

**Quote of the week** - “One of the great mistakes in politics is to judge policies and programs by intentions, rather than results.” - Milton Friedman (1912-2006) [*for 31 years (1946-1977) a leading light in the University of Chicago’s Chicago School (of neo-classical economics) that was highly critical of Keynesian economics but produced 12 Nobel Prize laureates (incl. Friedman in 1976)*].

**Evan McMullen** - A 40 year-old former CIA-, & more recently Congressional-, staffer without any hands-on professional experience, he was in August thrust into the Presidential race by a group of prominent “Never Trump” Republicans with very deep pockets<sup>1</sup>. He is on the ballot in 11 states (Arkansas, Colorado, Idaho, Iowa, Kentucky, Louisiana, Minnesota, New Mexico, South Carolina, Utah & Virginia) and has ‘write-in’ status in 23 more. Being a Mormon, it is not surprising that at last report in six Electoral College delegate Utah, where Mormon voters have been turned off by Trump’s sexual peccadilloes, he was running ‘neck-on-neck with him & well ahead of Hillary Clinton (32-30-24). He is also held to have an outside chance at a respectable showing in Idaho & Wyoming (both also single digit Electoral College delegate states) - *While deemed to have zero chance at a major role in the election, the CW could possibly be wrong once again. For it is nothing short of miraculous that in less than three months his backers got him on the ballot-, or approved as a write-in candidate-, in so many states. His backers are bulking with cash & will spend it selectively on a heavy per capita basis in a few states. So he could conceivably rain in a small way on the parade of either or both of the big party candidates, the only question being whether he would syphon off more Trump or Clinton votes.*

**JPMorgan’s last reflection on the polls** - Late Friday November 4<sup>th</sup> the firm’s Daniel P. Hui said, in note entitled Race Narrowing Is Seen In State-by-State Electoral College Benchmark Projections, that they suggest that, “assuming ... there are no upsets in the ‘likely’ or ‘leaning’ states, Clinton now would need to win 47 electoral college votes in swing states (up from only 6 votes on Monday’s snapshot) while Trump now only needs to win 90 (down from 109 on Monday) – *i.e. Trump has more momentum but may be too far behind for that to matter.*

**Obama’s involvement in the Clinton campaign** - With his approval rating at a 58% near six-year high, Obama has been stumping for her on an almost daily basis in a manner no sitting president is said to have ever done before for his hoped-for successor (although in all fairness in 2008 Bush 43 was so unpopular that John Mc Cain wanted to have as much daylight between them as possible, & the same had been true for Al Gore in 2000 when Bill Clinton was still smarting from having been the first ever sitting US President to have had to testify before a grand jury investigating his conduct in-, & subsequent to, the Lewinsky affair). Obama is said to be doing so for two reasons, to secure his legacy (incl. Obamacare?) & out of a sense of duty to his party in its hour of need. But there have been growing rumblings as to who is paying for this gallivanting (*and if so, may well hurt her at the fringes*). And while a while ago the Clinton campaign reimbursed the government to the tune of US\$37,000, this was little more than a token gesture, given that the hourly cost of operating Air Force One is in the US\$200,000 range (over & above the cost of all the Secret Service-, public servant-, personnel involved in any trip by the President) - *this may also well have been evidence of the Clinton campaign going into a full-fledged panic mode.*

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On the basis that “It is time for a “generation of new leadership to step up”, especially given the overall popularity of both major party candidates.” Generally speaking, most of his platform is in line with the current GOP leadership.

**The scope for reducing motor fuel-caused air pollution** - The air quality in Beijing is often so bad that it is all but impossible to get a clear view of a building across the street. So in a two-week experiment starting August 20<sup>th</sup>, 2015 5MM cars in the city were limited to being driven only on alternate days (and restrictions placed on factories & work on 40,000 building sites suspended). So, for the first time in a long time, skies were blue & buildings across the street clearly visible, and the city's air quality index sank to a level of 15 (out of 500), with the average PM (Particulate Matter) readings down 73.2% YoY to levels said to be on a par with those in cities like Paris, London & Moscow. But after the September 3<sup>rd</sup> end of the experiment air quality deteriorated quickly again, with the air quality index spiking back up to 160<sup>2</sup>, a level at which according to the EPA (*the US Environmental Protection Agency*) "everyone may begin to experience some adverse health effects" (*and at last report was double that level*).

**Teenage drinking in Canada** – According to the Globe & Mail, there has been an astounding decline in the incidence thereof : for Grade 11 students from < 90% to <70% between 1970 & 2015, with the corresponding numbers for Grade 9s & Grade 7s being from 75% to 33% & from nearly 60% to 10% respectively. Moreover, the percentage of students in the same three grades who reported no drinking at all went from 35% in 1987 to 61% in 2015, with not dissimilar percentage declines being reported by those who had a drink on special occasions only and/or did so once a month or less. And while the 'gender gap' has all but disappeared, among the students who do drink *regularly*, the percentage of binge drinkers remains high.

**The Trump Phenomenon** - It is truly mind-blowing that Hillary Clinton, a political insider with a massive national network of contacts, admirers & acolytes over three decades in the making, was unable to beat by a street length such a rank political outsider/novice like Trump, with a narcissistic personality & dodgy reputation & no political machine to speak of. But a group of US statisticians say the answer is simple & lies in two numbers : 19 & 135. The former relates to the Pew Research finding in survey conducted between August 24<sup>th</sup> & October 4<sup>th</sup> of last year that only 19% of Americans trusted the federal government "nearly all"-, or "most"-, of the time<sup>3</sup> (with 3% in the former-, & 16% in the latter-, category), with the numbers for the Democratic & Democratic-leaning-, and the GOP-, & GOP-leaning-, voters being 26% & 11% respectively (voters typically have more positive feelings about their government when 'their' party is in power in Washington). And the latter number relates to the US\$135,000 that the group calculated was needed by way of a before-tax family income to provide an American family with an appropriate lifestyle [whereas according the Census ACS Survey in 2015 the median family income had only been US\$55,775 in 2015 (*down 8% in real terms since 2000*)].

**US Senate elections** - These may well be far more significant over the longer run than the Presidential one; for whichever of the (*near*) *septuagenarians* who will be inaugurated on January 20<sup>th</sup> will have a 'shelf life' of four-, or at most eight-, years, that of Supreme Court Justices can be 20+ years. And he/she may be able to nominate, for only the second time since WW II, as many as four of them during his/her term in office; and what's more, of the one already gone to his reward, & the three others likely to have to be replaced, two are right-, and two left-, of centre; so America's 45<sup>th</sup> President may be in a position to drastically shift the balance of power in the Court for the next two decades in a direction of his/her liking, but only if he/she can get the Senate to confirm his/her choices. So with the post 2014 party split in the Senate having been R 54 - D 45 (with one independent), the Democrats would need to unseat

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<sup>2</sup> And it has since been at levels twice that high.

<sup>3</sup> Down from 70+% in 1958 & 55+% at the turn of the century.

four-, or better still five-, incumbent GOP Senators to regain control of the Senate; and although the odds favoured the Democrats since of the 34 Senators up for re-election this year, 24 were Republicans, almost half of them 'first-termers' lacking the 'name recognition' of-, & hence being more vulnerable than-, their colleagues of longer standing, having looked closely at-, & ruminated over-, the latest polling numbers, it seems unlikely that the Democrats will net four new Senate seats, never mind five.

**GLEANINGS II - 682**  
**Thursday November 3<sup>rd</sup>, 2016**

**ENERGY GIANT SHELL SAYS OIL DEMAND COULD PEAK IN JUST FIVE YEARS**  
**(BB. Rakteem Katakey)**

• In a November 2<sup>nd</sup> conference call CFO Simon Henry said "We've long been of the opinion that demand will peak before supply ... And that peak may be somewhere between 5 and 15 years hence, and it will be driven by efficiency and substitution more than offsetting the new demand for transport." While this puts Shell at odds with ExxonMobil that said in its Annual Outlook that "global demand for oil and other liquids is projected to grow by about 20% from 2014 to 2040" & with Saudi Arabia that expects demand to continue to grow, boosted by consumption in developing markets, on the other hand the World Energy Council says that, if renewable energy & other disruptive technologies such as electric cars continue their rapid advance, petroleum use will max out in 2030, and Michael Liebreich, the founder of Bloomberg New Energy Finance, that it will peak in 2025, with demand starting to decline in the 2030s.

*When Saudi Arabia started driving down the price of oil 28 months ago, the CW was it was trying to drive high cost producers, incl. US shale & the Alberta oilsands, out of business (if so, it didn't work, at least not in the case of US shale). But a less well-known theory was that it had seen the writing on the wall as to the impact of the rapid growth-, & growing competitiveness-, of alternate energy sources, & had decided to 'make hay while the sun shined' by monetizing as much of their massive oil reserves as possible before they became 'stranded assets'.*

**OPEC CAN'T SUCCEED ALONE, AS OUTPUT CUTS WOULD BARELY REDUCE SURPLUS**  
**(Bloomberg News, Grant Smith)**

- Even if it were to defy skeptics & implement its *proposed* output cut in full, it still wouldn't drain the ocean of surplus oil already pumped from the ground in the three years output has exceeded demand. And its own data show that at the lower end of the contemplated output reduction range it would just cut the existing surplus by 11.2% in 2017. To make a real difference it would need help from Russia (*that last week announced it was only interested in a 'freeze', not a cut in its record output*). According to the Commerzbank, if Russia won't play ball, another oil price collapse may occur & Tamas Varga, an analyst at London-based PVM Oil Associates Ltd. answered his own question "Would the proposed production cut actually reduce brimming global inventories?" by saying "The signs are not encouraging. Based on the currently available data and past precedents, next year is unlikely to see the supply-demand balance tighten."

*OPEC will have to 'fish or cut bait' at its next regular 'Ministerial Conference' in Vienna on November 30<sup>th</sup> when it will be faced with a "comprehensive long-term strategy" (LTS) document agreed on by its Board of Directors meeting in Vienna on November 2<sup>nd</sup>, the contents of which have not yet been made public & may well not be made public before November 30<sup>th</sup>. And no*

*matter what the Ministerial Conference may have decided, the fiscal situation of several OPEC members is such that they will expect Saudi Arabia to carry all the load (as they have in the past) so they then can 'max out' their oil revenues by getting a better price for all of their output.*

### **LAST ECONOMIC SNAPSHOT BEFORE THE ELECTION SHOWS HEALTHY JOB GROWTH (NYT, Patricia Cohen)**

*•In October a net 161,000 new non-farm jobs were created [vs. 191,000 in September (revised from the 156,000 initially reported), 176,000 in August & the 181,000 monthly average YTD]. And wages were up 2.6% YoY, the most in seven years. According to Jed Kolko, Chief Economist at the online job search engine Indeed "the economy set three postrecession records this month (i.e. October) : solid wage growth, a drop in the number of discouraged/underemployed workers and the return of prime-age men and women to the labour force ... all signs that the labor market continues to strengthen and is at its strongest point since the crisis." But according to Vince Reinhart, Chief Economist at Boston-based money manager Standish Mellon, "Where we are creating jobs is in the service areas which are not as productive as manufacturing and lower-paying ... So we have a problem."<sup>4</sup>*

*The **real** impact of the YoY increase in wages should not be overestimated; for by all accounts inflation has started to 'edge up'. The economy is estimated to 'need' 150,000 new jobs to keep the economy growing (& something closer to 200,000 to keep up with the growth of the labour force). Despite all this job "growth", people are quitting work, or looking for it : 444,000 of them in September & another 195,000 in October. And the recovery has yet to deliver for many Americans the job security & prospect of steady advancement they long took for granted.*

### **HALF THE JOBS ARE GOING ( Vue, Gwynne Dyer)**

- Last July, with help from the GMB union<sup>5</sup>, two London Uber drivers, representing 17 others, lodged a complaint with the Central London Employment Tribunal about not having employee status (& hence being bereft of minimum wage-, and holiday-, & sick-, pay, benefits) . Last week it ruled in their favour with one judge commenting "The notion that Uber in London is a mosaic of 30,000<sup>6</sup> small businessmen linked by a common 'platform' is, to our minds faintly ridiculous." But this is only a temporary victory for workers' rights since, just as real jobs have been replaced by *outsourced* "free lance "ones like Uber's that strip people of their old legal protection, these will soon be replaced - by no jobs at all. For self-driving vehicles threaten 700,000 jobs in the UK (400,000 driving trucks & 300,000 taxis) & by extension 4MM jobs in the US<sup>7</sup>. While many workers in the US, UK & France who are angry since their *once* secure jobs are gone, blame this on globalization, *they are barking up the wrong tree* for this is more*

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<sup>4</sup> In the past year over 53,000 manufacturing-, & 11,000-, mining jobs have disappeared.

<sup>5</sup> With 600,000+ members Britain's fifth largest.

<sup>6</sup> Vs. 30,000 'black cab' drivers.

<sup>7</sup> This may be a bit of a dodgy number since, according to the World Bank the US labour force is only 4.4x that of the US.

technology-, than globalization-, driven, & is not unlike the Industrialization phenomenon of old (that eventually resulted in an 'economy of abundance'). A 2013 study by Oxford University economists, Carl Frey & Michael Osborne, concluded that over the next twenty years 47% of all American jobs are likely to be destroyed. But the current situation differs from the earlier transformational change in that it is not so much affecting the working class but the middle class that wants its old jobs back & hates the elite for being impervious to these societal changes . And while the last time this process took a century of mass misery & occasional mass bloodshed before it resulted in people living longer-, healthier-, & more interesting lives than their peasant ancestors, we can only hope that this time we will move faster & better through it.

*The judge was blowing smoke (I know since I worked my way through university driving a taxi in Winnipeg & ever since have exchanged ideas with the driver of every cab Ive been in (& invariably have learnt from them). And, as The Guardian put it a couple of years ago in an article about the industry, "taxi cab drivers are (indeed) their own bosses" who own the vehicles & pay for the fuel they use in their work & in London bear the cost themselves of the three years it takes, riding a bicycle through it, to acquire "The Knowledge" of the location of every street in London, no matter how small) that is a sine qua non for getting a London cabbie license. And it noted they can fit their hours of work around their personal commitments (quoting one taxi driver with small children as saying "My wife works ... and if the kids need to be dropped off (or) picked up (at school?), or looked after at home, I can do all that". Last year Uber drivers in California & Massachusetts lobbied to be employees rather than contractors but settled for a one-time cash payment, last month a court in New York ruled that two fired Uber drivers should be treated as employees, & this is still an issue in, among others, Florida, Illinois, Indiana & Texas. But the Uber drivers' employment status is as irrelevant in America as in the UK; for there are here only two kinds of taxi drivers : a) 'owner-operators' who own their 'medallion' & their car, and are responsible for their operating expenses & b) 'lessees', who rent a car with a medallion from a third party<sup>8</sup> and pay a hefty per diem for this, & pay for the fuel the car consumes<sup>9</sup>.*

### **BLACK CABS ARE GOING TO GO ELECTRIC (The Independent, Jessica Shankleman)**

- Within days from London's new mayor revealing plans to clamp down on the city's toxic smog by declaring that its 21,000 'black cabs' would have to be 'zero mission-capable' by the beginning of 2018, Zhejiang Geely Holding Group Company, the owner of the London Taxi Company, the maker of London's iconic 'black cabs', raised US\$400MM from the sale of 2.75%, five-year, tax-exempt "green bonds" (to fund projects that promise to accelerate the shift away from polluting energy & transport fuels to renewable, clean energy technology) to fund the development of the TX5, a hybrid battery-powered version of the classic 1958 FX4 gasoline-powered model. A growing number of investors is interested in investing in such bonds (of which US\$ 46BN was issued in 2015 alone). So was not surprising this issue was 6x oversubscribed.

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<sup>8</sup> This is a continent-wide phenomenon because most drivers could not in a month of Sundays afford to buy a medallion (that have changed hands at prices in the the hundred of thousands of dollars range (& in the case of New York City for prices North of US\$1,000,000+.

<sup>9</sup> Thus in Edmonton the going medallion lease rate is about \$65 per half day; so assuming a cab uses \$20 in gas per shift, he/she must make \$85 per shift before putting money in their own pocket; and with the economy slowing down & taking a taxi falls in the category of "discretionary spending", some lessees are now finding that some days it hardly pays to go to work.

*The London Taxi Company has already moved into a new factory in Coventry with an annual capacity of 36,000 TX5 model electric taxi cabs, expecting to start their commercial sale in late 2017, i.e. ahead of the January 1<sup>st</sup> deadline for new London cabs to be 'zero-emission capable'. And since the factory's annual capacity is well in excess of London's needs, Frank Li, Geely's CFO, said the Company was in discussion with other European 'mega cities' that want to reduce the air pollution generated by their fossil fuel-powered taxi fleets - This is the kind of thing that is prompting some major oil companies to predict that "peak oil" is coming at us like a freight train & to seek to gain a toehold in the alternate energy sector.*

**DEUTSCHE BANK PROJECTS TOUGH TIMES AHEAD, BRACES FOR U.S. FINE**  
**(Reuters, Arno Schuetze)**

- CEO John Cryan said in a October 27<sup>th</sup> conference call that despite the fact that the bank, Germany's biggest, had posted an unexpected Third Quarter profit due to a modest rebound in bond trading, tough times lay ahead as it finalizes talks with the US Justice Department on a multi-billion dollar fine (*for its role in the residential mortgage-backed securities scam that led to the Great Recession*) that overshadowed all else. And he pledged to redouble his restructuring efforts to counter the deteriorating banking environment in Europe & elsewhere & said he had warned the bank's employees that the situation "will stay difficult for a while."

*Be all that as it may, nothing he said dispelled the cloud of uncertainty that has been hanging over the bank & prompted clients to withdraw billions of Euros in deposits. And the problems it faces are symptomatic of a European banking industry that may have one foot in the grave & the other on a banana peel & is only one of a number of events that could spawn serious threats to the global financial system.*

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**TIME LINE FOR THE US PRESIDENTIAL ELECTION :**

- **November 8<sup>th</sup>** - the nationwide election, but **not** for the President directly but for the 538 members of the Electoral College (each state has a number of delegates on the College equal to that of its Senators (i.e. 2 each) **plus** each state & the District of Columbia have as many more as they have members in the House of Representatives;
- **November 13<sup>th</sup>** - Final date for the nomination of Electoral College delegates;
- **November 19<sup>th</sup>** - Voting takes place in the Electoral College with all delegates meeting in their own state to do so;
- **December 28<sup>th</sup>** - Deadline for submitting documents certifying the Electoral College voting results in each state & the District of Columbia to the President of the Senate, VP Joe Biden;
- **January 6<sup>th</sup>** - Congress meets in joint session to confirm the Presidential & Vice-Presidential voting results in the Electoral College. In case it had been unable to give either, or both, majority support, the final decision will be made by Congress, in the case of the latter by the Senate, with each state having one vote, from the two candidates that got most votes in the Electoral College, and in the case of the President by the House, with each state also having one vote but having to pick one of the three candidates that had gotten the largest number of votes in the Electoral College; and
- **January 20<sup>th</sup>** - Inauguration of the new President.

So when a couple of weeks ago a media personality opined “on November 9<sup>th</sup> Hillary will be the first woman president of the United States”, he merely displayed his ignorance; for he didn’t appear to know that on November 8<sup>th</sup> voters will only vote for two lists of candidates for the Electoral College, one each drawn up by the states’ Democrat & Republic party machines & that the Electoral College won’t do their voting until December 19<sup>th</sup>, that in 48 states (all but Maine & Nebraska, with 4 & 7 EC delegates respectively) & the District of Columbia it is a matter of ‘winner take all’, and that of the 538 Electoral College members only 294 are **obliged** by the state law to vote on December 19<sup>th</sup> for the candidate of the party on whose list they had been. And while so-called “faithless electors”, those who didn’t vote the way they were supposed to, have been few & far between, usually in protest to their party’s choice of candidate, the emotional nature of this election campaign, the degree of dissatisfaction in both parties with their candidates, the fact that the cost of being a faithless elector is minimal (typically US\$1,000), and that during the 41 days between Election Day & the Electoral College voting day non-bound electors are likely to face unprecedented pressure (& have wads of cash dangled in their faces) to become “faithless”, one cannot rule out the possibility that there will be more than usual this year. In fact, one prospective GOP Electoral College delegate from Georgia has already announced that come hell or high water he won’t vote for Trump, while on the West Coast another one, a Bernie Sanders fan from Washington State, has announced he could never vote for “a criminal who has ignored Native American issues”.

#### **NATIONAL POLLS SHOW CLINTON’S LEAD STABILIZING - STATE POLLS NOT SO MUCH (FiveThirtyEight, Nate Silver, as of 1708 hrs November 4<sup>th</sup> 2016)**

- A couple of days ago almost every poll showed Hillary Clinton on a downward trajectory; but in the last 24 hours they have turned more equivocal. National polls suggest that Trump’s momentum has halted & that Clinton may even be regaining ground. But Trump is getting his share of good news from state polls that show competitive races in some of Clinton’s “firewall states” & favorable trends for him, with Clinton having bottomed out a few days ago but not yet having begun to recover. And the state polls have less good news for Clinton; for they now show a tied race in New Hampshire, her lead in Pennsylvania slimmed, polls in Michigan (where there are now an unusually large numbers of undecideds) a lot tighter, those in New Mexico now tight enough for us to call it “a state to watch” (rather than one “leaning Democrat”) and, while her numbers have held up better in Wisconsin & Virginia, the results now being very mixed in Colorado. And, while she is leading in three of eight “competitive” states (Nevada +3, North Carolina +2, & Florida +3), she is trailing Trump in the other five (Ohio -5, Iowa - 3, Arizona -8, Georgia - 4 & Utah -9, *i.e she is trailing him in these states by 50 to 56 Electoral College votes*). And the map is getting messier for her since, while in 2012 Obama had 303 electoral votes in the states where he led by 2% or more, on the same basis Clinton now has just 272, as her status of a number of her ‘firewall states’ that once seemed firmly “locked in” (incl. Florida, Nevada, Michigan, North Carolina & Pennsylvania) now seems a little more precarious.

*The significance of nationwide polls should not be overrated; thus in 2000 Al Gore lost to George Bush despite having garnered 543,000 more votes nationwide. For while each state gets one Electoral College delegate for each of its two Senators & one for each of its representatives in the House of Representatives, there are discrepancies in the number of people it takes to get a Representative (around 700,000 in large hardcore Democrat states like California & New York State vs. 600,000 & 480,000 in Arizona & Utah respectively).*

## **JAMES COME'S BOMBSHELL, AND WHAT IT MEANS FOR HILLARY CLINTON'S ELECTORAL CHANCES (NP, Dick Morris)**

- The ABC Tracking poll began the week of October 23<sup>rd</sup> with Hillary having a 12 point-, & ended with her clinging to a one-point-, margin (*and at last report had them tied, or Trump slightly ahead, having opened up a massive 46-38 point lead among likely voters on the question as to which of them was more honest & trustworthy*). While angry Democrats blame FBI Director James Comey for letting the cat out of the bag by announcing on October 28<sup>th</sup> that new material had come in the FBI's possession that had warranted re-opening the case of Hillary's emails that it had suspended with great fanfare three months earlier, the reality of this matter was that this news had come only at the end of the week that Hillary's 12 point lead had gone up in smoke, with the cause of that likely having been the news of premium hikes *averaging 25% (& going as high as 125%, in Arizona)* effective November 1<sup>st</sup>, for the Democrats' signature program, Obamacare - *for it is in a sort-of a death spiral as earlier increases had caused the young & healthy to turn their noses up at it (which then necessitated higher fees for the remaining elderly & less healthy for many of whom it is still a good deal.*
- And Clinton's lead had also suffered from the 'drip-drip' effect of Wikileaks emails that each day last week & this one provided more evidence of Washington at its sleaziest, with the coup the grace possibly having come from a memo by Doug Band, Bill Clinton's Chief of Staff, that sought to refute a claim by Chelsea Clinton that he hadn't done enough for her father by reciting chapter & verse deals that had generated US\$60MM in personal profits for Bill, *thereby appearing to vindicate the most dire of the 'pay-for-play' accusations.* Since then it has been suggested that Hillary could be in deep enough trouble & could face criminal charges, with the Wall Street Journal reporting that the FBI has been investigating the Clinton Foundation since last February, in the face of Justice Department opposition, but with support from local US Attorneys in four cities.

*The writer & Bill Clinton go back a long way, to his days as Governor of Arkansas. While not involved in Clinton's 1992 Presidential campaign, he became an adviser to him during his first term who, despite having no official status in the White House hierarchy, according to others there had power & influence 'second to none'. And after Clinton got his head handed to him in the 1994 mid-term elections, when the GOP gained control of both houses of Congress, Clinton turned to Morris to run his, subsequently successful, 1996 re-election campaign.*

## **EARLY VOTER TURNOUT WORRIES DEMOCRATS WHO FEAR 'ENTHUSIASM GAP' FOR CLINTON (The Guardian, David Smith)**

- Early voting data suggest that Hillary is trailing Obama's performance in 2012, underlining fears in the Democratic Party of an "enthusiasm gap' for its candidate. As of November 3<sup>rd</sup> early voting by mail or at polling stations in 37 states had resulted in 33MM ballots having been cast (*& another 13MM were expected to do so by Election Day*). According to AP Hillary isn't doing as well as Obama did in 2012, with the African-American turnout down<sup>10</sup> (*more than offset by a higher Latino turnout?*) & ballot requests from likely supporters weak in parts of the Midwest (thus in Ohio, deemed one of the more significant 'swing states" since it has voted more consistently for the winner than

<sup>10</sup> Thus so far in the advance voting the percentage of Afro-Americans that participated was only 22% (down from 28% in 2012), while in Ohio the percentage of white participants was 90% (up from 87% in 2012) & that of Afro-American ones 8% (down from 11% four years ago).



other such states & because, since JFK did so in 1960, no candidate from either party has ever made it to the White House without winning the state) in the heavily Democratic counties of Cuyahoga & Franklin ballot requests were down from 2012 while GOP-leaning Warren county saw an increase. Clinton has also been spending big money in Colorado & Michigan, despite the fact both states have long been Democrat strongholds & Michigan also hasn't helped to elect a presidential candidate since 1968.

*"Familiarity breeds contempt" (attributed variously to 1 Corinthians 11, Mark 6 : 1-6, Matthew 8 : 5-13, and Publilius Syrus (85-43 B.C)).*

### **PETER THIEL : WHAT TRUMP REPRESENTS ISN'T CRAZY AND ... IS NOT GOING AWAY** **(RealClearPolitics, Ian Schwartz)**

- In speaking to the National Press Club on Monday October 31<sup>st</sup> he buttressed his case by making a number of possibly relevant points incl. :
  - It is unprecedented that this year a political outsider won a major party nomination which to those used to influencing our choice of leaders (& the commentators who give reasons why) was a bad dream. And donors just want to move on *and* hope that in November 9 all will go back to business as usual. But this ignoring of difficult realities indulged in by our most influential citizens is the very thing that got us in the situation we are today & this election may well be less crazy than the condition of our country;
  - Baby Boomers, the generation of our leaders, are entering their retirement years in a state of *virtual* bankruptcy : 64% of them have less than a year's savings to their name in a country where medicines cost 10x more than anywhere in the world<sup>11</sup>, & those Americans who can't afford them have started to take notice;
  - While young Americans don't have big medical bills, many have huge student loans (for college tuition fees have been increasing at a rate faster than the rate of inflation<sup>12</sup>), thereby adding every year to the now \$1.3TR mountain of student debt<sup>13</sup> owed by 44MM Americans (*up from 25MM in 2006*). So now the millennial generation is the first ever to expect their lives to be worse than their parents';
  - While *most* American families' expenses have been growing relentlessly, their incomes haven't : today the median household has less income (*in real terms?*) than 17 years ago & nearly half of Americans would be unable to come up in an emergency with \$400. Meanwhile the government is wasting trillions of dollars on faraway wars that Americans are tired of; for we've been at war for 15 years at a cost of US4.6TR and 5,000 US soldier-, & 2+MM civilian-, lives, and haven't won! And the Democrat party is more hawkish than ever since the Vietnam War (with Hillary calling for a no-fly zone over Syria despite the fact that most planes flying over Syria these days are Russian; thereby risking a nuclear conflict?);
  - But not everyone is hurting; in the wealthy suburbs ringing Washington, D.C people are doing just fine as are those where I work, in Silicon Valley; but most

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<sup>11</sup> And a survey a decade ago of 3.75MM Michigan Bluw Cross/Blue Shield member showed that nearly half of their total lifetime expenditures were incurred during their senior years.

<sup>12</sup> In fact, at a rate more than twice the rate of inflation.

<sup>13</sup> It is the only form of consumer debt that kept growing throughout the Great Recession and has done at a compound annual rate of 10% in the past decade, with the rate of loans having steadily increase to the point where at least reopr it is 9.8% for borrowers in the 40-49 age cohort

Americans don't live there & haven't shared in that prosperity. So it shouldn't have surprised anyone that many voted for Bernie Sanders & Donald Trump (the only outsider left in the race). And it is not a lack of judgment that led so many of them to do so, but the feeling that their *traditional* leadership had failed them, a fact that has been hard to accept for some (*many?*) of our most prominent citizens;

- The size of our trade deficit shows something has gone badly wrong. As the world's most developed country we should be exporting capital to less developed countries; instead we run a US\$500BN balance of payments deficit with *much of* that money flowing into financial assets that benefit the well-connected & give them reason to support the status quo, And the experience of the Baby Boomers, whose lives have been much easier than their parents', & *likely will be than* their children's, has led them to buy time & again into bubbles, with the *Free Trade* bubble saying "everyone's a winner" & the war bubble "victory is just around the corner". But with both yet to materialize, voters are tired of being lied to;
- DC insiders expected this election to be a rerun between the two political dynasties that had gotten us in the most gigantic financial bubbles of our time, the last one being so big its collapse still causes economic stagnation today; and
- Voters are tired of hearing conservative politicians saying that government never works; for they know/*remember that* it wasn't always this dysfunctional (as shown by earlier ones having scored successes like the Manhattan Project, the Interstate Highway system & the Apollo Program.

*'Out of the mouths of babes (& fools?) oft come gems'. - Thiel is a billionaire Trump supporter Early in his career he 'clerked' for a year for a US Supreme Court Justice & for two traded derivatives for Cr dit Suisse before becoming a co-founder, with Elon Musk, of PayPal & acquiring a 10% interest in Facebook for US\$500,000. Today he is in the hedge fund business.*