud / China even dodgier / Like Stalin's Russia / Saudi Arabia changes allegiances**

### **Obama decisions worst of any POTUS**

It is saying something about the poor quality of US presidents when we look at the quality of the decisions made by Mr Obama. Then we see Donald Trump doing so well in the run-up to Primaries – just as a protest to the cronyism and insider dealings.

Michael Bloomberg really doesn't have a chance as an independent candidate. First because he is Jewish and second because he is so closely allied to Wall Street. Jim Kunstler puts the situation fairly well...in his most irreverent way...

<http://kunstler.com/clusterfuck-nation/the-agonies-of-sensible-people/>

I suppose we will have someone else who is at the beck and call of the military/industrial establishment who succeeds?

In New Zealand we have a government of the people by the “lowest common denominator”. The need for our government to rule with the support of a partisan Maori party has increasingly led to a form of Apartheid (which to be fair has always existed in one form or another). The current splurge of Apartheid policies seemed to start with the Treaty of Waitangi ratification under David Lange and his offside Geoffrey Palmer, and more recently with the introduction of the Mauri Ora programme (that I became closely involved in before one Iwi group stole the funds to build new Marae buildings). It expanded into the Whanau Ora Project that has proven wasteful on a larger scale (i.e. X10 and rising).

We are not allowed to talk about Maori social problems because that would be “racist”, yet the “treaty industry” has continued to provide large sums to Maori leadership cadres while their rank and file still comprise the lower echelons of society and receive a disproportionate share of the education, police and welfare spend. As we look ahead, New Zealand's development as a nation gets murkier. So I must agree 100% with Winston Peters...

<http://www.msn.com/en-nz/news/politics/govt-has-been-brownmailed-peters/ar-BBoHHwO?li=AAaeXZz&ocid=EIE9HP>

Please excuse me, while I go and wash my mouth out with soap and water..... Admitting I agree with Winston is pretty difficult.

### **Climate change fraud**

Humanity has changed the world in its own image and likeness – while continuing in many cases, to claim that God created us humans in “his” own image. The fact is that in the period

from AD1 to AD 2015 we humans and our livestock went from comprising approx. 5% of all land mammals to over 97%. We now catch less wild fish each year and a bigger proportion of our wild fish catch is used to stock fish farms which in turn continues to increase the supply of farmed fish to humans.

We use increasing quantities of fossil fuels despite these being a finite resource and soon that energy source must taper off and eventually in a century or so come to an end. That is partially because the net energy derived is reducing as the cost of extraction increases and partially because it is becoming financially less economic to win lower grades of fuel from deeper and more costly sources. Yet many of our other resources are also finite...ranging from aquifers of fresh water to copper, iron and many other minerals and sources of fertiliser. Are we in overshoot as a species or if not, when will overshoot occur. This is something our governments refuse to even contemplate.

What we have done to our planet is irreversible and we don't yet understand how this will play out. So the governmental agencies that have the best chance of studying and getting to grips with our looming problems just run from simplistic fad to simplistic fad, being paid to implement the latest fad as the politicians kick the can down the road. This is only so tragedies don't "happen on my watch".

We must be doing some dumb things because when we look at fossil fuels, we have squandered our endowment and already the "free market allocation system" is so badly broken that petrol is selling in many places for half the price of bottled water...where water is plentiful! And now this...

<http://www.bloomberg.com/news/articles/2016-01-26/one-salmon-costs-more-than-barrel-of-oil-as-slump-deepens-chart>

As a result I cannot preclude the possibility that many of our atmospheric and other waste discharges are having no effect on climate. Even so, the current religion of "global warming" rolls on, as more and more folk hop on the bandwagon – paid by our taxes to misdirect voters from the real disasters that loom ahead. These folk claim to know how to solve this mysterious phenomenon of "global warming" – which they cannot possibly do. As a marker of the futility, somehow we are supposed in NZ to stop our cows from farting because our dairy cows generate a little over 30% of our CO2 discharge.

Really, seriously smart folk, like Prof Freeman Dyson (who is nearing the end of his days) are unconvinced by the current hysteria. You may recall that before Christmas I circulated (with thanks again to Peter) a copy of the recent COP21 report from Paris by Prof Bob Carter (subsequently, sadly deceased). As this emphasised the points made recently by Freeman about the beneficial effects of CO2, I enclose it again for those who did not get a chance to read it.

<http://video.thenewamerican.com/sci-tech/video/alex-newman-robert-carter-cop21>

Remember that when the proportion of CO2 gets less than 190ppm, then all the world's vegetation will die. Yet the current level is only about 420ppm. When you and I breathe, we exhale about 40,000ppm of CO2. And let's face it, our population has grown from 260 million in AD1 to about 7.35billion today...so we have increased our personal

contributions. Well we did kill off hundreds of thousands of other species in that time to reduce their CO2 and methane discharges, so perhaps we have done our bit ? J

Yet CO2 is possibly the most benign of potential greenhouse gases.

With thanks to Colin for the link below, this is Patrick Moore's take on the current hysteria.

[https://www.prageru.com/courses/environmental-science/what-they-havent-told-you-about-climate-change#.Vc4sj\\_1Viko](https://www.prageru.com/courses/environmental-science/what-they-havent-told-you-about-climate-change#.Vc4sj_1Viko)

As we move forward, only one thing is certain. As our governments become more challenged in keeping us under control, they will use whatever fads suit their purpose to change the subject away from real to imagined threats – especially those for which they claim some sort of solution, or can help them increase their tax take and power.

Government, as always, is about either power, or the chance to go for absolute power. This “...of the people, by the people” stuff is just so much crap.

The climate is changing, but even though I accept that, I cannot yet be convinced of a continued warming trend...so in that regard, I remain on the fence.

### **China even dodgier**

Down again, from Seeking Alpha...

“[China's fickle stock markets](#) sold off sharply today, amid concerns about capital outflows, a renewed selloff in oil, and caution ahead of the Fed's monetary policy decision. News that the PBOC conducted its biggest daily open markets operation in three years failed to lift sentiment, as the central bank injected 360B yuan into money markets ahead of the country's Lunar New Year holiday. Investors also remain wary about further weakness in the yuan, despite assurances from Beijing that it has no intention of pushing the currency lower. Shanghai **-6.4%**; Shenzhen **-7.1%**.”

So down again go global shares. But UP goes China's gold purchases from all sources – including via Hong Kong...

<http://www.reuters.com/article/china-gold-imports-idUSP9N12N014>

David Mahon's excellent newsletter attached above provides his view of how things are trending...and below the Sinocism perspective provides a different viewpoint.

The sell-off of Chinese shares over the last several months means that the CCP needs someone to blame. So the CCP “organs” have cast around and had a crack down on human rights activists and also done a number of studies including enquiry into the market regulator. Certainly, China is no place to do some kinds of business, given the capricious or arbitrary nature of laws (and the ability of the state to seek payment from your family for the bullet they put into the back of your head)...beware those who go to China “to try to change things for the better.”

First the nasty foreigners...the story of a Swedish rights worker, who has confessed his sins, apologised and is now said to be living under “residential surveillance” from Sinocism...

[“Swedish Rights Worker Held in China Said to Apologize for His Actions - The New York Times](#) It said Mr. Dahlin admitted to writing reports without “real or full facts.” It also said that the lawyer and activists trained by the group “got involved in hot-topic issues and sensitive cases, and intentionally escalated conflicts and disputes that were originally not severe.” “It instigated the people to confront the government and produce mass incidents,” the article said. Mr. Dahlin and his group appeared to have been caught up in the Chinese government’s crackdown on human rights lawyers, a campaign centered on putting pressure on the Beijing Fengrui Law Firm. Xinhua said Mr. Dahlin’s partner, Wang Zhangquan, was a member of that firm.”

And...look how serious they regard this? From Sinocism...

[“Police smashes illegal organization jeopardizing China's national security - Xinhua](#) According to a statement from Chinese police and national security authorities, the Swedish national, identified as Peter Jesper Dahlin, and another person have been operating an unregistered organization on the Chinese mainland in the name of an "emergency rights aid group," receiving unregulated huge sums of money from seven overseas organizations and carrying out unregulated activities.”

What on earth are the “unregulated activities” and how serious was this...really?

### **Like Stalin’s Russia**

This stuff smacks of Stalin’s Russia...but there the folks were either “disappeared” or sent to the salt mines. Oh yes, that’s right there have been a few Chinese businessmen “disappeared” as well – including a couple of folk from HongKong.. At least in PRC they don’t seem to all disappear permanently...from Sinocism...(Editor’s note: how about all those ‘disappeared’ in the US?)

[“China Accounts For Two Missing Booksellers Amid Calls For Further Probes in Hong Kong](#) Hong Kong's government has moved to play down fears that Chinese law enforcement agencies now operate freely within the city's separate jurisdiction as police in the neighboring province of Guangdong confirmed they are holding one of five Hong Kong booksellers missing since last October.”

It isn’t just firms who have been selling shares that have incurred the wrath of the CCP...from Sinocism...

**[“Exclusive: China's chief stock regulator has offered to resign - sources | Reuters](#)** Xiao, 57, tendered his resignation as CSRC chairman last week after his brainchild - a "circuit breaker" mechanism to limit market losses - was blamed for exacerbating a sharp sell-off, a source with ties to the leadership and a financial industry source told Reuters. The "circuit breaker" was deactivated on Jan. 7, just three days after its introduction. The China Securities Regulatory Commission (CSRC) denied Xiao had offered to resign. "This information does not conform to the facts," it said via Weibo, a popular microblogging site. // **And Reuters' Weibo account shuttered. Reuters did not appear to even note an update with the CSRC denial, just added the paragraph noting it?**

It seems they won't let him resign until they complete investigating his crimes J...

The elections in Taiwan have been cause for concern for the CCP. The election of a new leader is giving rise to agitation...from Sinocism...

**[“‘Progressive, tolerant and diverse’: How Taiwan is moving ever farther from China - The Washington Post](#)** Not only did Tsai Ing-wen become Taiwan's first female president, and the most powerful woman in the Chinese-speaking world, she is also the first woman to run an Asian country who is not the child of a political dynasty. Sure, we have or have had women running South Korea, Thailand, Pakistan and Bangladesh, and (in Sonia Gandhi) calling all the shots in India, but all owed their positions at least in part to being sisters, widows or daughters of previous rulers.”

For some idea on how the economy is transitioning from exports-led to service and consumer driven, these items may provide us with a good perspective. Again from a Sinocism compilation...

**[“China Gets More Than Ever From Services, Just Not Enough - Bloomberg Business](#)** The sector accounted for 50.5 percent of gross domestic product in 2015, the most on record, government data showed Tuesday. The bad news is that the gain also reflects declines in swathes of China's industrial complex plagued by too much expansion in previous years. Output of everything from steel to cement to electricity fell.

**[China Is Getting Less and Less Bang for Its Credit Buck - Bloomberg Business](#)** The flashing yellow light: there's less and less power behind policy makers' stimulus. For each \$1 in credit expansion, China added the equivalent of 27 cents of gross domestic product last year, the least since 2009, according to data compiled by Bloomberg from government figures released Tuesday. As recently as 2011, each \$1 generated 59 cents.

[China central bank to inject \\$91 billion to ease liquidity strains | Reuters](#) Liquidity conditions often tighten ahead of the week-long new year holiday and the central bank usually injects large amounts of cash into the banking system prior to the festivities to keep rates steady. The first day of the new year is Feb. 8.

[China's great economic shift needs to begin - FT.com - Martin Wolf](#) The reality is that the Chinese economy is not becoming consumption-led. Indeed, given the low share of households in GDP, it cannot be consumption-led. It continues to be heavily dependent on debt-financed investment. The authorities face a dilemma: either continue to drive wasteful growth or push through radical reforms that might be destabilising in the short term but fruitful in the long term

[China borrowing surges in December - FT.com](#) New borrowing — including bank loans, bonds and off-balance sheet lending — totalled Rmb1.7tn (\$260bn) last month, according to the central bank's broadest gauge of credit flows to the real economy. That is the biggest increase since January”

### **Saudi Arabia changes allegiances**

The Saudis are now the major supplier of oil to China and Iran is fighting back to capture lost market share.

The new King Salman has done some loopy things like bombing Yemen back to the stone age. So many think the proxy wars being fought by Iran and the Saudis will possibly lead to the destruction of the house of Saud.

But their biggest problem right now is the impact of low oil prices and its impact on their budget deficit...USD100 billion and counting.

Meantime the Saudis are continuing with their plans and with their executions of dissidents.

And while talking about selling off Saudi Aramco by an IPO, they also plan to do without oil sometime soon. Strikes me they are as dumb as the folk attending COP21. They have spent the last three generations relying solely on oil. But who am I to judge...

<http://www.reuters.com/article/us-saudi-economy-conference-idUSKCN0V32DG>

It is just logical that we are worse off than just before the GFC...why? In the words of an OECD reviewer...

<http://peak-oil.org/15699-2/>

And it covers the silly money that went into the US shale plays and collapsed the global oil marketing and price arrangements. It wasn't the Saudis to blame, it was Wall Street and the clients desperate for yield of more than 1 or 2 per cent.