Cepiaglobal Futures Report

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Biblical-scale Tsunami

by The Wizard

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The Cepia Club's Project 6 found more evidence for how the Antarctic ice can rapidly enter the ocean.

"Ice, Mud & Blood" by Chris Turney 2008 pages 77-79

1) Fresh water is highest in density at 4˚C. Thus, when melt water forms on top of a glacier, the warmest water (4˚) sinks to the bottom and this process melts deep pools.

2) Melting much the Arctic ice raises the sea level by 3-4 m, this is sufficient to lift the Western Antarctic Sheet off of the ground, much of which is below sea level. This accelerates the movement of the sheet once the ice dam at the open ocean collapses. The acceleration causes cracks, cracks allow melt water to seep to the bottom of the sheet and lubricate the sheet, which moves faster. Round and round she goes.

This phenomena requires Antarctic sea temperatures .5 to 1˚C above current temperatures. The Greenland sheet will (is) melt(ing) due to a 1-3˚C temperature

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rise.

How rapidly the sheet can move is unknown. The fastest current glacier, Jakobshavn glacier in Greenland, is moving at over 100 meters per day. The fastest avalanche (Mt. St. Helens, May 18, 1980) moved at over 250 mph. I would expect that since the slope is very shallow, the movement would not exceed a few kilometers per week--but since the thickness is measurable in hundreds to thousands of meters....

The Eastern Antarctic sheet sits on higher ground, but has a steeper angle, I would expect that crevasses due to accelerated movement combined with melt water pits, could easily speed up this ice flow too.

All of this is assisted by the fact that liquid water and slush both absorb far more heat than ice or snow.

ALL of these are positive feedback mechanisms, once started, they may be impossible to reverse.

Note that it is not necessary to melt ALL or even most of the Arctic ice, just a large part of it. This process is well underway, and is itself powered by the decreased albedo of water over ice or snow. Note that sea water freezes at a temperature a bit lower than 0˚C (how much lower depends upon the salinity.)

All of this taken together means that sea level rise is at the least a geometric procession, and additionally seems certain to have a chaos point at which it accelerates vastly faster than the curve would indicate. Instead of a rise of a few meters per century, we can expect the rise to go by centimeters per decade, then centimeters per year, then meters per year.... At some point we can expect the rate to exceed meters per day, thus tsunami.

Because of the location of the East Antarctic Ice Sheet, tsunami effects, while most certainly global, would be worst in the Eastern Hemisphere--which holds most of the world's population. It will also affect the South Atlantic (especially the Amazon and Congo River basins,) and to a lessor extent the North Atlantic, with more effect likely on the East Coast of North America than in Europe.

The Pacific will probably experience smaller tsunami from the West Antarctic Ice Sheet, since it is unlikely to have as catastrophic an effect, since much of the sheet is already displacing sea water and will not cause as rapid a rise. This sheet also splits into two distinct flows, directed nearly 120˚ apart. Melting the West Antarctic Ice Sheet would raise sea level by about 5 meters.

The Arctic sea ice is currently in decline, with the average age having dropped over the past 20 years from about 5 years, to less than 2 years. This is important because young ice melts more easily. The Greenland Ice Sheet is currently melting at unprecedented rates. The West Antarctic Ice Sheet is currently unstable.

Sea ice data updated daily, with one-day lag: extent (left), time series (right). Orange line in extent image and gray line in time series show normal extent for the day shown from 1979 to 2000. Click for high-resolution versions. To learn more about the data used, see About the data. —Credit: National Snow and Ice Data Center

Arctic sea ice reflects sunlight, keeping the polar regions cool and moderating global climate. According to scientific measurements, Arctic sea ice has declined dramatically over at least the past thirty years, with the most extreme decline seen in the summer melt season.

Thoughts on Money, Credit and Property

by Tim Krenz

Fannie Mae and Freddie Mac have $407B in debt due within one year. However, each are only required by law to maintain $.45 (cents) for every $100 in debt they hold. That is .45%. They supposedly hold more in reserves than required, but neither institution is required to disclose.

Also, it is estimated that China's sovereign investment fund and affiliated institutions hold an estimated $400B to $500B in Freddie and Fannie. That equals roughly 25%-30% of China's direct-dollar reserves recycled into the US.

With $12T in total, long-term liabilities held by Freddie Mac and Fannie Mae, the amount is roughly equivalent to 1/5 to 1/6 of the total value of the US assets worth an estimated $60-$70T. No proper government accounting, as far as we know, has surveyed and listed this worth in proper terms of all land, buildings, resource holdings, equipment, infrastructure and other miscellaneous capital assets. This sort of accounting, as should be done in looking at the US long-term financial obligations, was recommended by former cabinet secretary and economist Peter Peterson, instead of yearly gross domestic product (GDP) of goods and services generated.

In these terms, Fannie and Freddie as government sponsored enterprises (GSEs) hold a huge pool of total US capital assets (real property–land and buildings) between them. The assumption always made about Freddie and Fannie for investors in their enterprises, similar to Treasury debt instruments, is the immense cost of failure if the US Government does not serve as the "backer against catastrophic failure of LAST RESORT." This USG role has been confirmed in the last two weeks with Treasury Secretary Hank Paulson's efforts to arrange such funding with the Federal Reserve and the US Congress.

In retrospect, the 1989-1992 USG liquidation of the Savings & Loans , with a cost to the US taxpayer of just under $200B, was in part a breakdown of the "moral hazard" standard by which a banking institution needs to hold cash assets in order to cover a shortfall or demand ("run") on their holdings by normal customers AND other creditors. Today, a failure of Freddie Mac and Fannie Mae, who have been allowed to hold fewer assets than normal by the USG regulators, is not just breaking the "moral hazard" standards. Intricately the most entangled in the web of the credit crisis of the 12 months, a failure of Freddie Mac and Fannie Mae threatens an "apocalyptic hazard" of the entire US political-economic system. So, it is certain that the US Government and the Federal Reserve system CANNOT under any NORMAL circumstances allow the two enterprises to fail. If they due, the entire future "full faith and credit" of the US, all its debt instruments, holdings, and financial (dollar) instruments, and the cost of regaining it return to the disarray that existed in the years between 1776 and the institution in 1791-92 of Treasury Secretary Alexander Hamilton's Assumption Plan. That plan retired the debt accumulated to that time from the War for Independence and afterward. Hamilton's system paid that debt and established the "full faith and credit" the USG has enjoyed since that time.

In addition, in the so-termed "NORMAL circumstances," neither can the Chinese and oil-nations' sovereign investment institutions allow an "apocalyptic hazard" of Freddie and Fannie's failure. (Note: it can be presumed that the oil countries with excess dollars have also invested heavily in Freddie and Fannie. To the degree of China, though? The amount is unaccounted for at this point).

First, we should explain how and why China and the oil-producing countries have come to invest so heavily in Freddie and Fannie, in particular, and in other US Government securities in general. First, in every measure, the United States of America is the largest national/sovereign economy in the world–in total assets, yearly economic production (GDP), and in per capita income (total GDP divided by number of citizens). It is the world's largest exporter in gross revenue terms. Finally, and most importantly, the US dollar is the denominated international

currency of exchange for payment transfers between countries and companies. This is known as the "reserve currency."

Reserve currency performs a necessary function at the present. It is a system for an individual country to prevent a sovereign equivalent of "moral hazard"–i.e., a demand or "run" for a country's assets by the "holders" of its debt and/or currency. For example, if Country A is suddenly a victim of a panic that it is about to default on its accumulated debt (a "normal" circumstance) or if Group B of speculators wanted to profit from a manipulation of Country A's currency (akin to a financial conspiracy), then people would sell Country A's instruments of debt (that is, the bonds held by its government to finance deficits, deficits being total income less total expenses with a negative (-) net balance) or its currency on the world market. It comes down to some simple laws of supply and demand.

When a "run" happens like this, the demand for the bonds or the potential buyers of the monetary instruments all for sale is lower than the supply. What happens? If there is oversupply of available things and not many are buying, then the value of the supply–the yield on the bonds, or the relative value of the currency (in terms of how many US dollars it costs)–decreases. The currency of Country A is worth less because no one wants it, and that is losing money for those who have it. In that case, no one wants to buy any of Country A's financial instruments. What does the country do? It uses its "reserve" of US dollars to buy its own currency!!! Thus, someone IS buying the currency (in this case, themselves), so it makes it more attractive for others to keep it, or NOT sell it. The "run" theoretically stabilizes the value, preventing too much damage from the fire-sale on its "assets and equity." The spiraling panic and catastrophe when Country A's debt and currency instruments become a net loss, or complete loss, for its holders. Propping up the currency with dollar reserves, taken by almost everyone as "faith and credit" money oft the US, prevents the "moral hazard" from becoming a "catastrophic hazard."

This whole system of international finances was developed during the last year of World War II. This system included the creation of the World Bank and the International Monetary Fund. The entire system was called "Bretton Woods," (after the place where the conference occurred). It formed from the hard experiences of the international financial system following the First World War, experiences resulting from the war-time finances and the system of restitution payments imposed on Germany in the peace that followed. (There is no need to go into too much detail here, but the failure of the system in the 1920s allowed so much instability in Germany by 1932 as to make Nazism an attractive, vote-getting movement to place Hitler in power–democratically–in January 1933). The international financial system governing the world today, with some minor adjustments in the 1970s, come directly from the Bretton Woods conference. In short, the US as the wealthiest single sovereign country in 1945 was engineered to create a system of financial transfers and procedures for the entire world.

The reason why China and the oil-rich countries tie so much investment into the US in general comes down to a balance process. First, there is the balance of payments, a macro sort of cash flow chart: You cannot spend more than you have, which includes the ability to borrow; in turn, you must get a proper balance sheet: Total current assets (what you have) must equal total liabilities and equity (what all of it is worth, to you or someone else). When someone needs or wants to spend more than they can pay for immediately, they take out loans– this is debt. Debt, to be properly useful, is not meant to buy frivolous, unnecessary items (haircuts, designer sweaters, fancy meals, or tanks or bullets) that do not serve as investment capital to strengthen a balance sheet (more assets that equal in "balance" more liabilities and equity, more wealth-value or property as defined). The sole "moral function"of debt is to increase the ability to create more capital. (Haircut and designer sweater may help get or do a job. Tanks, ships, etc. may increase the ability to increase capital through conquest or protection of existing capital assets, such as land with minerals, oil or factories).

Nations do business-like "cash-flow" reports on a current account basis. Money from sales (earnings) compared to money going out (purchases). When more money comes in from earnings (sales) from a net export/net profit trade, tax collections, economic activity, etc. loans can be made to other country's to earn money on "working capital."

It is the same as a family or business putting extra money in the bank for interest on its surplus assets. This process is directed by a country under its "fiscal policy." Fiscal policy is nothing more complicated than deciding a family budget: What amount of money does a family have? Where will it spend (or save) it? Like a family budget, the focus is on the "how and what" to budget current earnings for a period of time. The US yearly current account deficit (total yearly shortfalls, or negative net profit, between what the nation as whole makes minus what it spends) do, however, accumulate. But instead of rainy day savings in the piggy bank, the total debt stretches from year-to-year. Someone must pay. Who? In the end, it is the productive, income-generating people who pay taxes that cover the payment.

The matter reduces itself to what or what not to buy with available earnings. It is similar in the way that a wealthy government does not take out insurance on itself, as it is the "last resort of insurance." (It would be merely paying itself, at loss due to inflation). All things "normal," the son who buried the gold took a loss as the gold years later was worth less, due to more gold being produced in the meantime (INFLATION). For this same reason, the decades of surplus in the Social Security fund could have never been "invested" back into Treasury debt instruments. The government would have "lost" the savings in inflation, and would only have had to pay itself at a net negative loss.

Now, here is Trick One in this international financial logic system: To ensure that other countries have "dollar reserves" to "cover" itself from "runs" on its assets, the Bretton Woods concept requires the US to import more than it exports. This allows other countries, some small and some large, to get a "net profit" of sales on their exports to the US. Since the sales are in dollars, currency reserves against demands/runs are "insured," and the loans are "invested" back as "working capital" in the US economy. The inflation is less as the money goes to working capital and not frivolous purchases. In addition, if a wealthy country had too much excess money in circulation, there would also be inflation as "too many dollars chase fewer available goods. The irony results when some people have so much money they pay a thousand dollars for a piece of "drift wood art." (Get the drift). It is the tangled web of money, credit, and crisis in the industrial era.

Here is Trick Two: When everyone gets short of dollars, in the US or that held overseas by governments or individuals, the solution is quite simple: Create more money. Print it, as it has no credit value except in "full faith." In an age where "full faith and credit" is "assumed" and not convertible to a "real property" asset such as gold, this produces inflation, and people's earnings go down and the value of savings and assets (the balance sheet) go down in value. This is how mortgage holders lose the equity in their property

In this realm, however, theory goes beyond a family or nation planning a budget in fiscal policy. It enters what central banks do: determine and regulate the value of the currency, called "monetary policy." As happened throughout history, and like what occurred in Germany in the 1920s that led to the rise of the Nazis and the world-wide Great Depression, when inflation gets so bad, the only viable solution is a new currency. Will it be a different dollar configuration, or regional currency like the "euro" as the new "reserve currency," or will the complete collapse of the Bretton Woods locomotive-running-out-of-track lead to something different. People fear a NAFTA-wide "amero" or some such similar regional or global currency system. The verdict of the bankers and politicians must await. No matter what, the America tax-paying worker and average homeowner will pay for it in the end.

What is the only advantage the US and its people have in this tangled web? Freddie Mac and Fannie Mae will get their money. The Chinese and oil countries, who invested their profits into them and other US debt as "productive capital," are ensured of getting their money "covered." It would be inflated, of course, and the inevitable end of going from one financial margin cover to another just might collapse the house of cards. No matter what, all the "productive" assets in which foreign companies have invested their surplus earnings in this country ARE IN this country.

The important things will stay, as the national balance assets and equity–those $60-$70 trillion items like land, minerals, infrastructure, and the houses themselves backed by Freddie and Freddie. The other countries may lose their money, and get quite upset in the process, but unless they invade to get it (like the US, Britain, France and Russia did to Germany in 1945), the balance sheet still remains property of the US.

The hard question will be the financial coup d'etat perpetrated against average, working and middle class Americans. Who will then own the property in the US? Without belaboring the point, the rich (from wherever) will get richer, as only they can afford to buy up the property of the those who default.

Ick. It doesn't sound good. But true to The Cepia Club LLC, we must present some viable, personal actions to solve the issue on which we just provided awareness. The options are basically two. First, take it, suffer, and live as wage slaves to the rich. Second, sell out your family, friends, and neighbors by becoming an enforcer of the "false" propaganda that things are as they should be. In short, become a Brownshirt and may be you will get into the "Shutzstaffel" higher-management required for this complete take over of our country by the rich. You would then gain all its privileges of protection and domination over the weaker people–i.e. your family, friends and neighbors. That is certainly within your choice. But third, our favorite option, is to begin to rebel. By that we do not mean Lexington and Concord. Far from it. But as Project 6 has shown over the last 14 years, a public-private combination of virtual "FASCISM" was seen as inevitable as long ago in our research as 1995. Our solution has also been proffered just as long. Take the initiative in your family, among your friends, and your neighbors for peaceful, positive change. For that, we refer you to our other "free" Club literature. The choice is all yours.