

www.better-management.org provides invaluable insights that will help you understand and deliver better organizational performance.

Better-Management Newsletter 21 July

No theme for today's newsletter, just a large range of imponderables that, one way or another, are and will affect our future.

From our spies – the mythological EESU super-battery

There is no game in town bigger or more important for humanity than the efforts to solve our energy storage predicament. Who in the street even knows it is a puzzle? IMHO no other technology is still anywhere near EESU in terms of what may possibly be achieved by their high voltage energy storage proposals.

EESU is now financed for the next twelve months to complete the business and development projects mandated for 2016 by the board and shareholders.

We understand that Ian Clifford is now based on Austin TX. Where he is working with Denis Zogbi to try to establish JVs to produce and market high voltage capacitors. We anticipate by about end of August the next impartial 3rd party testing results from Intertek for this purpose could be available.

Meantime we are told there are three groups working on the use of high polarity polymers with the CMBT powder. The first is at Cedar Park where Dick Weir is staffing up and driving development and testing. The other two appear to be separate teams working out of the University of Akron.

We know their challenges are establishing a competitive time constant for storage. Permittivity and Energy Density are seemingly in the bag. But we also know the polymer chosen must be hydrophobic.

My personal opinion is that if Zogbi is right (and he is apparently the capacitor guru) we could have a viable capacitor product to license to the big players. But we need to regard the energy storage part as being speculative...like buying a Lotto ticket and expecting to win first division.

This is not investment advice...just keeping you up to date with scuttlebutt.

Despite delays and false starts over the last ten years...one way or another, 12 months from now we will know how this venture is going to play out.

Am I being misunderstood?

I cannot understand how the Global economic system can possibly endure while central banks are trending to negative interest rates as well as expanding credit and debt. The biggest European and Japanese banks have already begun to revolt and build larger vaults – instead of lodging funds with the central bank. They and the man in the street will never pay someone else to hold their money. So the global economic model is broken. There is no way back from

this unless a crash is triggered – then a reset. As a result I feel comfortable with my cascading certainty that by 2020 the global economy will be eating dirt. The financial system is not reality although it will affect our individual reality for the bulk of us. The central bankers are like the Emperor with no clothes and the TBTF bankers and economists are their stupid henchmen.

A few days ago I sent out this link. I guarantee no-one can have read it (except Peter). If you had you would be telling me so.

<http://surfthepeak.blogspot.co.nz/2016/07/what-it-is-aint-exactly-clear.html>

If people also look at the first two boldings that provide a link (within this linked article) to other reports, they will see reference to work on the EROEI calculations of folk like the Hills Group. The Hills Group have not only **fingered falling EROI as the cause for all our economic problems but demonstrated how we cannot outrun the EROEI demons for much longer**. Like Rome, and many other failed civilisations we operate on a mix of energy and resources to eke out a living on the planet. Falling net energy will be what destroys our civilisation too.

So don't get me wrong. There is no way back from the next crash in the global financial system. I think Hills' timescale is wrong by a few years...but otherwise what they predict is what our future will be. Why? Because we can cheat with statistics but we cannot cheat the second law of thermodynamics...meantime prices will likely remain low as extra production from long –standing offshore projects adds to oil surplus...

<http://www.nasdaq.com/article/why-oil-prices-might-not-rebound-until-2019-cm651807>

And no leading bank economist has any comprehension of what is now going to unfold.

No wonder that preppers' web sites are expanding at such a rate and contain stuff that clashes so strikingly with our notions of reality...such as...

http://www.shtfplan.com/headline-news/prepare-for-primitive-how-to-survive-for-one-week-alone-in-the-wilderness_07152016

Perhaps one day the “crazies” will be mainstream?

Sure, a fully functioning EESU may help – uncertain as that may be. But it doesn't help with falling EROEI.

Economics spilling over into geopolitics and vice versa

The prospective POTUS who has gone broke more times than any other candidate... Donald Trump... wants to pull the USA out of NATO. Now that would upset the EU. But he also has fresh stupidities like this...from Seeking Alpha...

“Fracker-in-chief?” Republican presidential candidate Donald Trump is considering nominating Continental Resources (NYSE:CLR) CEO Harold Hamm as energy secretary if elected to the White House on Nov. 8. Trump also spoke on the future of NATO. In his

strongest remarks to date, he said the U.S. would only defend alliance members attacked by Russia after reviewing whether those nations "have fulfilled their obligations to us."

How do they get infinite money?....

<http://www.mauldineconomics.com/the-10th-man/toga-toga-toga>

It seems that the global economy is slipping with oil falling day by day, and also gold and silver all down slightly despite a rally overnight...

In the USA more and more folks are too poor to shop...

<http://www.mauldineconomics.com/connecting-the-dots/a-thrifty-opportunity-for-investors>

How long can central bank QE stimulate the share markets, when real growth is negative?

The car industry is a useful barometer that signals a coming storm...

<http://www.caseyresearch.com/articles/heres-what-happens-when-the-easy-money-dries-up>

As is retail spending that is down in many places...with some malls becoming derelict...

<http://www.resilience.org/author-detail/1686128-charles-marohn>

Does reduced incomes and a downturn mean at some point the Venezuela moment will come for the USA? I only expect it in five to ten years when oil becomes scarce, some think it is closer...with thanks to Peter...

https://www.rutherford.org/publications_resources/john_whiteheads_commentary/there_will_be_no_second_american_revolution_the_futility_of_an_armed_r

I would vote for the return Glass-Steagall which would see the TBTF banks broken up so they can do no further damage...from Seeking Alpha...

“**The Republican convention** has left Wall Street banks on edge by embracing a proposal to reinstate Glass-Steagall, the banking separation rule which was dropped during the Clinton administration after a bipartisan effort to overturn it. The repeal is often cited as a cause of the financial crisis in 2008, even though two of the institutions at the core of the crisis, Lehman and Bear Stearns, were unaffected by the act's prohibitions.”

Brexit...

What Brexit? After all the UK has signalled it won't trigger article 50 this year. From Seeking Alpha...

“**Wells Fargo has struck** a £300M deal to buy a new European headquarters in the heart of London's financial district in a much-needed boost for the city post-Brexit. The world's biggest

bank by capitalization will move into the 11-story building, known as 33 Central, in the autumn of 2017. [WFC -0.4%](#) premarket. “

From Daily Reckoning...

“Larry Fink, chief executive of the world’s largest asset manager, BlackRock, warns the UK faces a looming recession. In an effort to prove Fink and others wrong, recently appointed Chancellor of the UK Exchequer, Philip Hammond, and Bank of England governor, Mark Carney, announced the ‘prospect’ of further stimulus...QE and reduced rates are on the way. The markets love it. The FTSE 100 is powering ahead. Brexit. What Brexit?”

The G20 has started to act like a global government driven by central banker influence...now they want to attack the UK over Brexit...

<http://www.reuters.com/article/us-britain-eu-g-idUSKCN100192?il=0>

The EU has huge problems...not just Brexit...

http://seekingalpha.com/article/3989907-forget-brex-it-eu-much-worse-problems?source=email_macro_view_eco_0_21&ifp=0

The Germans know that Brexit will affect them...from Seeking Alpha...

“[German investor confidence](#) deteriorated in July on concern that Britain's decision to leave the EU could weaken the region's fragile economic recovery. The ZEW Indicator of Economic Sentiment for Germany, which aims to predict economic developments six months ahead, fell to -6.8 from 19.2 in June. That's the lowest level since November 2012. “

Meanwhile the folk in Germany mull over the facts that only 48 people have been employed by major German corporations and the latest attack on a train can be pinned to a IS supporter...albeit operating as a lone wolf...

<http://www.reuters.com/article/us-europe-attacks-germany-idUSKCN0ZY2LA>

Turkey

This looks very shonky...

<http://www.bbc.com/news/world-europe-36852080>

The beatings will continue until morale improves...he may even chop off a lot of heads...from Seeking Alpha...

“[As Turkey picks up](#) the pieces after Friday's failed coup, new details are emerging of how it unfolded, and just how close the military intervention came to succeeding. In the meantime, the government has detained or suspended nearly 20K members of the police, judiciary and army, and demanded the extradition of Fethullah Gulen, the alleged mastermind of the

overthrow attempt. "The U.S. should not harbor a terrorist," declared President Erdogan, threatening to go to war with "any country" that supports the exiled cleric. “

One day later and the number sacked or arrested is up to 58,000 and it is obvious that much of this – including his Islamisation of schools and justice was pre-planned.

The reintroduction of the death penalty would please Erdogan but alienate all Western allies...

Is Turkey going to be the place where WW3 starts?

<http://www.internationalman.com/articles/a-failed-coup-an-unrecognized-republic-and-triggers-for-a-global-economic>

At any rate, the markets are displeased with their state of emergency...

<http://www.bloomberg.com/news/articles/2016-07-20/turkey-bonds-sink-as-jpmorgan-sees-moody-s-cut-draining-billions>

I would say that Turkey may well need to forget membership of the EU. Erdogan will likely be on his own as the Caliph of Constantinople J...

<http://www.bbc.com/news/world-europe-36861154>

To me, it looks very likely that the coup was a false flag event...otherwise Erdogan's plane would have been shot down...

<http://www.bbc.com/news/world-europe-36855846>

Russia

With low oil prices, the people of Russia are suffering as more resource goes to the military...

<http://www.bloomberg.com/news/articles/2016-07-18/consumer-collapse-still-shocks-as-russians-forgo-food-medicine>

But energy dominance gives them a more potent weapon than even the military...

<http://blogs.platts.com/2016/07/19/russia-energy-weapon-belarus-gas-prices/>

Japan

As the Russian peasants used to say, you never believe in rumours until they have been officially denied. Bank of Japan Chairman Kuroda says helicopter money is off the table. OK what happens next?

<http://www.bloomberg.com/news/articles/2016-07-21/kuroda-says-no-need-and-no-possibility-for-helicopter-money-iqw3dshz>

China

Xi Jinping is tidying his CCP's affairs to eliminate challenges to CCP control of China. But he has started on this course very quietly and masked it as anti-corruption...from Sinocism...

<http://us5.campaign-archive1.com/?u=f18121c5942896d3a87491249&id=9504122de0&e=79345ecc2e>

There is a huge upsurge in rhetoric in the Chinese media over the South China Sea disputes. China is certainly in the wrong but they will not accept that and threaten everyone who could possibly enter the dispute on the behalf of the other claimants. With exercises, no fly zones and nominally "combat" manouvers, China is courting trouble as everyone else backs off.

China's media is now full of jingoistic slogans and nationalist rhetoric that has only emerged elsewhere prior to open warfare. I wonder if the CCP can control the sabre rattlers or whether it is all orchestrated?

I suppose China is behaving like any other totalitarian state and re-writing history to suit their current purpose....from Sinocism..

"Defining the post-arbitration nine-dash line: more clarity and more complication | southseaconversations 讨论南海 On Monday an article published on p.6 of the PLA's official newspaper offered a clear and detailed post-ruling definition of the nine-dash line from authors at the Central Party School. One of its main purposes was to refute the Tribunal's inferred reading of the nine-dash line as a blanket claim to historic rights within the area it encloses...The writing of this article is attributed to CPS Postgraduate Studies Institute Deputy Dean Wang Junmin 王军敏, but the newspaper byline attributes it collectively to the CPS Center for Research on the Theoretical System of Socialism With Chinese Characteristics. It is, as such, not a government statement, but it's very detailed, takes into account the Tribunal ruling, and could end up being close to the interpretation the PRC goes forward with in the wake of the ruling."

Technology

What is Elon Musk up to? Frankly, I think he is trying to make it up as he goes along...from Seeking Alpha...

"Elon Musk expects a "super majority" of shareholders to back Tesla's (NASDAQ:[TSLA](#)) proposed combination with SolarCity (NASDAQ:[SCTY](#)) despite investor skepticism about the planned deal. In an interview, Musk said he would include details of the tie-up in a new "master plan" he intends to publish as early as this week. "The most informed investors are highly supportive of the transaction... most just didn't understand how bringing together a car and a solar company made sense from a product standpoint."

He is fighting on too many fronts...on Crack?...

<http://blogs.reuters.com/breakingviews/2016/07/19/cox-iron-man-musk-wages-war-on-too-many-fronts/>

He is starting to look like a crack head. But he is right about oil...not due to peaking supplies but due to rapidly diminishing EROI. Running too far and expecting others to follow has been the downfall of every really great leader – who got stabbed to death by his followers...

<http://www.autonews.com/article/20160720/OEM05/160729978/musks-latest-master-plan-for-tesla-includes-evs-for-all-major>

This is a great explanation of batteries and their pitfalls....

<http://www.visualcapitalist.com/our-energy-problem-battery-context/>

Just one correction...none of the li-ion batteries that can theoretically achieve an ED of 250whrs per kg actually can deliver that because they can only discharge to approx 125whrs before the battery is ruined. Also they don't like extreme heat or cold. So until the mythological EESU arrives to deliver 1kwhr per kg and has a competitive time constant, humanity is snookered.

And meantime Elon Musk is gambling that humanity will have no alternative than to use sub-standard energy storage technology....ergo he must be on crack!

Are you part of generation snowflake?

If you are female or part of any sort of minority, chances are that you are a “snowflake”....with grateful thanks to Peter...

<http://better-management.org/wp-content/uploads/2016/07/Generation-Snowflake-1.pdf>