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Better-Management Newsletter 14 September

This newsletter describes several major current issues that all suggest our world is heading downhill fast.....

There are plenty of establishment figures who cast doubt on the “Limits to Growth” and neo-Malthusian scenarios, but they are simply driving society towards the edge of a very high cliff. Meantime, we will increase global population this year by about 90 million and continue to despoil the sea, the air and the land while depleting the world’s finite resources. Simply put, anyone who thinks either theory (Malthus and Limits to Growth) is wrong is just plain stupid because the evidence is here for all to see. The facts of life are that we cannot have ongoing exponential growth in a finite world...no matter how fervently the bankster cabal who run the world believe in it.

There are two certainties that lie ahead for the global economy....

1. The maintenance of low-negative interest rates will cause poverty among savers and yet the prospect of increasing interest rates will both crash the major share markets and cause many who have become over-extended on home and car loans to suffer hardship. A country that raises its interest rates also causes their exchange rate to immediately increase – thereby damaging exports.
2. An increase in oil prices will increase the cost of everything that moves, thereby precipitating a near-term crash. The current oil prices have sent many oil companies (and some oil dependent states) bankrupt and that trend will continue if oil prices remain low – also within two years, there will be no chance of ever again increasing oil production as we are now on a one-way street to the end of the industrial age of oil. Yet with no replacement/substitute for it.

Heads the US Fed cuts, tails they don’t...nothing like sending out conflicting signals J

<http://www.bbc.com/news/business-37339620>

In the USA, Charles Hugh Smith asks a simple question, “If everyone is doing so well, how come I am not?”

http://www.peakprosperity.com/blog/101431/if-everythings-doing-so-great-how-come-i%E2%80%99m-not?utm_campaign=weekly_newsletter_248&utm_source=newsletter_2016-09-09&utm_medium=email_newsletter&utm_content=node_title_101431

Then there are those darned elections for POTUS... “sick” Hillary versus “crazy” Donald...

<http://elections.ap.org/durangoherald/content/why-it-matters-america-and-world>

The current situation...

Three days of large moves in share prices? Two down and one up...just like a roller-coaster and everyone wants something to blame. I would just blame fear in the markets due to over-valued share prices and the interference of central banks...

http://seekingalpha.com/article/4005936-excuse-todays-market-sell-oil-believe?li_source=LJ&li_medium=liftigniter-widget

Post “Burning Man”, I suppose it comes down to what part of the evolutionary chain one comes from – with money, or without; 99% or 1% ... J

<http://peaksurfer.blogspot.co.nz/2016/09/retrofuturists-and-technocornucopians.html>

In the Alex cartoon (attached above) we see the reality of major fund managers going along with central banks’ negative interest rates policies in a way that destroys savers and those on pension plans. The readiness of governments to interfere with pensions should be a warning for everyone currently putting money away in them...In UK for example...

<http://www.telegraph.co.uk/business/2016/09/13/pension-deficits-reach-a-record-459bn-as-interest-rate-cut-bites/>

The idea that we live in an insane asylum has some merit...

<http://thecrux.com/deranged-lunatics-have-taken-over-the-world/>

I suppose not every oil exporter is like Venezuela, but even Venezuela and Nigeria can affect the global economy...

http://seekingalpha.com/article/4005446-venezuelas-imminent-collapse-threatens-world?source=email_macro_view_eco_0_17&ifp=0

Brakes being applied anywhere will progressively be problematic for the global economy. Even Zimbabwe is now applying the brakes, with Mr Mugabe planning the layoff of 25,000 government workers.

Governments remain all powerful. So Central banks reserve the right to play with our assets. Ongoing debt levels are increasing. The too big to fail banks are growing and regulations haven’t changed the trajectory towards shonky financial practices – instead of only subprime home loans being turned into toxic debt instruments, now we also have the same with consumer debt ranging from credit card debt to motor vehicle loans. Some things just don’t change as this video from Jim Rickards tells us ...no personal assets are safe from attack...

<http://thecrux.com/jim-rickards-there-will-be-a-war-on-gold/>

Central banks are determined to play an active role in saving us from ourselves and they have the power to still do a lot to destroy the global economy...

http://seekingalpha.com/article/4005625-central-banks-becoming-problem-know?source=email_macro_view_eco_0_22&ifp=0

So where are we headed...

There are plenty of folks now singing my tune...

<https://www.youtube.com/watch?v=dyu11DUPfNk#t=19>

But the fact is that this is not a situation we should be happy accepting. The prospect of crash is not the worst possible thing in our future. The idea of registering for a training course is nuts. The story has been told in my emails for the last couple of years.

1. Hold some cash (to offset bank runs and bank holidays)
2. Hold some precious metals for the eventuality that central banks trigger hyper-inflation.
3. Get out of financial assets and focus on stuff like large utilities, productive land and real estate (that will initially drop in value – so leverage is not a good idea).

And every man and his dog are telling us what to do...for instance...

<http://www.caseyresearch.com/articles/five-ways-to-crash-proof-your-portfolio-right-now>

The world's central bankers can no longer react effectively to major economic shocks (because they are already well leveraged to the limit)...only to small ones. In small countries, yes there is a little room to move.... but in USA, Japan the EU and China, nope. So we will be hit by the flow-on effects.

<http://www.zerohedge.com/print/571738>

The world's military are gearing up for resource wars – perhaps even WW3...

<http://www.zerohedge.com/news/2016-09-10/disturbing-signs-global-conflict-continue-gather-pace>

and

<http://www.mauldineconomics.com/this-week-in-geopolitics>

A Deutsche Bank report suggests the global economy is on a downward slope...

<http://www.businessinsider.com.au/deutsche-bank-on-the-end-of-an-economic-era-2016-9?r=US&IR=T>

and the Deutsche Bank also thinks the USA is really in a recession already on a number of criteria...

<http://www.zerohedge.com/news/2016-09-10/deutsche-bank-us-may-now-be-recession>

The world's smartest billionaires have put money on the die back of our species...and/or the downturn in our civilisation. Where else to invest? Outer space I suppose...??

<http://www.businessinsider.com.au/macquarie-global-economy-proposal-colonise-mars-2016-9>

Between Mars and Jupiter lies the asteroid belt... and arguably the world's inventory of noble metals came from that source, as asteroids hit the Earth from time to time. Anyone who is serious about mining asteroids would need to do so from Mars.

When trouble comes?

The word is “when” not “if”.

Will trouble come from the usual suspects in USA?

Will it instead come from China, where the banks are holding hundreds of billions (USD) of non-performing loans? China appears to be doing well because it is still stimulating the economy and over-producing steel – so that drags Australia along with it, until they close those huge steel mills that no-one needs. Then what happens?

Will it come from Japan where “Abenomics” is a total failure? And was always going to be so. But they will probably persist and up the ante.

http://seekingalpha.com/article/4005951-dr-marc-faber-dow-go-100000?li_source=LI&li_medium=liftigniter-widget

Or will it come from Europe where there is a general unwillingness to face reality?...

http://seekingalpha.com/article/4005606-troubled-europe-presents-threats-world-economy?source=email_macro_view_eco_3_25&ifp=0

Denial will not help them heal divisions that can only hurt the EU economy. The central issue is the fear people have of losing their national identity at the behest of faceless Brussels bureaucrats...

<https://www.theguardian.com/world/2016/sep/13/jean-claude-juncker-eu-is-facing-existential-crisis>

Could trouble come from increased oil prices? That could happen if Russia and OPEC decide to get paid what oil costs them.

Could trouble come from water wars?

<http://peakoil.com/forums/viewtopic.php?f=45&t=72821>