

**A fig leaf for Alberta Premier Rachel Notley** - Since the days of Premier Lougheed four decades ago, low oil prices have invariably set politicians prattling about the need to diversify the Alberta economy (only to promptly forget about it when oil prices recovered). Premier Notley has acted true to form by creating the Premier's Advisory Committee on the Economy with a mandate to come up with ways "to grow the economy and diversify Alberta business". It will be headed by the Dean of the UofA Business School (*who apparently has been unable as yet to find someone munificent enough to want to have it named after him, or her, although in all fairness he hasn't been in the job very long yet*) & the nine members of which are comprised of three CEOs of major companies & that of the Calgary YWCA, the Chairman of a major Edmonton-based property management company, two prominent union leaders & an aging consulting economist who makes his living from unions & employee organizations, and a medical doctor by training who after graduation co-founded a computer-, & video game-, business that made him rich when he sold it. So, with the possible exception of the latter, a coterie of illuminati with agendas of their own, devoid of hands-on money management-, venture capital-, and/or mall business-, experience, who are unlikely to have the time, the inclination or the professional background to do the 'out-of-the-box' thinking that the successful implementation of their mandate calls for. And the Budget had allocated \$540MM from the Heritage Fund to be "targeted to growth-oriented companies", \$1.5BN "to be made available"<sup>1</sup> for ATB to lend to "entrepreneurs & job creators"<sup>2</sup>, & \$50MM to AEC (Alberta Enterprise Corp.) "To support the development of a vibrant capital market"<sup>3</sup> - *over the years the Province has launched several such initiatives, none of which have, well, turned out very well & Leo de Bever, with a long experience in public sector financial institutions, who for six years prior to last December 31<sup>st</sup>, had headed the Province's AIMCO (which has AUM of about \$70BN, one quarter of it accounted for by the Heritage Fund), seemed to damn this initiative with faint praise when he said that, while "investing and politics don't mix", the government cannot be faulted for wanting to use the tools at its disposal to try & diversify Alberta's economy.*

**BBC's report on urban air pollution** - Hongkong's air is thrice as polluted as New York's. In a test in the former half a dozen volunteers were divided into teams of two each & outfitted with backpack devices measuring exposure to 'small particle' pollution (the nasty kind that can settle deep in one's lungs). Two went by taxi from a point outside-, to a destination in-, the city centre, two by public transit & two on foot (with the latter required to avoid main thoroughfares for part of the way). Not surprisingly, the taxi team arrived at its destination first, but also had the highest pollution exposure, the public transit team was second on both counts, and last, both time-, & pollution-, wise were the pedestrians - *A few years ago somewhat similar research found that in high traffic urban areas there was a measurable difference in small particle exposure between those who walked on the curb-, & those who walked on the building-, side of the sidewalk.*

**Background to the Paris Climate Change Summit** - Airborne liquid or solid particles are referred to as "Fine Particulate Matter", PM for short. Those smaller than 2.5

---

<sup>1</sup> From where, the Province's bare financial cupboard?

<sup>2</sup> Is it not already supposed to be doing that?

<sup>3</sup> A mandate that does not seem readily reconcilable with its current mission 'to invest in venture capital funds that have a track record of success, strong global networks and a strong commitment to the province of Alberta' (with a technology focus).

microns/micrometers<sup>4</sup> are deemed a health hazard since they can penetrate, & lodge, deep into people's lungs, & even enter their bloodstream, increasing the risk of respiratory problems & cancer. WHO has designated a PM2.5 level of 10 (per cubic metre) as 'safe'. While New Delhi & Beijing are notorious for their high PM2.5 levels (last January they averaged 226 & 95 respectively), they are not alone; for during a recent 48 hour period they averaged 148 in Paris, 118 in London, 81 in New York & 63 in Toronto. Decades of a 'Build, Baby, Build' mentality in China has led to a situation in which 20% of its farm land is now so polluted that in some regions farmers eat produce grown elsewhere & sell what they grow themselves, 70% of the ground water in the country's North is unfit for human consumption & smog is estimated to shorten the life span of those in it by as much as 5½ years. Last July Goldman estimated China would, during the 13<sup>th</sup> Five Year Plan (from 2016 to 2020), have to spend US\$1.6TR to start cleaning up pollution, the People's Bank of China's Chief Economist, Ma Jun, expects it to call for the investment of at least US\$410BN/year to build up the green sector and, while in the past Beijing often backed away from plans to go green, Ellen Carberry, the Beijing-based Managing Director of the Paulson Institute's Climate Change & Air Quality Program thinks this time it will be different since "the environmental focus is going to get stronger and bigger."

**Bombardier gets a \$1BN cash infusion from the Québec government (plus another \$300MM from the government-controlled Caisse de Depot pension fund) -** The Company is one of Canada's-, & even more so Québec's-, international manufacturing success stories. It is a world leader in the manufacture of rail-, & transit-, equipment, & has a moderately successful business jet division. But in 2004 it decided to develop a 100+ passenger jet with an expected entry into service of 2013, contrary to the advice of former non-family CEOs Bob Brown (1999-2002), an industry veteran & 16-year company employee, & Paul Tellier (2002-2004, a former CNRail CEO)<sup>5</sup>, that it didn't make sense to take on Boeing & Airbus, especially since Brazil's Embraer had beaten it to the punch with 100-, &130-, passengers jets<sup>6</sup>. While the Company has a 250 plane order book, it hasn't had any new orders for some time & a US aerospace analyst estimates it may lose up to \$32MM on each plane it sells in the first two years *because of the severe price discounting that had been needed to get its order book started (& because of inflation-driven erosion of the planes' real price as delivery dates were postponed time & again?)*. The program is now way overdue & over budget & the Company now so financially stressed, & overburdened with debt, it has been talking about selling all, or part, of its profitable rail division. So it's not surprising its share price is down over 75% in the past five years & 95% from its all-time high \$26.00 fifteen years ago. And the Bank of Nova Scotia thinks it may need a second bailout by late 2016/early 2017 & expects the cash flow generated by the program to be 'barely enough' to cover the \$5.5BN debt it has saddled the Company with - *this has the makings of a massive clusterf#\$%\$ & may be where Trudeau's mettle will tested sooner rather than later; for the Company has already made noises that it expects Ottawa to kick in money, if not match Québec's contribution, (without it getting, for all it's worth, the 49% equity in the*

---

4 One micron/micrometer equals one millionth of a meter/one thousandth of a millimeter/one twenty-five thousandth of an inch.

5 Both of whom were given their walking papers with immediate effect by a board controlled by the Beudoin family through a special class of shares that give it 54% control while actually holding only 14% of the equity.

6 And the field just became that much more crowded with the roll-off from the assembly line in Shanghai of the prototype 158 passenger C919, China's answer to the Airbus A320 & Boeing (that is not, however, expected to enter into service until 2018).

*program the Province negotiated). And he may have added to the Company's problems by ruling out the use of jet liners at Toronto's Island Airport, which endangers, if not causes the evaporation of, 12% of its order book.*

**California madness** - On November 6<sup>th</sup> supporters succeeded in collecting the 366,000 signatures needed to have a referendum question put on the 2016 ballot as to whether actors in pornographic films should be required to wear condoms (& make producers pay for vaccinations and testing & medical exams for STDs). The state's multi-billion dollar porno film industry fears for its future & a proliferation of law suits, if the measure passes, while its advocates claim it would prevent actors from getting STDs & promote safe sex practices among viewers.

**Changing face of Canada's future management cadre** - Toronto's York University's Schulich School of Business recently ran a full page ad in the *Globe & Mail* highlighting the 34 graduates from its 2015 Executive MBA program, of whom only one-third appear to be what the now former Prime Minister Stephen Harper would have referred to as "old stock" Canadians.

**China's Thirteenth Five-Year Plan (2016-2020)** - Premier Li says that 6½% GDP growth will be sufficient to achieve the earlier-set goal of doubling real GDP during the current decade<sup>7</sup> &, while President Xi still talks about 7% growth, he is expected to go along with the lower target as the basis for a Plan expected to be very ambitious, targeting greater yuan convertibility, accelerated financial system reform & greater financial openness, tax-, & land-, reform, more farm land protection<sup>8</sup>, higher grain production, lifting 70MM more people out of poverty, increased railway construction, and more green development & water resource protection.

**Conrad Black's assessment of Stephen Harper's place in history** - "He was fixated on shrinking the fiscal role of the federal government ... Apart from Jason Kenney's admirable clean-up of immigration policy, and Harper's resurrection of the severe 7<sup>th</sup> century B.C. Athenian legislator Draco with anti-diluvian criminal statutes, that was the chief inspiration of the Harper government : an important, but limited, contribution. He was true to his conservative faith ... *but* went to ingenious lengths to avoid constitutional reform, abortion ... or anything ... likely to broaden the basis of his support. His re-election tactic was to try to divide the opposition evenly between the Liberal and the NDP and his answer to Senate Reform was to leave vacancies unfilled ("reform by asphyxiating the institution through superannuation"), *thereby leaving Trudeau with his second challenge : whether to backtrack on his earlier move to disown his party's Senators or to remake the Senate in his own image by filling the 22 vacancies & give his party a 51-47 plurality (but not a majority), although most of the so-called "independent" Senators, incl. Patrick Brazeau, Mike Duffy & Pamela Wallin, are Conservative appointees.*

---

<sup>7</sup> While it would take about 7.2% growth to something double in ten years, the lower number for the next five years is made possible by the fact that growth was 'front end-loaded' by double digit growth earlier this decade.

<sup>8</sup> The amount of arable land in China has been shrinking-, & its quality deteriorating, for decades due to industrialization & urbanization, salinization, desertification, erosion, contamination with heavy metals & other chemicals (to the point where some farmers won't eat food they produce), & the undue use of fertilizer (as foodstuff production tripled in the last four decades). As a result it now is at-, or possibly below, the level that Beijing deems the minimum consistent with an acceptable degree of food stuff self-sufficiency at a time that the demand for animal protein food stuffs, which leads to a disproportionate increase in the demand or (feed) grain, is skyrocketing.

**Deutsche Bank regroup** - After reporting a US\$8.7BN Third Quarter loss, *from non-cash items*, it announced plans to simplify its operations & improve returns by slashing 35,000 jobs (*over one-third of its staff*), selling *non-core* businesses, getting out of ten out of the 70+ countries in which it currently has a presence, halving the number of its investment banking customers, closing 200 (10+%) of its branches in Germany & modernizing its technology.

**The world of gold, according to GoldCorp, the world's 4<sup>th</sup> largest gold producer & No. 1 by market value<sup>9</sup>** - CEO Chuck Jeanes told analysts in a conference call on October 29<sup>th</sup> "We believe we are getting near the end of the gold bear market." It sees a window of 'peak gold', with the market is flooded with gold from new mines started in happier times price-wise, but then expects output to start sliding over the next half decade as existing mines are depleted (& few, if any, new mines coming on stream since the recent years' price weakness prompted a slashing of exploration & development budgets). And he know whereof he speaks; for his company's Third Quarter gold output was up 40+% YoY to 922,000 ozs; counter-intuitive as this may seem, given that the price of gold is 40+% off its all-time high five years ago, this has been a function of ruthless cost cutting by all producers, incl. Goldcorp, as a result of which they can keep their head above water in the present price environment - *there are two exogenous factors that could change the industry outlook, one in a negative-, & the other in a positive-, way : the gold price could come under pressure when interest rates start returning to more "normal" level, & it could possibly get a bump up from the continuing chatter in the background of a greater role for gold in tomorrow's international monetary system.*

**No wine, no dinner** - The French demurred when, during the planning for Iran's President Rouhani's visit to Paris scheduled for last weekend, his officials insisted there could be no wine at the usual official dinner hosted by the President for his guest, & that all meat had to be halal. So no dinner, just a face-to-face meeting - *in the event, on November 14<sup>th</sup> the visit was postponed after the terrorist event in Paris (which Rouhani called a "crime against humanity").*

**Phishing for Phools** - This is the title of a recent book by a pair of Economics Nobel Laureates, Robert Shiller & the less well-known George Akerlof, Janet Yellen's husband. It postulates that markets aren't efficient & capitalist competition breeds "pressures for less than scrupulous behaviour" or, as The Economist puts it "Readers are left with the impression ... there are lots of nasty people about." But the real point of the book is to attack the Republican Party's dogma, proselytized most aggressively by Tea Party adherents, of the power of unbridled markets (which today in Washington, according to Akerlof, "drives huge amounts of policy").

**Replacing the one-, with a two- child-, policy** - In the early years of the People's Republic Mao told his subjects to have lots of children. But he didn't count on birth-, & child mortality-, rates crashing, and life expectancies doubling. So during the 27 years ended in 1976 (the year of Mao's death), China's population grew at 1.94% per annum & by 1970 he had started advocating marrying later & having only two children and, when this didn't work, his chosen successor Hua Guofeng introduced the one-child policy in 1979<sup>10</sup>. The fact that Beijing now feels compelled to replace it with a two-child policy will cause a loss of face for the nation's Founding Father & indirectly risk undermining the legitimacy of the Communist Party-run state apparatus. Be all that a it may, this policy shift is likely too little too late. For two children per woman is not enough to stabilize the population size, the more so since pre-, or post-, birth sex

---

<sup>9</sup> With less than half the 6.25MM ozs annual gold output of the top producer, Barrick Gold..

<sup>10</sup> Whom Deng Xiaoping by then had effectively sidelined.

selection, with its cultural bias for boy babies, has led to a shortage of tens of millions of breeding age female for years, if not decades, to come. Secondly, because the ‘Little Emperor’ phenomenon has made the raising of one child financially & otherwise so burdensome (especially for those who under hukou system must pay for their child’s education), that many women don’t want a second child<sup>11</sup>. Finally, over the medium term more children will create economic ‘drag’ by the need to feed more non-productive mouths.

**Those skyrocketing drug costs** - Some drug makers have been criticized for excessive, *often overnight*, price hikes. They do this since Medicare will pay whatever the price & then use part of their ill-begotten gains to give generous discounts to non-Medicare institutional customers & to fund *PR-rich* “patient assistance” subsidy programs for individuals ‘in need’.

**Trudeau’s promise to bring in 25,000 refugees before yearend**<sup>12</sup> - A month has passed since the election & criticism has emerged in response to indications this number won’t be accretive to-, but will be inclusive of-, those being sponsored by private & charitable sources<sup>13</sup>. Be that as it may, only six weeks before yearend, one must assume not a single one of ‘his’ refugees has arrived as yet since such an event would have prompted a government spin doctors’ feeding frenzy. Still, John McCallum, Trudeau’s Immigration Minister announced more immigration officers had been sent to the Middle East to boost our application-handling capacity there & insisted the yearend 25,000 refugee target will be met - *if so, starting today, an average 600 refugees, i.e. three airliner loads, must come to Canada every day until December 31<sup>st</sup>, And if the Prime Minister wants to avoid having egg all over his face come New Year’s Eve, he might want to tell his Immigration Minister to ditch all bureaucratic procedures & focus on cherrypicking, without any further ado, large families from minorities persecuted by ISIS, i.e. Christians (who would lack the Muslim stigma) & Yazidis (whose persecution by ISIS merely intensified what had long been going on) and possibly Turkmen & Shiites, among all of whom there likely would be few, if any, ISIS sympathizers and/or crypto terrorists - to quote Obert Skye in Leven Thumps and the Whispered Secret<sup>14</sup> “desperate times call for desperate measures” (especially when one’s credibility is at stake)].*

**US healthcare premiums** - Kaiser Permanente is an Oakland, Cal.-based integrated managed care consortium & HRET (Health Research and Educational Trust) is Chicago- based. They recently published a Survey of Average Annual Worker and Employer Contributions to Healthcare Premiums and Total Premiums for Family Coverage, which can be summarized as follows :

	Worker Premium	Employer Premium	Total
1999	\$1,543 (26.6%)	\$ 4,247	\$ 5,791
2004	\$2,661 (26.7%)	\$ 7,289	\$ 9,950
2009	\$3,515 (26.2%)	\$ 9,860	\$13,375
2014	\$4,823(28.5%)	\$12,011	\$16,834

11 Thus when Shanghai a few years ago, & the central government more recently, sought to informally ease up the one-child policy, both were surprised by the much lower than expected among young women.

12 I.e. 80x as many in the next 10½ -, as had come to Canada in the preceding 41½ -, weeks.

13 That have been bringing in “sponsored” refugees to Canada at a 5,000 annual rate.

14 The second in a series of children’ books (published in 2006)

In other words, total premiums grew at a compound annual growth rate of 11.43% during the first-, 6.09% during the second-, & 4.71% during the third-, of these five year periods. But that is not the whole story; for the same source reported that during 2010-2015 cumulative inflation had been 9% & workers' earnings had risen 10%, while premiums had gone up 24% & deductibles a whopping 67% - so 'beneficiaries' are getting less for more.

**GLEANINGS II - 640SP**  
**Monday November 16<sup>th</sup>, 2015**

**JUST 158 FAMILIES HAVE PROVIDED NEARLY HALF THE EARLY MONEY TO CAPTURE THE WHITE HOUSE (NYT, Nicholas Confessore et. al)**

- Enabled by the Supreme Court's Citizens United decision five years ago, by June 30<sup>th</sup> 15 158 family heads had donated US\$176MM (in dollops of > US\$250,000) to mostly (138-20) Republican candidates. They are white, older & male<sup>16</sup> in a nation being remade by young-, female-, and black & brown voters. Of them, 37 inherited wealth while the other 119 were self-made. Over a dozen were born in countries as diverse as Cuba, India, Israel, Pakistan & the Soviet Union. The wealth of 64 is based on finance (hedge funds, private equity & venture capital), and most of the rest on energy & natural resources (17), real estate & construction (15), media & entertainment, and health (12 each), technology (10), transportation (9), retail & manufacturing (6) and food & beverages (5).
- While 70% of Americans want to keep Social Security & Medicare as is, two-thirds support higher taxes on those earning US\$1MM+/year, & 60% favour more government intervention to narrow the gap between rich & poor, the families supporting Republican candidates seek to serve as a counterweight to these demographic forces to the point where Ruy Texeira, a political demographer at the leftist, Washington-based Center for American Progress, says "The campaign finance system is now a countervailing force to the way the actual voters of the country are evolving and the policies they want."
- Much of this donor elite lives in enclaves in just nine locales around the country, incl. Indian Creek Village, a private island near Miami with a private security force for the 35 homes lining its 18-hole golf course. Regardless of party preference, they are patrons of the same symphonies & museums, business partners, in-laws & poker buddies. Their businesses generate enormous cash flows, unlike those in which wealth is tied up in the business itself. And, while many blue chip corporations shy away from PACs, wary of the *potential* negative publicity, these families use them to the full. The biggest three donor families, the Wilks family of Texas (shale oil services), New York's Mercers (hedge funds) & Texas-born Toby Neugebauer (private equity) back Sen. Ted Cruz (R.-Texas), a Tea Party firebrand disdained by the GOP leadership. Others are tied to networks of ideological donors, such as those headed by Republican Koch brothers which have been succeeded in killing the Export-Import Bank, & the Democratic Alliance, a network of liberal donors, many of them from Hollywood & Wall Street<sup>17</sup> that has pushed for more aggressive action on climate change & more progressive taxation legislation.

<sup>15</sup> While another 200 donated between US\$100,000 & US\$250,000.

<sup>16</sup> The headline writer was clearly out to lunch on this one; for, while donors can be "older and male", families by definition cannot; for they typically consist of people of all ages & both sexes.

<sup>17</sup> Where the top financiers, who once arbitrated between owners & users of capital, now increasingly own it themselves

*A 'tyranny of the minority' in the "Land of the Free & Home of the Brave"?*

### **HOW THE GOP FAILS AND FAILS AGAIN (WP, Charles Krauthammer)**

- The House Republicans are hopeless at oversight hearings, they keep losing. And now the House Oversight Committee Chairman, *Rep. Jason Chaffetz (Rep.- Utah)*, seeks to impeach IRS Commissioner John Koskinen for the tax-exemption scandal<sup>18</sup>. While sympathetic to this, for the Obama IRS has consistently obstructed & misled Congress, the last time an agency chief or cabinet member was impeached was in 1876 & there is no chance of Koskinen losing his job since the *GOP-controlled* Senate will never convict.
- Chairman Chaffetz wants "to demonstrate to the American people" that the IRS "will be held accountable." I am all for demonstrating malfeasance. But the House GOP has for five years displayed a total inability to successfully demonstrate anything, and from Benghazi back to Operation Fat and Furious<sup>19</sup> its hearings' impact on public perceptions has been zero, or worse. Thus earlier in the IRS case, when the key witness forfeited her immunity under the Fifth Amendment, the Oversight Committee let her get away with it, which has brought us now to impeachment (which was never intended to be a mulligan<sup>20</sup>). Ditto in the Planned Parenthood hearings in which the Republicans had strong evidence to support their case & yet let its Head run circles around them. But as a GOP PR, nothing compares to the Benghazi hearings when, despite having damning evidence against Hilary, the committee never laid a glove on her. In each case the Republicans had the facts *on their side*, but failed to use them to support their case.

*The author is a graduate of McGill in economic & political science, attended Oxford as a Commonwealth scholar, graduated from Harvard Medical School despite being wheelchair-bound (due to a diving board accident while there), is a certified psychiatrist & in 1980 was a speech writer for (Democratic) Vice-President Walter Mondale. But he has since morphed into a Pulitzer Prize winning columnist whose column are carried by 400+ papers worldwide, and who for some is the 'most important conservative columnist' around. He appears is frustrated by the GOP's failure to create a solid base for success in the 2016 Presidential election.*

### **NO END IN SIGHT FOR DECLINE IN AMERICAN EXPORT JOBS (Bloomberg, S. Chandra)**

<sup>18</sup> Koskinen (age 76), a physicist & lawyer by training, has had a long & varied career in both the private-, & public-, sectors (that in the past decade included Head of the US Soccer Federation & Non-Executive Chairman of Freddie Mac. His appointment was confirmed in December 2013 by the Senate only after cloture was used to ram it through in the face of determined Republican opposition. This issue has been dragging on since 2008 when the IRS was first accused of having used improper criteria to evaluate the tax-exempt status of Tea Party-affiliated organizations. And the move to impeach Koskinen only came after the Justice Department announced last month that, after many years & millions of dollars spent on investigations, it would not press charges against Lois Lerner, the senior IRS official who had been in charge at the time of the division responsible for tax-exempt accreditations.

<sup>19</sup> The code name for the 2009-2011 program under which the ATF (Bureau of Alcohol, Tobacco, Firearms, and Explosives) through its Phoenix Field Division allowed illegal gun sales destined for Mexican drug cartels in order to identify buyers and sellers, two of which, however, were linked to the 2010 murder of a US Border Patrol Agent.

<sup>20</sup> When someone get a second chance to do something he/she failed at through bad luck or blunder

- JPMorgan economist Jesse Eggerton has quantified the damage done to US job growth by the strong US dollar & the cooling foreign markets : export-oriented-industries, that in 2014 grew their employment rolls by an average 9,000/month, have, most of this year, been shedding jobs at a 50,000 monthly rate<sup>21</sup>. And, based on recent manufacturing surveys, this job erosion “will linger on for some time, *thereby* taking the average monthly private payroll growth down to 150,000/month ... from the booming 250,000+ average of 2014”. Furthermore, the effect of this on total job growth has been obscured by non-export employers, most of them service providers, increasing the number of their employees by a monthly average of 203,000 which, while down from 296,000 earlier this year, is still well within the post-2013 150,000 - 300,000 range.

*Another nail in the coffin of the utility of New Job Growth element of the BLS' Current Employment Statistics Survey 'headline' job growth number; for apparently it not only does not differentiate between part-time & full-time jobs but also doesn't differentiate between low wage service industry McJobs & high wage-, high value-added, manufacturing industry jobs.*

### **AMERICA'S EDUCATION BUBBLE (Project Syndicate, Mohamd A. El-Erian)**

- A fundamental purpose of government is to advance important public goals. But this can have unfortunate consequences, sometimes leading to systemic disruptions that undermine more than just those goals. Thus the US effort to expand home ownership led to the 2007-2008 financial crisis & Beijing's to expand stock market participation to its *spectacular* collapse last summer. And America's effort now to expand access to student loans carries such a risk. Investment in education is vital, for it improves (*or has the potential to improve?*) overall economic wellbeing & prosperity, lowers retirement burdens, and enhances social mobility & satisfaction; thus the unemployment rate of US college graduates is 2½%, roughly one-third that of those without a highschool diploma.
- Over the past decade higher tuition fees & enrolment, and greater reliance on loans, has caused outstanding student loans to almost triple, with over 60% owed by the bottom quartile of households (those with a net worth of < US\$8,000). Seven out of ten of post-secondary students are in debt when they graduate, and student loan debt now exceeds credit card-, & car loan-, debt combined & accounts for half of all the federal government's total financial assets. Meanwhile, the RoI on education is falling because the economy is slowing & changing rapidly, many graduates have difficulty getting a job and/or aren't trained for the jobs available since universities have been slow to adapt to employers' changing needs, & any increase in defaults & delinquencies will exacerbate the existing “inequality trifecta”<sup>22</sup> (income, wealth & opportunity).
- While today 'only' one in 10% student loan debtors have repayment problems & the financial tipping point may still be some distance in the future, this is not an excuse for complacency. So lawmakers should focus on greater economic governance, prioritize fast growth *in the short term & longer term* fight anything that reduces growth potential. This would require them to become more pro-active in developing long term growth promotion rather than depending, as they have for far too long, on unconventional monetary policy to prop up the economy, households to save more earlier (*for their*

---

<sup>21</sup> Most of them are among the better-paying jobs in the economy - according to government estimates by as much as 18% over the national average.

<sup>22</sup> A race track bet whereby the bettor predict the first three finishers in the correct order.



*children's education*) & the role of lower cost community colleges be enhanced, none of which will be easy.

*The increase in university tuition fees has been nothing less than a national scandal. Take Harvard for instance; in the fall of 1971 its tuition fees were raised, for the first time in 22 years for two years in a row, by US\$200 to US2,600. Last fall they were US\$45,278, i.e. over this 44-year they had grown at a 7.2% CAGR (compound annual growth rate), vs. the CPI's 4.4% CAGR (& if they had at the latter rate, they would today have been just US\$15,189). And more generally speaking, during the decade ended last December 31<sup>st</sup>, tuition fees at public four-year universities went up 112% (CAGR of 7.8%), vs. 44% (3.7% CAGR) for the CPI. So the vast increases in student loan may have done little more than underwrite fiscal malfeasance in the university sector.*

### **AMAZON OPENS BRICKS-AND-MORTAR OLD-STYLE BOOKSTORE IN SEATTLE (WP)**

- Two decades after it turned the book selling on its ear, Amazon on November 3<sup>rd</sup> opened a physical bookstore of its own, called Amazon Books, in its home town; this suggests it has bought into the view that, rather than killing traditional brick-and-mortar retailing, it & online retailing will operate in tandem with buyers bouncing back & forth between them.

*It may have driven to do so by studies showing that those who do (i.e. bounce back & forth), are the biggest spenders.*

### **WOMAN IN NIQAB CONTROVERSY WORKS WITH SUSPECT GROUP (CJAD News)**

- Zunera Isahq, the Greater Toronto Area resident who during the recent Canadian election briefly became the centre of controversy due to her unwillingness to remove her niqab during her citizenship swearing-in ceremony, has been linked to the women's wing of ICNA (Islamic Circle of North America), an affiliate of Jamaat-e-Islami, a Pakistani Islamist party designated a terrorist group by the EU<sup>23</sup>. After the media started asking questions, all references to ICNA were promptly removed from her personal Facebook page & her lawyer said her 'helping out' ICNA doesn't mean she endorses all of its activities".

*Rather surprisingly, this did pass by Canada's anti-Islamist zealots, who deem every mosque a cauldron of seething Islamist agitation.*

### **CULTURAL GENOCIDE AND THE INDIAN RESIDENTIAL SCHOOLS** **(C2S Journal, Hymie Rubinstein & Rodney Clifton)**

- When the 382-page Summary Final Report of Canada's Truth & Reconciliation (TRC) was released last June 2<sup>nd</sup> then Liberal Party Leader & now Prime Minister Justin Trudeau committed himself, if elected Prime Minister, to "immediate action" on everyone of its 94 recommendations. On its very first page the Report asserts that the schools systematically engaged in "the destruction of those structures and practices that allow

<sup>23</sup>

A movement founded in pre-Independence India by the Islamist theologian Abul Ala Madudi, who believed politics was "an integral, inseparable part of the Islamic faith" & that Islam & Western concepts such as capitalism, socialism, liberalism, secularism & nationalism were mutually exclusive & that creating an Islamic state would cure all of society's social & economic evils.

the group to continue as a group". But in our view, there is little credible empirical evidence to support this charge -let alone the conviction of cultural genocide.

*In building their case, the authors<sup>24</sup> unearth a number of facts that have received little, if any, exposure in the decades-long residential school saga, incl.*

- *the first mandated Indian Residential School (IRS) was opened its doors in 1876, 342 years after Jacques Cartier had first landed in what today is Canada, three-and-a-half centuries that had witnessed considerable 'cultural transformation' (incl. a lesser dependence on traditional livelihood strategies & a conversion to Christianity;*
- *the 1948 UN Convention on the Prevention and Punishment of the Crime of Genocide talks about the (physical) destruction of a "national, ethnical, racial or religious group" but says nothing about a loss of culture - the beliefs, values and ideas that distinguish groups of people from each other;*
- *the IRS system operated from 1876 until 1996 and mass attendance was in effect only from 1920 to 1948 and according to historian J. B. Miller (a strong critic of the IRS system) no more than one-third of the aboriginal children born during its 120 year history actually attended residential schools<sup>25</sup>, and the compensation payments to IRS alumni under the \$1.6BN Common Experience Payment program showed that the average length of attendance was just four years; and*
- *the provision of Western education was often requested by the aboriginals; in fact it was entrenched in six of the seven numbered treaties negotiated in Western Canada with the 1876 Treaty Six specifically promising that "Her Majesty [Queen Victoria] agrees to maintain schools ... wherever the Indians of the reserve shall desire it." Furthermore, as late as the 1940's & 1950's, when the Indian Act was being amended many bands & native organizations asked for the schools to remain open and in the 1960's, well after most of the IRS had already been closed down, several bands lobbied the Department of Indian Affairs to keep some of the schools open.*

*While with the benefit of hindsight there was a great deal wrong with the IRS system, & certainly by today's standards, the facts outlined above suggest that the picture may have been nowhere near as one-sided as it usually is made out to be.*

### **NETANYAHU AND THE TRUTH (VUEWeekly, Gwynne Dyer)**

- In an exchange of views supposedly private but made public by a mike inadvertently left 'open', then French President Nicolas Sarkozy shared his feelings about Netanyahu four years ago with President Obama when he told him "I can't stand him. He's a liar" to which the latter's response was "You're fed up with him? I have to deal with him every day."
- Politicians will spin the truth a dozen different ways, but usually avoid outright lies & what *likely* drove them to talk thus was the *often* brazen effrontery of Netanyahu's lies. The most recent example thereof came last month when he addressed the 37<sup>th</sup> World Zionist Congress in Jerusalem; for he told it Hitler had decided to exterminate the Jews on the advice of a Palestinian, Haj Amin al-Husseini, the Grand Mufti of Jerusalem, whom he met with in Berlin in November 1941. And, more specifically, "Hitler did not want to

24

Both of them retired University of Manitoba professors, Rubinstein in Anthropology & Clifton in Education.

25

Although it would be interesting to know what percentage of those of school age during the system's 1920-1948 heyday did so.

- exterminate the Jews at the time, he wanted to expel the Jews. And Haj Amin al-Husseini ... said 'If you expel them, they'll all come to Palestine', & that when Hitler then asked "What should I do with them?" the Mufti told him "Burn them".
- A journalist faced with an implausible story must ask himself why the source is lying. Well, in this case his lie was driven by a need to show that his settlement policies were not to be held responsible for the recent rash of violent attacks by young Palestinians on Israelis.

*Netanyahu was factually incorrect. Hitler displayed his feelings about Jews as far back as 1925 in Mein Kampf. Violence against them escalated almost from the day he assumed power in 1933 & reached an interim crescendo in Kristallnacht in November 1938. There is not a shred of evidence that he wanted to expel them; to the contrary, the few Jews that escaped his clutches did so, often at great expense, despite his regime's best efforts to keep them from doing so. The systematic extermination of Jews (& other 'undesirables') started shortly after Germany invaded Poland in September 1939. And when the German Army invaded Russia (& the Baltic states) in June 1941, SS Einsatzgruppen ("task forces") were tasked with killing all undesirables, first & foremost Jews, first by mass shootings & then by using so-called "gassing trucks", both methodologies, however, deemed too "inefficient" for mass use. And all the infamous Wannsee Conference that was 'credited' with formulating the 'Final Solution' really did was to formalize, institutionalize, streamline, scale up & make more efficient a process that had been underway for years.*

#### **'DEATH TO AMERICA' MEANS POLICIES : KHAMENI (AP)**

- According to his official website he told students on November 3<sup>rd</sup>, the day before the anniversary<sup>26</sup> of the November 4<sup>th</sup>, 1979 storming of the US Embassy in Tehran, that the slogan "Death to America" was not aimed at the American people but at their government's policies & arrogance. And, despite President Rouhani's efforts to improve relations with the US (after almost four decades of no diplomatic relations), he reiterated that, despite the nuclear deal, the US is not to be trusted & "will not hesitate" to destroy Iran, if given an opportunity to do so and, more specifically that "The nature of the U.S. attitude is continuation of the same hostile aims of the past and the nation will not forget this."

*That makes it mutual; many Americans don't trust the Iranian regime either but have no particular bone to pick with the Iranian people.*

#### **CHINA'S SHORTAGE OF BRIDES REACHING CRITICAL MASS (Japan Times)**

- In villages outside Haidan, Hebei Province<sup>27</sup>, a bachelor looking to marry a local girl needs at least US\$64,000<sup>28</sup> to buy her a suitable home & the obligatory gifts for her family. For whereas the 'normal' boy-, to girl-, baby ratio is 103/106 to 100, in 2013,

<sup>26</sup> Ahead of which the Tehran city council distributed anti- American posters, one of them a knock-off of that of the 1945 flagraising on Iwo Jima with the American soldiers standing on piles of corpses & their hands stained red from blood.

<sup>27</sup> That surrounds Beijing & is deemed part of the national capital region.

<sup>28</sup> About 10x the average annual salary of a worker in urban Hebei Province.

according to the government the 2013 national average in China was 117.6 to 100 (with report of ratios in individual locations a high as 150 to 100). Estimates are that by 2020 there will be 20% 'excess males' and, to make matters worse, young women are expected to "marry up" (& given their shortage have no difficulty doing so), *thereby creating an 'underclass' of bachelors in the lower social strata - thus a 2006 study found that 97% of Chinese bachelors between the ages of 28 & 49 had not completed high school*).

*Zhejiang University is located in Hangzhou, Zhejiang Province, 120 miles Southwest of Shanghai. Founded in 1897 it's one of China's oldest & most prestigious universities. Xie Zuoshi is a professor of economics at the university. In mid-October he created a furor with his publication of an essay on line that, noting that by 2020 there might be as many as 40MM (involuntary?) bachelors in China, proposed (in line with the university motto of "seeking the truth and pioneering new trails"?), a solution to the bridal shortage for lower income males, saying "Men with high incomes will have an advantage in finding women because they can afford their high price. And what about low income men? One way is for several men to band together to find a wife. This isn't some pie-in-the-sky idea of mine. In some remote and poor areas there are cases where brothers jointly marry one wife, and they live happily and harmoniously." This resulted in him being bombarded with angry phone calls & social media abuse, many criticizing him for advocating immorality to which his response was "If we wave the big stick of immorality, keep the one-husband-one-wife social contract and let 30 million bachelors have no women and no hope, they hate society, then we would have a serious social problem ... they will go around raping, killing, setting off bombs ... Don't tell me that's your morality."*