

GLEANINGS II - 738
Thursday November 30th, 2017

Alabama's December 12th Special Election now three-way race? - On Monday November 27th 60 year-old Marine Col. (Ret.) Lee Busby¹, a resident of Tuscaloosa, Ala., first told the Washington Post that he planned to run as a write-in candidate in it & subsequently the Time that he had launched a long-shot write-in campaign to become a US Senator in the belief that Alabama voters want a candidate who falls somewhere in the middle ideologically but don't have that option in either the hard-right Roy Moore or far-left Doug Jones. And he was quite candid about the fact that he had typically voted Republican, last year had voted for Ohio Gov. Kasich in the GOP primary & for Trump, whom he said "was doing a "good job", in the election itself. Furthermore, that he hadn't supported Moore even before his inappropriate sexual behaviour allegations, saying they "really have nothing to do with [my decision to run] ... I didn't feel like either of the candidates had the qualifications to appeal to me as a voter for the US Senate." - *Recent ads by the Jones' campaign featured quotes by Ivanka Trump², former US Senator & now US Attorney-General Jeff Sessions, & Richard Shelby, the Senior US Senator from Alabama, all of them saying they believe Moore's accusers & implying that "If it is good enough for them, it's good enough for Alabama voters" (a strategy that potentially could backfire on Jones).*

Drilling for oil & gas in Alaska's Arctic National Wildlife Refuge? - Buried in the fine print of the "tax reform" package President Trump wants to push through Congress is an item to permit this, thus giving the industry & the Alaska government something both have pursued but failed to achieve in over a decade in the face of opposition from environmentalists, aboriginal peoples on both sides of the border (who say it's the herds' calving ground, & caribou are a major food source for them) & the Canadian government (out of concern this would have threaten the herd's survival).

US fiscal policy - The whole tax reform exercise is a based on the self-serving idea of "trickle down economics", i.e. that making the well-to-do better off will somehow have a 'trickle down' effect on lesser folk's disposable incomes. This concept originated during the Great Depression with comedian Will Rogers & was revived during the early Reagan years by economist Arthur Laffer. And it sort of worked, although never as well as its aficionados like to pretend³ - *And in my simple mind I have a problem with simplistic logic of believing that in a consumption-driven economy like that of the US, economic growth can be boosted by putting more spending power in the hands of those with the lowest 'propensity to consume'. The other problem for me is that I strongly believe that government deficits are a function of taxpayers getting services from government that they are not paying for from their taxes, preferring to 'download' the cost of those services on future generations, while further burdening them with a massive build-up of*

¹ Who at one point in his career had served as a top aide to now White House Chief of Staff John F. Kelly (with whom he said he had not discussed his plans).

² When the Roy Moore sexual behavioral allegations first surfaced, she went on record as saying "There is a special place in Hell for people who prey on children", thereby revealing that, despite her conversion to Judaism, she still has not shaken her Presbyterian upbringing; for Judaism apparently does not have as clear a definition of the Hereafter as do Christians.

³ Albeit at the price of quadrupling the US national debt during the Reagan-Bush 41 years, to US\$4+TR (& from 35% of GDP in 1980 to 60% thereof twelve years later)..

contingent liabilities with respect to social security programs that makes the deficit-driven debt build-up look like child's play, that in due course will result in unpleasant "inter-generational warfare".

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US FOREIGN POLICY IN THE MIDDLE EAST DOESN'T EXIST ANYMORE

(The Independent, Robert Fisk) Once upon a time a mere statement by the US Secretary of State, never mind the President, would have phones ringing in government offices across the region. But today it's Putin's meetings with Syria's Bashar al-Assad, Turkey President Erdogan, Egypt's el-Sissi, France's Macron & Iran's Rohani that make the headlines while Saudi Arabia's Mohammed bin Salman looks less & less influential as his attempts to destroy (*or affect events in?*) Yemen, al-Assad's Syria, al-Jazeera & Lebanon (& Qatar?) look increasingly like a child's tantrum (while refusing to *directly* take on the most important of them, the Islamic Republic of Iran). So the Middle East I live in today is looking less & less like the place I came report on four decades ago; for then US policy there was "real", albeit often delusional, & furthered by a crumbling Soviet Union & a battery of dictators that it supported, incl. Saddam Hussein, Hafez al Assad (*Bashar's father*), Anwar Saddat, King Hussain, Col. Gaddafi & the Shah of Iran. But today it is Putin who invites Bashar al-Assad to Sochi (who, while there, thanked him for "saving Syria", *i.e. his own hide*) & chats with the Presidents of Turkey & Iran, whose armies remain in Syria, and who remains friends with Egypt's President el-Sissi (*whose regime is financially supported by the US to the tune of billions of dollars annually*) & France's President Emmanuel Macron, while ignoring the US' "terrorist" designation of al-Assad's ally Hezbollah.

Everyone knows how to deal with President Trump : "just stroke his feathers" & he can be sold almost any 'bill of goods'.

US NEW HOME SALES SURGE UNEXPECTEDLY, HITTING A 10-YEAR HIGH IN OCTOBER **(Reuters)**

- On November 27th the Commerce Department reported that in October new home sales had been up 6.2% MoM to a (saar-seasonally annual rate) 685,000 units. And that it had now increased for three straight months, suggesting the housing market may be regaining momentum after treading water for much of the past year.

This almost sounds like Trump-inspired 'fake news'; for it may be a 10-year high but is less than half the 2006-, & 30% off the 2007-, rates, albeit more than 2x the 2010 300,000 unit low.

DESPITE TRUMP'S BLUSTER, US COAL INDUSTRY SHOWS NO SIGN OF A COMEBACK **(BB, Shelley Golberg)**

- President Trump has made clear his intention of "bringing back coal"& has rolled back the environmental regulations & moved to repeal the Obama Administration's curbs on carbon emissions from power plants. And despite his rhetoric, the US coal industry continues to shrink because of the issues surrounding the fuel's environmental ramifications, aging industry infrastructure & the power industry's greater focus on renewable energy (solar & wind are now the fastest-growing sources of electricity). And since the US' installed coal-fired generation capacity is aging, & natural gas prices remain low, companies are disinclined to spend money repairing outdated coal-fired facilities or building new plants.

And the industry's August 2017 coal stock piles were just 144MM tons, a three year low.

FALLING FROM GRACE? (WP, Ashley Parker)

- A month ago, days before his host would launch his 'anti-corruption' purge, Jared Kushner, Trump's son-in-law & senior adviser, flew commercial to Riyadh for two days of one-on-ones with the 32 year-old Crown Prince Mohammed, with the White House neither announcing it until after he had arrived there nor reporting ex post facto on the results. While this suggests he still is near the center of power, there are also indications he is becoming marginalized, as he has receded from public view & his earlier walk-in privileges to the Oval Office have been diminished⁴. And his family faces additional pressures over a troubled New York skyscraper he had bought when he was running the family real estate business but that it had divested after he entered the administration.

While his friends say this reflects his natural inclination to stay out of the limelight, his detractors say his political naivete caused him to make avoidable missteps that have caused him to 'lose clout' in the White House pecking order .

MOORE BURIED UNDER TV AD BARRAGE (POLITICO, Daniel Strauss & Scott Bland)

- On Monday November 27th both he & Doug Jones, the Democrat standard bearer in Alabama's December 12th Special Senatorial Election to succeed the now Attorney-General Jeff Sessions, released new TV ads. But many Alabama voters will only see one of them since Jones is outspending Moore 7 to 1 &, according to [Advertising Analytics](#), aired over 10,000 spots on broadcast TV vs. Moore's 1,000+. Thus, according to Daniel Deviso, an aide to Birmingham's Democratic Mayor-elect Randall Woodfin, "I saw probably 40 to 50 Doug Jones ads, and ... just one Roy Moore ad, over the Thanksgiving weekend."

In October alone, i.e. before Moore's sexual allegations' bomb shell,. Jones raised US\$2.9MM in new money, & Moore just US\$800,000. This raises the question as to why the Democrat-hating, deep-pocketed Koch brothers' billionaire clique has not started dumping money into his campaign.

ONTARIO'S STREPTOCOCCUS OUTBREAK IS PART OF A LARGER STORY (G&M, André Picard)

- The Middlesex-London Health Unit has issued an alert about a continuing outbreak of a particularly nasty strain of invasive group A streptococcus. Since April 2016 it has seen 132 cases thereof that led to nine deaths, 20 cases of the flesh-eating disease, another 20 cases of toxic shock while 29 other patients ending up in Intensive Care with other grave symptoms. But this is only part of a bigger picture; for in recent months there have been similar outbreaks in Toronto, Montreal, Vancouver, Calgary & likely elsewhere. And this story has largely stayed under the radar since most of those affected are intravenous drug users & the 'precariously housed' (especially those living in shelters). But what made the Middlesex-London story different is that it also involved individuals in

⁴ In part due to Trump privately blaming him for the widening of Robert Mueller's Russian probe that is endangering him, and in part to Chief of White House Staff, Gen. John Kelly, having made it a condition of his taking the job that **everyone**, including Jared & Ivanka, would have to go through him to reach the President .

the general population. And this is the pattern of almost every infectious disease outbreak : it gets a foothold among the most vulnerable & then graduates to the general population (thus in London the initial outbreak was in the Salvation Army's Center for Hope, in Toronto at the Seaton House, & in Montreal in the Old Brewery Mission). And, while Strep A is quite commonplace (at any given time 10% of children & 1% of adults are believed to have Strep A bacteria in their throats or on their skin, when it gets into tissue or bone, usually through an open wound, it can quickly turn deadly, giving rise to toxic shock or by flesh-eating bacteria spreading so relentlessly that amputation becomes the sole option. And what is so unusual about the Middlesex-London case is that it has given rise to clusters of the disease among seemingly healthy people.

Based on zero scientific evidence, but solely on common sense, I am convinced that products like anti-bacterial soaps are evil since they are more effective against "good" than "bad" bacteria & that in today's Western urbanized-, & drug ad-, induced environment many people live far "too cleanly", thereby not giving their immune systems, our first line of defense against the bad bacteria, not enough to do & thus operating at less than optimal rates of capacity.

PAKISTAN SURRENDERS TO THE MOB (Edmonton Sun, Tare Fatah)

- Ten years ago on October 21st, 2007 a Newsweek's cover declared "The most dangerous nation in the world isn't Iraq, it's Pakistan" & last week declared that Pakistan is once again "Sleepwalking to Another Surrender." And today it is worse; for on November 7th a group of (Suf.) Islamists gathered, with the overt backing of the Army, in the outskirts of Islamabad to demand the government 'defend the honor of the Prophet Mohamed' & the blasphemy inherent in legislation that won't require parliamentarians to swear he had been the final Prophet. After 8,000 police were deployed & attacked by protesters armed with guns & tear gas, the Army was asked to deal with the ruffians. But its chief refused to obey the Prime Minister's order on the grounds they were "his people". This refusal to accept the authority of the civilian government was (*all but?*) unprecedented and, *rather surprisingly*, the reaction in Western capitals, incl. Ottawa, was dismal, was utter dead silence, despite the fact that Pakistan is a 'nuclear nation' (with an estimated 200 nuclear weapons, incl. ICBMs, aimed at India, Israel & Europe). So now the Pakistani government has surrendered to a rag tag group of foul-mouthed mullahs, while Gen. John Nicholson, the Commander of the US forces in Afghanistan, said on November 27th that, despite President Trump's (& *Secretary of State Tillerson's* tough talk over the summer, he has seen no change in Pakistan's (*or rather the Pakistani Army's?*) support for the militants. And this crisis is only the last one in a series of the Army toppling democratically elected governments, thwarting elections or forestalling liberal and/or secular political parties. And the recent Newsweek observation came after the running of a video that showed an Army general handing out cash to the jihadist protesters after they had taken Islamabad hostage & a Justice of the Islamabad High Court said he feared for his life & safety for having criticized the military.

This has the potential for becoming truly scary, perhaps even scarier than North Korea; for not only does Pakistan already have a nuclear arms' medium to long distance deliverable capacity, but while Kim Jong Un seems like he is reacting to what he sees as a threat to his personal & political survival, the jihadist mullahs couldn't care less about their own-, or anyone else's-, survival. And in view of this, it's amazing these events have had so little-, if any-, coverage in the Western media. In the half century to 2011 Pakistan was in receipt of US\$67BN in US aid (in 2011 dollars) that peaked in 2011 at US\$3.5BN (although it has since been cut to < US\$1BN last year). While over the summer both President Trump & Secretary Tillerson made threatening

noises about the Pakistani Army's association with the Taliban & Haqqani Network in Afghanistan, it takes the longer view, i.e. that when the US at finally withdraws from Afghanistan, these two jihadist entities will be a big help in asserting its presence there; so, once again, as Salmeer Lalwani, the Deputy Director of the South Asia Program at the Auburn/Rochester Hills, Michigan-based Stinson Institute, put it Pakistan once again did not "blink" in the face of US threats (that under Trump carry less weight than ever, especially the Army knows full well that in case of need Beijing will 'spring into the breach') - The writer, now aged 68, was born in Karachi, Pakistan after his Muslim parents had moved there from the Punjab in the wake of the 1947 'India Partition' & in 1987, after a stay in Saudi Arabia, at age 28 emigrated to Canada, in due course becoming a Canadian citizen. A university-trained biochemist, he has long been a writer, political activist & an advocate of a "liberal, progressive form of Islam", who was in favour of Trump's idea of controls on immigration from countries that harbour Islamist sympathizers (which makes him anathemous to more orthodox Muslims & vice versa).

SOLDIER'S DEFECTION REVEALS HORRORS OF N. KOREA'S REGIME **(WP, Marwa Eltagouri)**

- The 24 year-old North Korean soldier who, on November 13th, was shot by his colleagues while crossing the Demilitarized Zone so as to defect to the South, & rescued by South Korean border guards, is recovering from five gun shot wounds, & being treated for Hepatitis B & tuberculosis, in the Ajou University Hospital South of Seoul. And his doctors were startled by a parasitic infection that necessitated the removal of 10-inch worms from his intestines of a type that haven't been seen in South Korea for a half century (but that have also been found in other defectors). And what also surprised them was the presence of raw corn kernels in his stomach, suggesting that rumours of North Korean soldiers being told to steal corn from farmers to survive.

Since the North Korean military has priority in North Korea's food allocation, this implies the possibility of serious famine conditions among its hoi polloi & seems to bear out the veracity of a recent blunt Newsweek headline that "North Korea's Kim Jong Un is starving his people to pay for nuclear weapons" - North Korea has a population of 25MM, half that of South Korea but 'regular' armed forces of 945,000 (vs South Korea's 625,000 & the US' 1.3MM) and 4,200 battle tanks (vs the US's 1,600 & South Korea's 2,500). So it is believed to be spending 22% of its GDP on its military & its nuclear weapons development program (vs South Korea's 2.9% & the US' 3.3%).

EX-MINISTERS'S NIGHT OF TERROR (AP)

- Ignatius Chombo, Zimbabwe's former Finance Minister, testified in a Harare Magistrate's Court on November 25th (*the day after the joyful inauguration of President Mnangagwa*) that on November 15th, during the military's power grab that led to Mugabe's *isolation & eventual ouster*), armed, masked men in uniform had abducted him from his home & kept him for a week in an unidentified location before turning him over to the police. He, & two leaders of the ZANU-PF Youth League who had suffered a similar fate were known members of a party faction loyal to Grace Mugabe whose presidential ambitions triggered the military intervention, & he has since been charged with corruption.

Such 'settling of accounts' doesn't bode well for the Mnangagwa regime.

BITCOIN IS A FRAUD THAT'S 'WORSE THAN TULIP BULBS' **(Business Insider, Akin Oyedele)**

- This is what JPMorgan CEO Jamie Dimon told a Barclays conference last September 12th (a reference to the boom in the trade of tulip bulbs in early 17th century Europe that thrived on speculation & ended in panic selling), adding that it is a fraud, driven by demand from Asia that, having rocketed 350% YTD, “won’t end well”. And he is not alone in his scepticism, for Robert Shiller, a Nobel Prize winner who predicted the housing & tech bubbles of the past two decades told Quartz it was the “best example right now” of one.

I don't like quoting Jamie Dimon (a 'shyster' in a three piece suit who turned a bank once known as the 'class act' of the industry into another amoral Goldman-type money-grubbing financial entity). But his reference to Europe's 17th century "Tulipmania" rang a bell (it peaked in Holland in the 1630's when a single one tulip attracted an offer of 12 acres of land & another actually changed hands at 4,600 florins, a new carriage, two grey horses & a complete set of harness at a time that four fat oxen were valued at 480-, two tonnes of butter at 192-, & a suit of clothes at 80-, florins) - The landmark study that catalogues crowd psychology & mass mania throughout the ages, incl. Tulipmania, the Mississippi Scheme, the South-Sea Bubble & many others, remains Charles MacKay's 700+ page 1841 book Extraordinary Popular Delusions & The Madness of Crowds, a copy of which I own, albeit an 1985 edition with a foreword by the legendary John Templeton, & that I would cheerfully donate to anyone interested in reading about-, & learning from-, them.

MORE SENIORS STILL ON THE JOB (CP)

- The latest census data from StatsCan show that more Canadian seniors are choosing to keep working past the traditional 65-year retirement age for health-, or financial-, reasons, or just for the fun of it. So in 2015 53+% of Canadians over the age of 65 were still working (22,.9% of them full-time), vs. 37.8% & 15.5% in 1995. And for women over 65 the rate is 38.8%, twice that in 1995, while for those > 70 the rate has also doubled.

The growth in the share of seniors in the work force has grown as follows :

	<u>Full-time</u>	<u>Part-time</u>
<u>1980</u>	4.9%	9.5%
<u>1990</u>	4.4%	7.5%
<u>2000</u>	3.7%	7.3%
<u>2010</u>	5.5%	11.1%
<u>2015</u>	5,9%	13.9%

And speaking hereof, I live in a 65+ apartment building, in which an amazing number of tenants, both male & female, still regularly go to work. Few people appreciate that the 65 year retirement threshold is a holdover from the 1880's when Prussia's then 'Imperial Chancellor' Count Otto von Bismarck introduced a universal pension scheme & deliberately picked a 65 year payout eligibility age to 'cap' possible future payouts since the then average life expectancy was 61 years whereas today in North America it is 79 for males & 81 for females (although in the US it has begun to decline for the first time in two decades, largely due to 'style of living' physical ailments such as diabetes, lung cancer & obesity). And there is a growing amount of empirical evidence that continuing to work after the traditional retirement age is beneficial to seniors'

health and that, with the aging of the population, it is increasingly becoming a GDP growth booster. And, according to the OECD Finland has been global leader in this respect; for, faced with its 'aged dependency ratio' going from 25% in 2000 to 43% by 2025⁵, it has for over a decade already been supporting the employment of older workers under its National Programme on Aging Workers and, more recently been phasing out early retirement schemes

GRIZZLIES WORK AS PRODUCT TESTERS (WP, Karin Broulliard)

- Five grizzly bears with a proven record of raiding trash cans, camp sites & places where there may human food leftovers are now working for a living. For they are now resident in a two hectare (five acre) compound at the Grizzly and Wolf Discovery Center just outside the Yellowstone National Park where they spend the summer months beating & biting food coolers & canisters, and garbage cans to see if they are worthy of being certified as "bear resistant". On balance they test 90 products per season (of which 70% pass muster), with the manufacturers paying the Center US\$450-750 per product tested.

No doubt there will be some 'animal lovers' who will complain about this even though from a bear's perspective it may well be a "hell of a deal", getting free food for trying to get into deliciously smelling containers, while from a human standpoint it removes "problem bears" from circulation & helps fund a worthwhile undertaking in an economically attractive cost.

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And there is evidence that a 30% aged dependency ratio is the tipping point at which it becomes a 'boat anchor' on a country's 'trend growth rate' (in Canada the rate is expected to cross the 30% level in 2020 & hit 50% by 2056, while the outlook for the US is much better, having gone from 18.5% in 2000 to 22.2% in 2015 & then expected to hit 37.0% by 2050)