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Saudi Arabia v. USA / A medley of geopolitical problems

Saudi Arabia v. USA

Saudi Arabia and USA relations have never been worse.

There are a number of redacted pages of the report of the enquiry into 9/11. If and when these get into the public domain, the information could easily lead to law suits against those who funded the attack. The only way that the truth will be acknowledged is for the Saudis to acknowledge their role...oops they just did by threatening to dump US Treasury debt. Are they mad or is this just a baseless rumour?...from Seeking Alpha...

“[Saudi Arabia has told the Obama administration](#) that it will sell up to \$750B in treasuries and other American assets if Congress passes a bill that would allow the Kingdom to be held responsible in U.S. courts for any role in 9/11. The threats have been the subject of intense discussions in recent weeks between lawmakers, the State Department and the Pentagon, and the Obama administration has lobbied Congress to block the measure's passage.”

I believe this is a dispute that could change our world...

<http://www.zerohedge.com/news/2016-04-18/real-test-petro-dollar-system>

A medley of geopolitical problems

In Brazil, Dilma Rousseff now has big problems. I hope this doesn't impact on the Olympics...

<http://www.bloomberg.com/news/articles/2016-04-18/rousseff-hangs-by-a-thread-after-brazil-vote-as-allies-cry-coup>

This article on Climate Change explains a lot...

<https://www.prageru.com/courses/environmental-science/climate-change-what-do-scientists-say>

US Presidential power has grown to match the increasing inability of Congress to act rationally and without corruption driving legislation. But did Obama go too far? The USA is full of “illegals” who do all the dirty jobs...while many folk are now locked permanently out of the labour market. This is a huge issue for Central American countries including Mexico for whom money transfers from the USA are a major source of national income....from Seeking Alpha...

[“The U.S. Supreme Court](#) will take up a case today probing the limits of presidential powers as justices weigh whether President Obama overstepped his authority with unilateral action to protect millions of people in the country illegally from deportation. With the court evenly divided between liberals and conservatives following the February death of Antonin Scalia, there is a possibility a 4-4 split would leave in place a 2015 lower-court ruling that threw out the president's executive action which bypassed the Republican-led Congress.”

China isn't just cracking down hard on spying and dissidents it is ramping up militarism by every possible means...from Sinocism...

[“China observes 1st National Security Education Day - Xinhua](#) The campaign, following the passing of the National Security Law last summer, is spearheaded by lecture programs available on several new media platforms. They are led by a Tsinghua University professor. Pamphlets, posters and animations have been distributed in government organizations, schools, businesses and housing complexes, according to the Ministry of Justice.”

And

[“China is using Mr. Bean and Batman to help explain the importance of protecting state secrets — Quartz](#) (April 15) is China's first-ever National Security Education Day, a new “holiday” meant to publicize the importance of safeguarding state secrets, and by extension, promote the agenda of the Chinese Communist Party with regard to information security and human rights. To mark the occasion, the ministry of state security has produced a series of cartoon videos that mix abundant pop culture references with government sermonizing.”

And

[“Senior Chinese Military Officer Visited Strategic Island - WSJ](#) The Chinese Defense Ministry issued a statement on its official microblog saying that Gen. Fan recently led senior military and civilian officials on a visit to the islands in the Spratlys archipelago, which China calls the Nansha, to inspect work and greet military personnel and construction workers there. The statement said the work included weather stations, marine-research facilities and five lighthouses, four of which were operational. It didn't say when exactly the visit took place or whether Gen. Fan had departed. The Pentagon declined to comment. // **paving the way for a Xi visit to the Spratlys?**”

And

[“Australian Intelligence: China Poised to Take ‘Decisive and Provocative’ Action in the South China Sea | The Diplomat](#) Two recent developments suggest that China is preparing to take preemptive action in the South China Sea in advance of the ruling by the Arbitral Tribunal at the Permanent Court of Arbitration (PCA) in The Hague on claims against it brought by the Philippines. (That ruling is expected in late-May or June.) These developments

include beefing up air defenses on Woody Island in the Paracels, and, moreover, leaked intelligence assessments that China may be planning major construction activities at Scarborough Shoal. // **been rumored for a few weeks, what is the US response plan if this happens?"**

All this is leading towards sabre rattling throughout the OECD – for instance...

<http://www.telegraph.co.uk/news/2016/04/18/is-war-with-china-inevitable/>

Geopolitical events are once again interwoven with the oil markets...

<http://www.telegraph.co.uk/business/2016/04/18/saudis-are-going-for-the-kill-but-the-oil-market-is-turning-anyw/>

“It’s the economy stupid”

It is only growth friendly spending that is wanted by the IMF...what about the wasteful, polluting sort?from Seeking Alpha...

“The IMF's steering committee on Saturday urged member countries to boost "growth-friendly" spending and said that it should explore new measures to help deal with the slowing world economy. Using all policy tools "is vital to stimulate actual and potential growth, enhance financial stability and avert deflation risks," according to the communique from the panel. The IMF cut its global growth forecasts last week for the fourth time in a year.”

When will they realise the global economy is shrinking? They will need to do that before they set about looking for the cause. As I have explained before, I could easily tell them the cause – if they would listen. My problem is that I don’t have a solution L.

The Brits could help worsen things with their BREXIT apparently...from Seeking Alpha...

“Britain would be permanently poorer if it left the EU, according to a U.K. government's long-term assessment of the economic costs of a British exit from the bloc. George Osborne, Treasury chief, told the BBC that leaving the EU would cost households £4,300 (\$6,106) a year, and the economy would be 6% smaller by 2030. "That's a fact everyone should think about as they consider how to vote...As chancellor, I'm clear, we're stronger, safer and better off in the European Union.”

This is an ominous threat from Germany – potentially out of the EU but with Germany effectively in control of the City of London L...from Seeking Alpha...

“A British vote to leave the EU could be a threat to any rival U.S. bidder for the London Stock Exchange ([OTCPK:LDNXXF](#)) but would not undermine the planned \$30B merger between Deutsche Boerse ([OTCPK:DBOEY](#)) and LSE, the German exchange's finance chief declared.

"The merger makes sense regardless of Brexit. That is why it is not a risk for us," Gregor Pottmeyer said in an interview with *Euro am Sonntag*."

Perhaps the ECB could reintroduce slavery. That may make taking refugees more acceptable. It could also be a way to get the Greeks to pay their debtsselling slaves to Germany? With host workers in Germany and the German's looming enslavement of Greece, this is not as funny a suggestion as it sounds...from Seeking Alpha...

"In a bid to bridge differences between Europe and the IMF over bailout requirements, Greece's creditors are considering extra austerity measures that would be triggered if Athens misses its fiscal targets. Under the proposal, Greece would have to sign up to so-called contingency measures of up to €3B, on top of the €5B package made up of tax increases and spending cuts the country and its lenders are currently negotiating."

Deutsche Bank has spilled the beans on its fellow gold and silver market riggers...but...

Why do I get the feeling that trouble is set to break loose at Deutsche Bank with bigger money at risk?

<http://www.bloomberg.com/news/articles/2016-04-18/deutsche-bank-head-of-global-currency-arinc-said-to-be-on-leave?cmpid=yhoo.headline>

In the USA, David Stockman understands where most of the economic skeletons are hidden...(despite this I really don't think he understands causation)...

<http://seekingalpha.com/article/3965757-keynesian-house-denial?ifp=0>

This goes along with my fourth quarter expectation of trouble at the mill L. Meantime there are some worrying stats for the central bankers coming out of the USA...from DR today...parroting Hoisington Management...

"The report, by Hoisington Investment Management, analysed debt trends for the US economy throughout 2015. It found that, while nominal economic growth expanded by US\$549 billion during the year, non-financial debt surged US\$1.912 trillion.

--In other words, non-financial debt (which includes household, business and government debt) rose at 3.5 times the rate of economic growth in the US last year.

--The report states:

'During the four and a half decades prior to 2000, it took about \$1.70 of debt to generate \$1.00 of GDP. Since 2000, however, when the nonfinancial debt-to-GDP ratio reached [harmful] levels, it has taken on average, \$3.30 of debt to generate \$1.00 of GDP. This suggests that the type and efficiency of the new debt is increasingly non-productive.'"

Hoisington note falling corporate profits and both these factors taken together suggest "trouble at the mill". So various watchers are seeing similar and probably related trends taking place.

Doug Casey is an advocate of internationalising assets to avoid a crash in the USA....

<http://www.internationalman.com/internationalizing-your-assets-video>

They reckon that we are always just nine meals from anarchy...

<http://www.internationalman.com/articles/nine-meals-from-anarchy>