

**GLEANINGS II - 827**  
**Thursday November 14<sup>th</sup>, 2019**

**Quote of the week** - “Even with the stock market reaching new highs, US investor confidence declined further in October ... Despite a more accommodative Fed, deepening geopolitical risks ... *and* historically rich equity valuations in the US appear to be having a detrimental effect on investor sentiments right now.” - Marvin Loh, Senior Macro Strategist at Boston-based State Street Global Markets [more specifically, its Global Investor Confidence Index, after going from 70 last January to 88 in June, last month had declined to 79.2 (down from 85 YoY) as a slightly improved European investor confidence number (due to a lessened likelihood of a ‘hard Brexit’) was more than offset by lower readings in North America & Asia] - *Boston-based State Street Corporation is a 40,000+ employee <sup>1</sup> financial services-, & bank holding-, company that, dating back to 1792, is the second-oldest company of its kind in the US, with State Street Global Services providing securities’ custodial-, & administration services (to banks, money managers & institutional investors) for US\$31.2TR of securities, State Street Global Advisers having AUM of US\$2.92TR, State Street Global Markets providing securities’ research & trading services to (institutional) investors, State Street Bank being on the Financial Stability’s Board’s list of “too big to fail” banks & its SPDR S&P 500 unit one of the world’s largest ETF (Exchange-Traded Funds) providers.*

**African Swine Fever** - While small scale outbreaks have occurred in various countries for over a century, the current epidemic originated in August 2018 in China’s Liaoning Province, 600 km/375 mi ENE from Beijing. It has since spread, according to the now 95 year-old, Paris-based World Organization for Animal Health, to 50 countries, the latest being Russia. China has been hardest hit, with as much of half of its hog herd, *i.e. one quarter of the global total*, either having sickened & died, or been ‘put down’ in attempts to control its spread, as a result of which pork prices in China have risen by up to 70%. According to the Dutch Utrecht-based Rabobank, a global leader in food-, & agriculture-, and sustainability-oriented-, banking, this will result in a 17% decrease in Chinese-, & 10% in global-, demand for soybeans for use in animal feed [not good news for American soybean growers (who are already suffering from a near 50% decrease in soybean prices since 2012) & for US-China trade negotiators?] - *The Rome-based FAO reported on November 14<sup>th</sup> that a dead pig found floating on November 6<sup>th</sup> in the sea offshore Taiwan was found to be infected with ASF (it is not uncommon in China & other Asian countries to dispose ‘the easy way’ of no longer wanted items, incl. plastics & dead animals, by dumping them in a nearby river or stream). In October, to a major degree due to higher pork prices, consumer prices in China were up the most in 8 years. And while pork prices (& indirectly beef prices in some cases) are up in many countries due to skyrocketing demand for pork from China, in the US they were down by one-fifths between May & September of this year since its hog herd is at a five year high. One must wonder how long it will be before ASF will spread still further & wider still (incl. to North America) since up to 150MM Chinese now travel abroad each year (3MM or so to the US while almost as many Americans visit China); for it is highly contagious & can spread through indirect-, as well as direct-, contact (i.e. by people who haven’t been within a country mile of a Chinese pig farm but who have been in contact with someone who had been in contact with someone who had been in contact ... and so on & so forth with people had been in contact with someone who was infected through contact with someone who had been on a pig farm or had handled goods carrying the virus.*

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<sup>1</sup> One-sixth the number of JPMorgan.

**Atlanta Fed GDPNow** - It started November at the 1.5% level but the 4<sup>th</sup> had declined to 0.9% %. Then it 'recovered' briefly to 1.0%, only to slide to 0.6% by November 15<sup>th</sup> & to 0.4% by the 19<sup>th</sup>. And its 'Blue Chip Consensus' average of 20+ private sector forecasts that had been steady at 1.8% for most of October, has since October 26<sup>th</sup> declined first to 1.7% & most recently to 1.5%.

**BofAMerrillLynch's Global Fund Manager Survey**- Michael Hartnett, the Chief Global Equity Strategist of this Charlotte NC-based bank, each month canvasses 200+ institutional-, mutual-, & hedge fund managers around the world. His November survey found that "the bulls are back ... [as] the 'Fear of Missing Out' (*colloquially referred to "FOMO"*). prompts [a] wave of optimism and [a] jump in exposure to equities and cyclicals"; so their cash holdings are down 20+%, the biggest drop in 3 years, & the **net** percentage of those expecting stronger *global* economic growth jumped in November by 37% MoM to a (small) positive number - *But to put this in context* :

- *Hartnett pontificated on September 19<sup>th</sup> a year ago "The Great Bull Market is 'dead'";*
- *The IMF & World Bank continue to 'shade' their 2019 global growth expectations & the EU has been doing the same in its forecasts for the Community* <sup>2 3</sup>
- *Laurence Boone, the OECD's Chief Economist, reported last September 19<sup>th</sup> that "our current forecasts are for (global) growth of below 3% ... (as) the annualized growth rate of investment could slide below 1% ... **because the events of the last 18 months are not just a passing trend** (bolding his) ... when companies don't know what tomorrow will bring, they exercise their 'wait-and-see' option";*
- *As noted above, the Atlanta Fed's GDPNow rate is anything but bullish;*
- *The Chinese (& Indian) economies are stumbling (with many countries linked economically to the former, incl. Australia & Germany, feeling the 'echo' effect thereof;*
- *Social unrest and/or financial/economic challenges have surfaced in, among others, Argentina, Bolivia, Czech Republic, Chile, Ecuador, France, Hong Kong, Iran, Lebanon, Saudi Arabia, Turkey, & Venezuela; while some may be "shithole countries" by Donald Trump's standards, the cumulative effect of any economic slowdown in them could not help but affect aggregate global economic growth.*

**British elections** - According to the Daily Mail the Poll Tracker had found that in two dozen polls since October 1<sup>st</sup> support for both the Conservatives & Labour had gone up, from 32% to 39% & from 25 to 29% respectively, at the expense of both the Liberals (20% to 16%) & the Brexit Party (13% to 7%) - *so the 'bloom is off the rose' for Brexit & how may this affect Johnson's thinking?*

**Effect of Hong Kong pro-democracy demonstrations spreading?** - The recent collapse in the share price of the Toronto-based winter clothing manufacturer Canada Goose (*from \$75.50 last May 3<sup>rd</sup> to \$26.97*) was been attributed in part to slower sales at its two Hong Kong outlets.

**Indian economy** - Its current annualized quarterly growth rate is 1.0%, down from 2.1% two years ago. Car sales are declining at the fastest rate ever, capital investment is plunging, the unemployment rate is at a 45 year high <sup>5</sup> & the banks' bad loan ratio has quadrupled to 11.2% in

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<sup>2</sup> While its spring forecast of the outlook for the year was for "continued ... albeit 'moderate' growth", by summer this had turned to "clouded" & by September 10<sup>th</sup> to a warning of "a protracted period of subdued growth" (i.e. 1.1, less than half that two years ago).

<sup>3</sup> At last report the EU's economy accounted for 16.3% of global GDP, vs. China's 9.3%

<sup>5</sup> While an 10-12MM young people annually join the work force, with one in five unable to find a job.

four years. So international money managers have dumped US\$4.5BN in Indian equities, the biggest exodus in over two decades <sup>6</sup> & Katalin Gingold, an MD at New York-based Cartica Management, an emerging market-focused hedge fund, noted "They have spent all their political capital on Kashmir, which is frustrating ... since it seems more important to deal with the economy which looks like it could fall into a vicious cycle", while Subramanian Swami, a law maker in Prime Minister Modi's BJP party told Bloomberg last August "If the economy is not rectified, Modi has about six more months till people start challenging him" - *Next February there will be local elections in New Delhi, India's 18MM inhabitant capital, where on November 4<sup>th</sup> the PM (Particulate Matter) 2.5 air pollution level was 553, up from 82 on October 1<sup>st</sup> (while the WHO's 'safe' reading is 35 & the US EPA deems any reading in the 250 to 500 range "hazardous"), as farmers in nearby states were in the midst of their annual crop residue burning ritual (an antiquated practice that, while it has short term benefits, is environmentally unfriendly & longer term inimical to soil fertility.*

**Louisiana Gubernatorial election** - In 2015 Louisiana's Rep. Gov. Booby Lindal was term-limited, leaving the door open for newcomers; when all was said & done, Democrat John Edwards had beaten his GOP opponent David Vitter 40-23 in the first-, & 56-44 in the run-off, rounds. In last month's election in this supposedly "increasingly leaning right" state the now 53 year-old Edwards beat his challenger, the nearly two decades older millionaire businessman GOP & *would-be Trump clone*, Eddie Rispone, 46.6-27.4, with 1,343,481 votes cast & in the Saturday November 15<sup>th</sup> run-off 50.7%-49.3% with 1,508,597 votes cast. During the campaign Edwards supported gun ownership rights & ran on his record (that included expanding Medicaid to lower income residents, solving a budget impasse in the legislature & increasing teachers' salaries) while Rispone sought to tar him with a Nancy Pelosi/Alexandria Ocasio-Cortez brush - *While not too much should be made of this outcome since right now half a dozen states have Democratic governors in Presidential "red" states & vice versa, it does strengthen the case of those in the Democratic Party who advocate that in the next 11 months it, & its candidates, should focus on bread & butter-, rather than fairy tale-, issues. And it should sent a message to the waverers in the "Trump GOP", especially those up for re-election; for as a WSJ headline put it : "Another warning for Republicans : Trump cannot win your elections ...". Trump had on three occasions personally campaigned in the state for Rispone, the last time on November 14<sup>th</sup> (in a heavily Republican district???? <sup>7</sup>) which did not prevent Louisiana becoming the second state in two weeks that he had carried in 2016 by over 20 points in which the GOP standard bearer has bitten the dust. Part of Edwards' success in the run-off was themuch increased black voter turnout that went 90% for him while only two-thirds of the (more humdrum?) white turnout went to Rispone.*

**Outlook for equity prices** - The latest estimate of the S&P 500 P/E (Price/Earnings Ratio) is 22.89x, up 59% from eight years ago (a level at which it has been only half a dozen times for extended periods of time in the last 150 years) <sup>8</sup>, in part due to earnings per share having been

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<sup>6</sup> Still, the Indian stock market is up 8% MoM & 120+%, to an all-time high, in the past six years.

<sup>7</sup> During which he told those in attendance among others that "In two days I'll really need you ... to send a message to the corrupt Democrats in Washington ... They are corrupt. They are crazy, crazy ... So Trump took a loss (*in Kentucky two weeks earlier*) ... So you got to give me a big win, please, OK,OK?."

<sup>8</sup> While the latest reported share of GDP of corporate after tax profits (9.89%) in the last 70 years has been equaled, or exceeded, only three times : more than a decade ago prior to the Great Recession years, in the immediate past-Great Recession years & again in recent years.

artificially inflated by corporate share buybacks. And institutional investors' cash holdings are at a post-1997 low level & their equity allocations close to the 1997-, & 2007-, high levels, while in the past decade share prices have grown over 2x as fast as corporate sales & nearly 5x as fast as GDP, while consumer confidence is at a level seen only 3x in 70 years - *As to the belief that in the current high-tech era "things are different", this has in the past been proven to be what Samuel Johnson on April 7<sup>th</sup>, 1772 (when orating against fake patriotism) called "the last refuge of the scoundrel" as markets over time seem to have invariably 'regressed to the mean'.*

**Polling among Democrat hopefuls in the Iowa caucuses (that now are just 77 days away) -**

According to the Des Moines Register, since September support for Pete Buttigieg has gone **up** 16 points to 25%, for Warren **down** 6 points to 16%, for Biden **down** 5 points to 15% & for Sanders **up** 4 points to 15%, with all the others at 3% or less (*with most of the other likely to 'fall soon by the wayside due to a lack of money?'*), except possibly Amy Klobuchar who is fifth with 6% - *but I am biased since Buttigieg is one of the few-, if not the only one-, who has ever run anything more complicated than a lemonade stand or a two-man office (even if only as mayor of the 100,000+ inhabitant city of South Bend IN) & like Amy Klobuchar since, on the few occasions I have seen her speak, she displayed common sense & was not afraid to 'call a spade a spade'.*

**Setback for the "Dreamers"** - On November 12<sup>th</sup> the US Supreme Court's Conservatives sided 5-4 with President Trump's bid to end the DACA (Don't Abandon the Dreamers) program (that seeks to protect the *status of the 700,000-800,000 non-citizens brought to the US illegally as children*) - *Many are now in their 20's to early 40's, have little in common with their parents' birth countries, are US-educated & positive contributors to the US economy, and/or have served-, or are still serving- in the US Armed Forces. This decision came days after a WSJ headline "Mr. resident. Don't abandon the Dreamers - Reneging on the promise to 'take care' of blameless DACA recipients would be a moral outrage".*

**Trump's November 16<sup>th</sup> visit to the Walter Reed Medical Center** - It has been 'passed off' as a routine matter, allowing the President to take advantage of a "free weekend" in Washington, although White House Press Secretary Stephanie Grisham in a press briefing refused to answer questions as to why, since he had a free weekend anyway, he had not gone all out & done the usual full four hour medical exam, rather than just a "quick exam & labs" (*since routine lab tests can-, & have-, been done at the White House, this raised the question why he had gone to Walter Reed*). What also aroused curiosity was the fact that as of Saturday morning no Walter Reed visit had been on his official agenda, that he had waited until Saturday evening to take advantage of his 'free weekend', that the Walter Reed medical staff had not been given the usual heads-up on an expected Presidential visit & that, rather than using the Marine One helicopter to go to Walter Reed, as he usually does (*for self-gratification reasons?*), he had arrived unannounced in a motorcade. And it is known that during last year's annual visit a coronary calcium CT scan had found plaque build-up in his coronary arteries & generated a reading of 133 [at the bottom of the 101-400 range indicative of "moderate CAD" (coronary artery disease)] after which the then White House Physician had recommended that he change his diet<sup>9</sup>, start exercising & lose some weight (*advice he apparently has ignored*) - One can only wonder if the for him personally 'offensive' Louisiana election result may have had something to do with this impromptu Walter Reed visit.

**Unhappy week for President Trump?** - From Monday through Friday he had to put up with listening/watching his performance as US President being denigrated by a bunch of "crazies", on

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<sup>9</sup> Traditionally, he is said to have 'overdose' on red meat, fast food, sweets & pastry, and diet Coke.

Saturday 16<sup>th</sup> he personally endorsed candidate lost in Louisiana’s gubernatorial election & then, to top it all off, after he had, on Sunday November 17<sup>th</sup>, tweeted North Korea’s Kim Jong-un, someone half his age & head of a truly “shithole country”, with a population 1/12<sup>th</sup>-, & an economy 1/660<sup>th</sup>-, but a military headcount ½-, that of the US, & had addressed him as “Mr. Chairman”, a rude rebuttal came in response from this bunch of nobodies that read in part “We are no longer interested in such talks that bring nothing to us ... As we have gotten nothing in return, we will no longer gift the U.S. President with something he can brag about.”

**US Presidential hopeful policy biases** - A US ‘too-big-to-fail’ bank has come up with a 5 point scale to rate the economic/financial biases of five Democratic hopefuls & President Trump, with 5 denoting those most interested in the external value of the US dollar and the most pro-free trade, pro-austerity, pro-small government, & the most “Drill, Baby, Drill” attitude towards oil & gas :

Name	Dollar	Trade	Deficits	Government	Energy
Biden	5	5	4	3	3
Buttigieg	5	5	5	4	4
Harris	5	4	3	3	2
Sanders	3	3	1	1	1
Warren	1	2	1	1	1
Trump	1	1	1	5	5

*This may be anecdotal evidence that, if any of them are on the ticket next November, this could result in a low, ‘plague on both your houses’ (Romeo & Juliet, Act III, Sc. 1) voter turnout, that would unduly enhance the weight of the votes of the crazies on both ends of the political spectrum.*

**Whatever possessed Trump to have Turkey’s President Erdogan visit him at the White House on November 13<sup>th</sup>?** - According to Soner Cagartay <sup>10</sup> in a recent interview on NPR “Turkey’s relationship with the United States is riddled with tensions”. The US is seriously at odds with this NATO member over it acquiring the Russian-made S400 air defence system <sup>11</sup> (the first element of which was delivered in July) in retaliation for which Washington suspended the planned delivery of F-35 jet fighters to Turkey **as well as** eliminated it from the F-35 component suppliers list. And while Erdogan’s position at home long seemed rock solid, it has started to look less so : in 2016 there was the coup he escaped by the skin of his teeth, both physically & politically and that has resulted in mass arrests of public servants, judges & teachers. In the past couple of years the Turkish economy has sewerred, with its annualized quarterly growth rate going from 11.9% in 2Q/17 to 5.6% in the Second Quarter-, & a negative Second Half-, of last year &

<sup>10</sup> Now age 49, he got a Ph.D. from Yale in 2003 with a thesis on Turkish Nationalism and now is Director of the Turkish Research Program at WINEP (Washington Institute for Near East Policy) & Chair of the State Department Foreign Service Institute’s Turkey Advanced Area Studies Program.

<sup>11</sup> A decision Erdogan called on November 11<sup>th</sup>, two days before his White House visit, “irrevocable”

YTD to 1.6%, 1.2% & -1.5% annualized quarterly growth rates <sup>12</sup>. And the recent municipal elections in Istanbul gave him a serious black eye & may have hit him where it really hurt politically (since his being its Mayor from 1994-98 was the spring plank to his now 15+ years as the country's ruler <sup>13</sup>) - *Trump's performance at their joint press conference was unusually 'flat' : in welcoming Erdogan his voice was monotonous & he seemed to be reading his remarks off a paper in front of him, and its contents were almost groveling, heaping praise after praise upon Erdogan, starting with thanking him profusely for his release six months ago of a dual citizen NASA engineer that Erdogan had arrested (on trumped-up charges?) In the aftermath of the coup.*

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### **DEAR DEMOCRATS ; HERE'S NOT TO BLOW IT (Politico, Rahm Emmanuel)**

- The recent-, & last year's mid-term-, elections confirmed two things : we Democrats are on a (*potential?*) winning streak *unless we blow it*; for we flipped the Kentucky governorship & won control of the Virginia State Legislature, while last year we won control of the House of Representatives, flipped six State Houses & picked up seven governorships. But it was also a warning that our presidential hopefuls are failing to heed the lessons that these elections should have taught them. Yes, our overriding need is to make Trump a one-term President. But we did less well than we should have in 2018 & 2019 in swing districts & battleground states by constantly talking about *pie-in-the-sky* social programs. A majority of Americans don't like Trump, his divisive rhetoric or his performance as President & want to see him gone; so having been dealt a good hand, we should play it well.
- While the good news for Democrats is that Trump does not have enough die-hard support to win without the support of some fence-sitters, the bad news is that neither do we; so next year we must not only get our vote out but also persuade others that voting for our candidates is the right choice for the country. Thus last year Gretchen Whitney became governor of Michigan by making "Fix the Roads" her campaign slogan & this year Andy Beshear in Kentucky & others elsewhere were successful by stressing bread & butter issues (*in Beshear's case education, pension reform & fighting the opioid crisis*).
- So it is surprising that our presidential candidates/*wannabes* insist on taking positions that will become liabilities by election time. Take healthcare, our successful candidates didn't mention Medicare; instead explained how to control prescription drug costs & protect pre-existing conditions. On education they didn't offer free college but spoke of equity & fairness across the educational spectrum. They didn't talk about the "Green New Deal"

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<sup>12</sup> Other sources quote quite different-, & far more negative-, numbers.

<sup>13</sup> This city is located in Turkey's Marmara region (i.e. on the European-, rather than the Asian-, continental part of Turkey); in fact, with its 15MM population (nearly 3x that of Turkey's capital Ankara), it is the largest city on the European continent. And what makes its recent municipal elections not just vexing but potentially politically threatening for Erdogan is that in the March 31<sup>st</sup> election , his Justice & Development party's candidate for Mayor was narrowly beaten (by 14,000 votes/0.16%) after which he found an excuse to reject its outcome & call a new election for June 23<sup>rd</sup> in which his replacement candidate for mayor was resoundly beaten, he cancelled the outcome & scheduled another election for June 23<sup>rd</sup> in which he himself campaigned for the a replacement candidate only to see him beaten by 800,000 votes.

but about expanding renewable energy and the *well-paying* jobs it would create and, rather than offering to guarantee anyone's income, explained the jobs they would create would support a middle class lifestyle. Finally, they didn't talk about taking anyone's guns away but only about background checks to make it more difficult for undesirables to them.

*He advocates that the Democratic Party's agenda should be 'practical, prudent & still progressive but defensible', or better yet, should bait Republicans into revealing how out of touch they are with grass roots' priorities, so as to allow the building of a broad-based collection of liberal & moderate-, urban & suburban-, voters [in this context it is interesting that, according to CityLab.com (The Atlantic's eight year-old stand-alone digital website), the recent Democratic success in Virginia was due in part to the party having gotten the support of 73% of voters in "dense suburban"-, & 53% in "sparse suburban" districts, up from 46% & 22% respectively eight years ago. And there are lessons for both parties in the recent Israeli-, & Canadian-, elections : in Israel twice in five months Netanyahu catered to his base & twice failed to win enough support to form a government, while last month in Canada both major parties did very much the same thing with a very similar results - Emmanuel will turn 60 on the 29<sup>th</sup> & is an alum of the highly-rated Evanston IL-based Northwestern University. From investment banking he went to working for Bill Clinton as his Senior Adviser on Policy & Strategy from 1993-1996, in 2002 was elected to the House of Representatives with 67% voter support & re-elected 3x with majorities of 74% or better. He served as Obama's Chief of Staff in 2009-2010 before becoming Mayor of his hometown with 55% voter support over the 22-year incumbent Richard Daley (& four years later, after getting 45.63% support in a 5 candidate field first round beat the runner-up 55.7-44.3 in the run-off. Last year he decided not to run again & since then has returned to investment banking in the Chicago office of New York-based Centerview Partners & become involved with The Atlantic & ABC News.*

### **WE KEPT OUR OATH (NYT, David Leonhardt)**

- Upon taking office, new members of Congress take the very same oath as the military, namely "I do solemnly swear that I will support and defend the Constitution of the United States against all enemies, foreign and domestic ..." and that made by a President upon taking office is not dissimilar, *albeit more complex & prescribed by Article II, Section One, Clause 8 of the Constitution*, namely "I do solemnly swear that I will faithfully execute the office of President of the United States, and will to the best of my ability, preserve, protect and defend the Constitution of the United States."
- In a TV advertising campaign the Defend American Democracy Project, run by a coalition of groups incl. Republicans for the Rule of Law & launched a week ago, is running ads in 14 House districts, in which veterans read the oath on camera & ask Congressional Republicans to hold Donald Trump accountable for violating his own oath. In one such ad an Air Force vet named Jeff says "We kept our oath", in another one Alex, a Marine Corps vet, that "Now Congressman Fitzpatrick has to keep his ... *and* as a former FBI agent Congressman Fitzpatrick should know better <sup>14</sup>" while in a third, released on November

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<sup>14</sup> Brian Fitzpatrick, age 45, was an FBI agent who served in Ukraine in 2015 but resigned in January 2016 to run for the House & since November 2018 has been the GOP member for Pennsylvania's First District. What's at issue here is his office's earlier statement "The Congressman believes that Speaker Pelosi's response ... to move forward with impeachment proceedings is ill-advised and will only divide this Congress and our nation and this Congressman is opposed to her decision." But he could be vulnerable a year from now for his winning margin had only been in the 52-48 range, Hillary carried the district by 2 points in 2016 & his election had broken a seven decade Democratic strangle hold on the District.

11<sup>th</sup>, Veterans' Day, Elaine Luria, a freshman House Democrat who represents the 2<sup>nd</sup> District (in Southeastern Virginia), read the oath & explained "I took the oath the first time when I was 17 years old and went to the Naval Academy and took it again upon every promotion during my 20-year Navy career and more recently now serving in Congress ... I didn't come to Washington to impeach my President but I also didn't spend 20 years in the Navy to allow the Constitution to be trampled on". And Allan Potts, a retired army sergeant & one organizer of the Defend American Democracy told USA Today "I'd never thought I'd see the day when a service member was attacked for standing up for our Constitution, but that is exactly what I saw after Army Col. Alexander Vindman testified ... last week"

*The 20+MM US veterans are an important voter cohort that the Democrats would love to made inroads into since in 2015 they were 92% male (vs. 48 of the total population), 78% white (vs. 65%) & 49% over 65 (vs. 19%), & their Trump approval rating was 54% (vs 39%).*

### **CANADA SUFFERS UNDER TROIKA OF MEDIOCRITY - (EJ, Andrew Cohen)**

- Canada's *political* leadership at the federal level now consists of three mediocrities (*all of whom many believe will be gone two years hence, if not sooner*). One is the *lightweight* Liberal Prime Minister Justin Trudeau, a breathless & triumphant Boy Wonder in a well-cut suit whose main assets are name recognition & good looks but who in the past four years has made a plethora of ethical & political gaffes. Then there is the Conservative Opposition Leader Andrew Scheer, a folksy & sleepy Eeyore <sup>15</sup>, with the voter appeal of a old-fashioned cigar store wooden Indian, who in the October 21 election managed to 'snatch defeat from the jaws of victory'. And finally there's the New Democratic Party leader Jagmeet Singh, an adolescent Dr. Pangloss <sup>16</sup> in striking colour turbans. *All are in their 40s, with little to show for by way of personal achievement before going into politics* <sup>17</sup>. After the results of the October 21<sup>st</sup> election were in, the CBC broadcast their speeches, all of which offered platitudes, threats, cries & laments, and political tone deafness : Trudeau spoke as if at a religious revival, Scheer claimed legitimacy since his party got more of the popular vote nationwide (*but far fewer seats*) than the Liberals, while Singh, after levitating into his headquarters dancing like a Bollywood impresario, talked & talked in what was more of a campaign-, rather than a concession-, speech, as if he never got the message of "Dude, you've lost 18 seats and about almost four percent in the popular vote and your party was all but wiped out in Quebec. And here you are declaring victory. Is that cool?"

*Compared to the 2015 election, the Liberals went from 184 to 157 seats in the 338 seat House & from 39.47% to 33.07% in the popular vote, lost seats in every province except PEI & were*

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<sup>15</sup> A perennially depressed, old, grey donkey friend of Winnie-the-Pooh in A.A. Milne now nearly a century classic childrens' book series.

<sup>16</sup> The garrulous, pedantic & ever optimistic mentor of Candide in Voltaire's 1759 novel of the name.

<sup>17</sup> Trudeau inherited money & once had a part-time job as a drama teacher, Scheer has, except for a brief period as an insurance salesman, been a party hack his entire adult life and Singh practiced criminal law for a few years in an apparently undistinguished manner & makes like a "millionaire socialist", sporting expensive suits & Rolex watches that one of you, a newspaper columnist, once called "not cool ... mostly kind of ugly ... and a pure cold signifier of brute pride in wealth".



blanked in Alberta & Saskatchewan, the Conservatives from 99 to 121 seats & from 31.89% to 34.41% of the popular vote, while the NDP went from 44 to 24 seats & from 19.71% to 15.93% of the popular vote. And to make matters worse for the Prime Minister, he now faces a far more right/centre-right leaning Provincial Premiers' cabal than four years ago.

### **GANTZ AND LIEBERMAN VOW TO AVOID THIRD ELECTION (JP, Gil Hoffman)**

- On November 14<sup>th</sup> they emerged from a meeting in Ramat Gan's Kfar Hamaccabiah hotel<sup>18</sup> promising to do 'whatever it takes to prevent an unprecedented third election' *within a year*. Gantz told the press "Netanyahu continues to ... strive for another election ... *while we (i.e. Gantz & Lieberman) have a schedule to meet again at the beginning of next week ... There was good discussion and we will continue to work together*", while Lieberman lamented that not all of the Blue & White leaders had endorsed Pres. Reuver Rivlin's compromise plan (that Likud supports) that would see Netanyahu remain Prime Minister, with Gantz as Vice Prime Minister, before taking an extended break to fight his corruption charges, with Gantz taking Netanyahu's place as Prime Minister, *but only on a pro tem basis rather than as part of a rotation*. Netanyahu & Lieberman were scheduled to have met later that same day but that meeting was rescheduled for 5:00 p.m. Sunday November 17<sup>th</sup> after Lieberman told Army Radio that there was cooperation between Netanyahu & Hamas (after Egypt & Nikolay Mladenov, the UN Middle East Envoy<sup>19</sup>, had brokered a 'temporary' cease fire effective 6:00 a.m. Thursday November 14<sup>th</sup>. And that truce may well not be long-lived since before noon that same day already five rockets emanated from Gaza (of which the IDF, by its own admission, managed to down two - so much for its claim of the Iron Dome's 90% success ratio?) and since Islamic Jihad sold it to its followers on the grounds that Israel had been "forced to accept the conditions set by the Palestinian resistance" while Gilad Erdan, Israel's Public Security Minister tweeted that assured his fellow Israelis that "Islamic Jihad wanted a cease fire and it received no commitments in exchange."

*It's not surprising that much of the Blue & White leadership doesn't like Pres. Rivlin's 'compromise' plan; for it seems to envisage that Netanyahu, the leader of the party with one less seat in the Knesset than the Blue & White, would remain Prime Minister & then, after "taking an extended break to fight his corruption charges", return as Prime Minister (in other words, that in his absence Gantz would just replace him as acting Prime Minister on a pro tem basis rather than becoming Prime Minister in rotation). And it is not quite clear what game Lieberman is playing. He was, after all, responsible for Netanyahu's inability to form a government after the April elections, necessitating the September one, and all but suggested that Netanyahu is in cahoots with Hamas by agreeing to the ceasefire. On the one hand, he seemed conciliatory with regards to the Gaza situation by going on record as saying "we can't act only with force or only with diplomacy", while on the other he has been adamant in his refusal to join a Blue & White-led minority government that would be supported in the Knesset by the Arab Joint List's 13 MK's votes (without getting*

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<sup>18</sup> A 5 Star hotel where the room rates start at 260 Euros/US\$290 in a Tel Aviv satellite city, Ramat Gan, which has a population density of 13,000 per square kilometer/33,280 per square mile, roughly the same as Manhattan and well in excess of Tel Aviv itself (7,600 per kilometer), New Delhi (7,400), Amsterdam (4,900), London (4,500) & Shanghai (3,900)

<sup>19</sup> Age 47, he was Bulgaria's Foreign Minister and on February 5<sup>th</sup>, 2015 became then UN Secretary-General Ban Ki-moon's Special Coordinator for the Middle East Peace Process & Personal Representative to the Palestine Liberation Organization & the Palestine Authority

any ministerial posts?) which would permit the creation of a Bennie Gantz-led centrist coalition government within the time left before his mandate to form a government expires on Wednesday midnight November 20<sup>th</sup>. On Saturday November 16<sup>th</sup> Netanyahu issued a warning that a Gantz-led minority government backed in the Knesset by the Joint List MKs would be “an emergency ... unprecedented in the history of the State of Israel” & the next day organized an “emergency rally” (that other right wing parties refused to attend, according to an official of one of them because “We don’t want to be part of Netanyahu’s circus, He can’t drag us to an event every time he pleases”), at which he told those present that a Gantz minority government with Joint List support would “destroy Israel ... (that) they will celebrate in Tehran, in Ramallah, and in Gaza” while later that day Gantz & Lieberman met & once again released a joint statement that “significant progress” had been made while still later that day Netanyahu & Lieberman met, with their parties reporting that their talks had been “practical and good” - given that Gantz keeps saying he is still open to the unity government idea, the choice now appears to be between the creation within the next three days of either a unity government with or without Netanyahu and with Gantz as Prime Minister or a minority coalition with Arab List support. Late Tuesday November 19<sup>th</sup> Netanyahu & Gantz had a meeting (their first since October 27<sup>th</sup>, a few days after Gantz had gotten his mandate, in which the sole subject of discussion had been security, not politics, during which they apparently exchanged accusations & after which they issued a joint statement “these are the final moments of a historic decision that will affect the nation’s security & its future.” It’s all now in Lieberman’s hands & simply a matter of whether he could agree, most reluctantly, to support a Gantz-led government with First List voting support in the Knesset to achieve his long-held desire to relegate Netanyahu to the trash can of history or opt for a third election, that nobody other than Netanyahu really wants & he himself claims not to want, to do so for him. As of 1703 hrs, Jerusalem time, seven hours before the Gantz mandate expires & the President can let the Knesset fight for another 21 days about having another of its members form a government before having to call the third election, Lieberman remained steadfast in his opposition to the First List solution.

### **PRIME MINISTER SOUGHT ABU AL-ATA KILLING AFTER ROCKETS FORCED HIM OFFSTAGE BEFORE ELECTION (Times of Israel, Michael Bachner)**

- On September 10<sup>th</sup>, one week before the last election, the threat of incoming rockets forced Netanyahu to be *humiliatingly* hustled off the stage at an election rally broadcast live on TV in Ashdod, Israel’s main port 20 miles South of Tel Aviv & the same distance North of the Gaza Strip, making this a significant PR victory for the Gaza-based Islamic Jihad. And while afterwards he insisted that Ata, *the head of Islamic Jihad in Gaza & the driving force behind many Islamic Jihad terrorist attacks*, be assassinated forthwith, the leaders of the IDF & Shin Beth (*Israel’s domestic security service*), talked him out of this on the grounds it might kill too many Palestinians & risk another war just before the election (*on the 15<sup>th</sup>*). So it was postponed to give the IDF time for a “targeted clean killing” & executed in the early morning hours of Tuesday November 12<sup>th</sup>.

*And targeted it was indeed, with an IDF jet firing a single precision missile through the window of the bedroom of the house in which Ata & his wife Asmaa were sleeping, killing both but not hurting anyone else in the house. This incident launched a two day tit-for-tat rocket firing exchange in which the IDF says it launched 250 missiles into Gaza<sup>20</sup>, reportedly killing 34 Palestinians (mostly supposed Islamic Jihad activists) & injuring 111 more, while Islamic Jihad launched an estimated*

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<sup>20</sup> And, according to CBS News, one into Damascus targeting an Islamic Jihad commander

450 missiles into nearby Israel, incl. Tel Aviv & the 140,000 inhabitant city of Ashkelon 13km/8mi North of Gaza, that, since the Iron Dome missile system is not perfect <sup>21</sup>, caused 63 Israelis to require medical attention.

### **HONG KONG ON 'BRINK OF TOTAL BREAKDOWN' (Reuters, Jessie Pang)**

- On November 11<sup>th</sup> the police shot but did not kill a protester at close range & a Beijing supporter was doused with petrol & set on fire (*but survived*). The next day over 1,000 pro-democracy protesters rallied in the city's Central District (& others on the other side of the harbour) for the second day in a row during the lunch hour, blocking roads amid some of its tallest skyscrapers & most expensive real estate. And after most had dispersed, police fired tear gas at the remainder on the grounds that masked "rioters" had committed "insane" acts (such as throwing trash, bicycles & other debris on the metro tracks & overhead power lines), while Senior Superintendent Kong Wing-cheung told a briefing "Our society has been pushed to the brink of total breakdown."

*The violent protests are now in their sixth month, with Beijing having surprised everyone (incl. the demonstrators?) by its so far hands-off stance [seemingly counting on the resultant economic malaise (its Third Quarter GDP growth rate was -2.9% <sup>22</sup>, down from +0.6% in the Second, & 2.8% YoY) to weaken popular support for the demonstrators]. And it does appear that mass support in the streets has declined as the violence increased and that, after President Xi declared at the November 13<sup>th</sup> - 14<sup>th</sup> BRICS Summit that the "most urgent task right now is to stop the violence", the police seems to have succeeded in cornering a 'hard core' violent group in some university buildings [where it expects to deal with them before the November 24<sup>th</sup> elections for the (currently pro-Beijing factions-dominated) 18 district councils' elections?], although that event could mark the beginning of a whole new phase of the pro-democracy protests if the popular vote does not produce the results that Beijing wants & expects.*

### **TWO DIAGNOSED WITH INFECTIOUS PNEUMONIC PLAGUE (NP, Jacob Dubé)**

- On November 12<sup>th</sup> two residents of China's Inner Mongolia Autonomous Region were in a Beijing hospital being treated for not just the bubonic plague, but for its more serious pneumonic version, the one caused by its most infectious Yersinia strain that five, six centuries ago ravaged Europe).

*While Beijing is falling all over itself to avoid a mass outbreak, the bacteria that are known to commonly cause bowel infections, & its pneumonic/lung-infection version, perpetuates among small animals in the wild, although modern medicine and early diagnosis & treatment have managed to control the fatality rate among humans. Thus, while there were outbreaks with 30 fatalities in the US in 1924 & with 50 in India in 1994, more recent outbreaks in the US in 2007 & 2014, in Tibet in 2010 & in China's Gansu province in 2014, resulted in one fatality each. Still, ....*

### **WHERE MIGRATION IS A CIVIL RELIGION (The Atlantic)**

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<sup>21</sup> While the IDF claims a 90% success ratio, in at least one specific case after the ceasefire the IDF itself reported the success ratio to have been only 40%.

<sup>22</sup> Largely due to a drastic drop in tourism & a decline in retail sales.

- No country works harder than the Philippines to export people & none have been more eager to go abroad. With the government for decades having actively promoted them as genial hard workers, 2MM Filipinos leave each year & 15% of all Filipinos in the world now lives abroad & their US\$32BN in remittances account for 10% of their country's GDP.

*This was part of a review of Jason DeParle's new book A Good Provider Is One Who Leaves : One Family and Migration in the 21<sup>st</sup> Century.*

### **THE WAR ON TOURISTS (The Atlantic, Rene Chun)**

- A number of European countries, incl. the Netherlands [a country with a population of 17.2MM & an area of 41.500 sq. km/26.000 sq. mi <sup>23</sup> (41% of it reclaimed from the sea)], are experiencing 'overtourism'; thus last year 19MM people visited there, a number that the Netherlands Board of Tourism & Conventions expects to grow 50% by 2029. But such an influx of humanity *in such a small country* causes a decline in the permanent residents' quality of life, with complaints ranging from inconvenience (incl. people spilling from the sidewalks onto the streets) via vandalism to alcohol-induced defilement (incl. puking & urinating in public places). So Amsterdam's City Council is fighting back with, among others, a moratorium on the construction of new hotels, 140 Euro fines for public urination & drunk or disorderly conduct, 30 day per year Airbnb rental limits, bans & restrictions on tourist-oriented businesses, such as bike rentals, donut shops & guided tours of its Red Light District & the closing of many cannabis "coffee shops (some of 50 years' standing).

*But Holland only gets a minuscule share of the 150MM Chinese who now go abroad each year & are the most obnoxious tourists (ahead of the Brits, Germans, Americans, Israelis & Russians).*

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**Canada's Inuit** - There are about 70,000 Inuit in Canada. Most of them live in 51 communities in Canada's Arctic region. But the single largest gathering of Inuit is in the nation's capital, Ottawa. There are two reasons for this : some of those who come to Ottawa for medical treatment, or to visit them , decide that life 'down South' beats living up North & decide to stay, while others are driven out of the traditional Inuit lifestyle by the climate change-driven shrinkage of the Arctic ice pack & the weakening of the traditional skillset needed for survival in the Arctic (as a result of which 70% of Inuit households in Nunavut are now "food insecure", vs. 8% in Canada as a whole). As a result, while during the decade to 2016 Inuit population in the Arctic's Nunavut region grew 29.2%, the number of them living outside Nunavut did so by 62.0 % (*albeit of a much smaller base*).

**Laurent Simons** - This nine year-old resident of Amsterdam with an IQ of 145 started high school at age six & graduated at age seven. Last March he enrolled at Holland's Eindhoven University of Technology <sup>24</sup> & will graduate next month with an electrical engineering degree. He has *already* been interviewed by top drawer US universities & "really wants to go to California ... since the

<sup>23</sup> I.e. the same as Tennessee or Kentucky, the United States' 36<sup>th</sup> & 37<sup>th</sup> largest.

<sup>24</sup> The city in Southern Holland near the Belgian border in which 128 years ago & 30 years before the commercialization of the incandescent light bulb, the father & son duo of Frederik & Gerard Philips started making light bulbs, a business that since has morphed into the multi-national conglomerate Koninklijke Philips N.V. (once known as Philips Electronics).

weather is nice there” but is also thinking of Oxford or Cambridge) - *While once aspiring to be a surgeon or an astronaut, he has since changed his mind & wants to become an inventor of medical devices that save people’s lives (because his grandparents are heart disease sufferers)*

**My luck held once again** - *I have never been a great one for locking my doors, in part because I grew up in an era & a country in which locking the door of private homes was not the most common of occurrences, in part because I lived part of my life in Canada in small towns & on farms, where locking things up was not a common habit (except at Halloween), and in part because I want the other tenants in my building to know that they can always knock on my door & walk in). And I live in a “restricted access” building (where one needs a key or a fob to gain access, or phone one of the tenants to be given access). About six months ago that led, however, to a less than happy experience. One night at about nine o’clock I was sitting in my easy chair in the living room, reading, when I thought I could hear some movement in my second bedroom, about 15 feet behind me, but attributed that to my imagination until I heard it again. So I decided to investigate, only to find a woman in her 40’s with fake blond short hair going through my belongings who, upon my asking her “what the hell she thought she was doing there”, informed me that she “was taking out my garbage”, to which I responded that “she’d better get the hell out of my place”, which led to a fight in the hall in which she knocked me down but I kicked the bejesus out of her until she left, with some money she had found in a drawer (it took the police 3½ hours to respond to my call reporting the incident, much of which time several of the other tenants & I spent waiting for them in the lobby (during which time one of suggested “maybe we should phone a Tim Horton’s coffee shop to ask them if there are any cops in there &, if so, to ask them to please answer my call & “bring a box of donuts while they were at it”).) But this week an article in the paper reported she had been charged with first degree murder because she had broken into a suite not more than 10 blocks away occupied by an 83 year-old woman who had died since, according to the coroner by “pneumonia brought on by blunt force injuries suffered during her home invasion”. Long known to the police & the University Hospital (from which she had been removed on numerous occasions) & initially charged only with B&E and aggravated assault, she now hopefully will spend much of the rest of her life in jail (at great cost to Joe & Jill Canadian Taxpayer)<sup>25</sup>.*

**Why some British people do not like Donald Trump** - It may be because :

- he lacks qualities the British traditionally think highly of, like class, charm, coolness, credibility, compassion, wit, warmth, wisdom, sensitivity, humility, humour & grace;
- while he is laughable *himself*, he has never said anything wry, witty or even faintly amusing; literally not once, ever. What’s more, he doesn’t even seem to understand what a joke is - his idea of a joke is a crass comment, an illiterate insult or a casual act of cruelty;
- he is neither plucky nor an underdog, not even a spoilt rich-kid or a greedy fat cat, just more a fat white slug, except when he is among other bullies, when he suddenly transforms into a sniveling sidekick;
- he breaks every Queensberry rule of basic decency : he punches downward, every blow is below the belt, he kicks the vulnerable & voiceless, and does so when they’re down;
- the fact that perhaps one-third of Americans look at what he does, listen to what he says & then think “Yeah, he seems like my kind of guy”, distresses the British people who have always thought Americans are nicer than most of us;

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<sup>25</sup> With it since having been determined that she had gained access to my building by waiting in the front hall until one of the caregivers had arrived & phoned for access, and then had just boldly followed her into the building.

- Last but not least, his faults seem pretty bloody hard to miss : he has turned artlessness into an art form and himself into the Picasso of pettiness & the Shakespeare of shit. God knows there have always been stupid people in the world & plenty of nasty people as well, but rarely has stupidity been so nasty & nastiness so stupid. He makes Nixon look trustworthy & George W. Bush smart; in fact, if Frankenstein had decided to make a monster assembled entirely from human flaws, “he would make a Trump” and then tear his hair out & run off screaming “My God ... what ... have ... I ... created?”

*The source, Nate White, is a London-based (advertising) copy writing guy and hence someone whose success depends on people being convinced by his word smithing; while in this case he may failed to resonate with some of his compatriots, they're likely are in a minority.*

### **TRUMP ORDERED TO PAY \$2M TO NON-PROFITS (Reuters, Leah Mills)**

- In June 2018, after a 21-month probe that she said had discovered “extensive unlawful political coordination” between the Donald J. Trump Foundation & the Trump presidential campaign, the New York State Attorney-General, launched a law suit against Trump and his adult children Donald Jr., Eric & Ivanka. And on Thursday November 7<sup>th</sup> Judge Saliann Scarpulla of the State Supreme Court in Manhattan ordered him to pay US\$2MM to a group of non-profit organizations for misusing his namesake charitable foundation, resulting in funds being distributed to his 2016 presidential campaign.

*The judge came down on the side of the prosecutors who had argued the foundation was “little more than a cheque book for Mr. Trump’s interests” & rejected his lawyers’ argument that the law suit was politically motivated & due to “sleazy New York Democrats ... doing everything they can to sue me.” More specifically, she ruled that a charity like Trump’s cannot engage in politics & had “breached its fiduciary duty” by allowing funds raised for US veterans to be used for the Iowa primary in 2016. Also as part of the settlement Trump agreed to disburse the US\$1.8MM remaining in his, since dissolved, foundation to a set of charities and, furthermore, that if he ever joined the board of another charity - or started another one of his own -, a majority of its board members could not have any relationship with him, that it would have a qualified attorney & submit to regular audits & undertake never to pay Trump or his company for any services - After all this, despite the fact that he had acknowledged in a court filing that he had failed basic laws on the governance of charities, he had the colossal gal to tweet that the Donald J, Trump Foundation’s money had been spent properly & the law suit politically motivated & “All they found was incredibly effective philanthropy and some small technical violation, such as not keeping board meeting notes.”*