

Declaration : I have always called things as I saw them & 'damn the consequences', and don't intend to change at this late date;. Thus I was not, & still am not, a fan of Trump whom I deem a narcissistic buffoon, nor of Hillary who in my view is just a "nasty, highly over-rated piece of work" whose much-vaunted track record is a figment of someone's imagination : she flubbed 'Clintoncare' in the 1990's, then was a US Senator for the State of New York of no particular distinction & her main achievement as Secretary of State was to have travelled more than even Madeline Allbright (while marketing the Clinton Foundation on the side) and all along was involved in a number of dubious undertakings.. My early gut feel was expressed by a media type who late in the primary season observed 'the choice for voters between Trump & Hilary would be one between "bad" & "evil" ', my view being that it is easier to deal with the former than the latter. And the more the campaign proceeded, the more I got the sense that the broad & deep vein of voter discontent that both Trump & Sanders had tapped into might be Hillary's death-knell, a sense that was only reinforced when, in talking to Americans I was surprised to find how high up the social/educational ladder & the income scale that discontent was pervasive. So in a small pool with friends I made a few bucks with a prediction that Trump might get 280 Electoral College votes. Having said that, I wouldn't wish Hillary's fate onto my worst enemy, that of having twice been declared the odds-on winner, only to have the prize twice snatched away at the last moment by a rank, 'less qualified', outsider. Going forward, I have but two comments : the US now runs the risk of having a three member family group with both feet in the White House trough replaced by a baker's dozen of them & the other that Trump may do much better than expected because at age 70 & having fulfilled his financial ambitions, he may become driven by what Obama deems his "legacy". For a man his age this at can be a powerful driver, especially since Obama too ran as a 'new boy' & harbinger of change & blew it; so his stimulus would be two-fold : in absolute terms to go down as the President who made "America great again" **and** in relative terms to succeed where Obama failed.

P.S. - Three-and-a-half hours a day of physio-, & occupational-, therapy five days a week eat directly & indirectly (I **need** a snooze when I get home) into the time I have available to work on Gleanings. And this is supposed to carry on until Christmas time (but it is worth it : last Tuesday was a "Red Letter Day" when, for the first time in five months I could put my left sock on in the 'normal way', i.e. by picking up my left foot & place it over my right knee). So I think that it would be best for the next little while to have Sunday evening/Monday morning, rather than Thursday evening/Friday morning as my target deadline for getting Gleanings out (since that gives me all of Saturday & Sunday to work on it).,

Quote of the week : "He heard voices out there that we just weren't hearing." House Speaker Paul Ryan (R-WI) - *Never a fan of Trump as his party's Presidential standard bearer, he formally distanced himself from him on October 10th when he told fellow Republicans that "He was done defending Trump". But exactly one month later, on November 10th, after a meeting with the MAN himself, First Lady-in-Waiting Melania & VP-elect Mike Spence, he told reporters "Let me just say how excited we are about these opportunities for the country. We had a fantastic, productive meeting about getting to work, rolling up our sleeves, and going to work for the American people." (with some of his detractors subsequently accusing him of 'using Trump's election slogans') - He may well have be motivated by a move in the GOP for Trump to "leave policy making to Paul Ryan".*

Quote of the week No. 2 - "Every time they counted him out, he's still standing. For he has a message that has resonated with working people and he has the energy and drive to get something done." Sen. Jeff Sessions (R-Ala) on Election Night - *Age 70, we are likely to hear more from him; a former Attorney-General of Alabama, he was the first Senator to endorse Trump (in February), made the Trump nomination speech at the July Republican National*

Convention, joined the Transition Team's Executive Committee on November 11th & may become Secretary of Defense

Afghanistan marathon - The November 12th National Post carried a story of this November 4th "secret" marathon in which Canada's 60 year-old Martin Parnell (who once did 250 marathons in a single year) participated. But what was more noteworthy was that so did five local women. And even more noteworthy was that when, according to the paper, Parnell "spoke with town elders, asking if they had concerns about them running alongside men ... 'Many of these older man had big families, some with four or five daughters. They said 'No, we want our daughters to get educated, to get in the world. We want them to run' " - *So there may still be hope for Afghanistan; the Muslim world may not be as backward looking as some of them would have us believe.*

Post-election trauma is obscuring two major US financial matters that have to be dealt with in the near future - On December 9th or 11th (*both dates were mentioned by usually trustworthy sources*) the existing authority for the government to spend any money at all will expire; so unless Obama & Congress as presently constituted deal with this matter within the next 3-4 weeks a government shut down looms. And, but for the last minute October 30th deal that suspended the existing US\$18.1TR debt ceiling until next March, the Treasury on November 3rd would have run out of room to use 'emergency cash management measures' to avoid breaching it (as it has been doing for the previous seven months).

Trump the only US President ever with formal training in Economics? - While he had such training (at Wharton), this recent claim is false. For Bush 43 had an MBA & 41 a degree in economics, as did Gerald Ford. Of the other post-war presidents President Truman never went to college, Ike majored in math & science at Westpoint, Kennedy had a degree in political philosophy, LBJ an education degree, Nixon one in 'liberal arts, Carter was an engineer, Reagan majored in performing arts & Bill Clinton has a BSc. in Foreign Service.

Trump's modus operandi? - According to Trump's one-time aides, 'the Washington bureaucracy and Congress will have to get accustomed to a president who cannot stand long meetings & has little patience for complexity (*how Reaganesque!*) *But while that could be positive character feature in dealing with the officialdom 'inside the Beltway', it would be counter-productive in dealing with Congress; for it is replete with little people with over-sized egos & self-interests, the former of which must be stroked & the latter catered to (up to a point); in fact, the biggest challenges that Trump may well face will be in dealing with various GOP factions; for many of his claims during the election campaign were at odds with long-held GOP dogma, and the party has, like Canada's Conservative Party, a proclivity to 'put the wagons in a circle & fire inward', i.e. at each other.*

Tyranny of the minority - The street demonstrations against the outcome of the US lection are part of this new. political correctness-spawned, fostered & encouraged, but anti-democratic, phenomenon whereby small groups of people feel entitled to challenge the will of the majority (&, worse still, expect-, & often are allowed-, to get their way).

US Consumer Confidence Index - The University of Michigan's preliminary November reading thereof, based on data collected before the results of the Presidential election were in, was a five months' high 91.6, up from October's final reading of 87.2 & the year-earlier 91.3, as consumers displayed more confidence about the present & future, and raised their inflation expectations from 2.4% last-, to 2.7% this-, month - *the final reading is due November 30th.*

US state gubernatorial elections - With 12 of them at stake, the Democrats hung on to five (Delaware, Montana, Oregon, Washington & West Virginia) & the GOP to three (Indiana, North Dakota & Utah), in three (Missouri, New Hampshire & Vermont) the Democrat incumbent was shown the door & in one (North Carolina) the Democrat challenger has declared victory (albeit with only a 5,000 vote edge out of 4.6MM votes cast, with a lot of absentee votes yet to be counted). All in all the GOP has bumped their governor tally up by at least two to 33).

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IEA RAISES FORECAST FOR NON-OPEC OIL OUTPUT (BB, Rakteem Katakey)

- On November 10th it said that “2017 could be another year of relentless global supply growth similar to that seen in 2016.” More specifically, whereas last month it had expected 2017 non-OPEC oil production to go up 110,000 bbl/d (after dropping by 900,000 bbl/d this year), it has revised that to “just shy” of 500,000 bbl/d. It now expects Russian production to increase by 190,000 bbls next year (after having done so by by 230,000 this year), Brazil’s by 280,000, Canada’s by 225,000 & Kazakhstan’s by 160,000, and aggregate non-OPEC oil output to 57.2MM bbl/d. Meanwhile it says that US crude supply will shrink by 465,000 bbls this year¹ to 12.5MM bbl/d & stay around that level next year.

This would not be good for Alberta. The only potential saving grace is that IEA’s prognostications often are ‘counter-indicators’ (i.e. the very opposite of what really happens). And its assessment of the outlook for US oil is at odds with what is expected in the US ‘Oil Patch’ (that may well have become a great deal more bullish by Trump’s now President-Elect status).

OPEC’S PUMP-AT-WILL STRATEGY PAYS OFF (BB, Grant Smith)

- Just as it appears ready to ditch this policy, the numbers suggest that it worked; for OPEC announced on November 8th that in 2015 its global market share had been 40%, up from 38% YoY & that it expects it to climb further to 41% by 2020 (when it says it expects to be pumping 40.6MM bbl/d).

Given that it supposedly may decide on November 30th to (try &) cut its output to between 32.5MM & 33.0MM bbl/d (from its current 35.37 bbl/d), its 2020 forecast implies a 25% increase over four years; this could not help but be incompatible with much, if any, significant oil price improvement.

POPULISM’S FOURTH WAVE COMBINES RIGHT AND LEFT (DT, Gary Gerstle)

- Trump’s victory constitutes the fourth seismic populist political wave to shake the country. The word “populism” originated with William Jennings Bryan who in 1896 took control of the Democratic Party in a ‘proto-socialist ‘putsch’ advocating the nationalization of railroads & introduction of a progressive income tax on wealth, that took a well-funded GOP juggernaut led by William McKinley to stop in its tracks. Another form of leftwing populism erupted in the 1930s during the Great Recession when

¹ Which is at odds with the expectations emanating from the US oil patch

industrial unions full of Europeans feeling they weren't not getting their share of the American Dream pushed FDR & the Democratic party so far to the Left that they introduced a welfare state, broad rights for labour & a wealth tax, reforms that went much further than they would have gone on their own. And then in the 1960s American populism took a right turn; for while it had always been suspicious of those with a different skin colour, it began to define itself by its skin colour & to oppose civil rights' movement that sought to put blacks on the same footing as whites and, with Alabama Gov. George Wallace, a Democrat, as their pitchman, became obsessed with the white elites' efforts to give the black poor advantages they alleged had never been extended to poor-, or working class-, whites, in the process deserting the Democratic party for the GOP, once the party of emancipation & Abe Lincoln. And Trump has managed to make himself the heir of both strains of populism, railing against the dispossession of the working class like no Republican since Lincoln and against the liberal elite and their multiculturalism & political correctness and, at the same time, against the large corporations & banks that had 'rigged' the political system against them.

- The first three profoundly reconfigured US politics & this one promises to do likewise; but its odd combination of anti-right & anti-left populism will make politics over the next five to ten years exceedingly difficult to predict.

It may only be "exceedingly difficult to predict" for those who don't listen to the grass roots chatter that expects politicians & bureaucrats to resume being "public"-, rather than "self"-, servants - the author has a BA from Brown University and an MA & Ph.D. from Harvard. After three decades of teaching American history at American universities, most recently at Nashville, Tenn.-based Vanderbilt University as the James G. Stahlman Professor of American History, he decamped in 2014 to Britain's Cambridge University to become the Paul Mellon Professor of American History .

CAPITAL PUNISHMENT MAKES A COMEBACK ON ELECTION DAY (WP, Mark Berman)

- On November 8th voters in California, Nebraska & Oklahoma rejected proposals to abolish it. In Nebraska, which has had some highly publicized problems getting lethal injection drugs, it was the culmination of an 18 months' scrap between its lawmakers & Governor since the former had passed a bill banning it (thereby becoming the 19th state to do so) which the Governor had threatened to-, & did -, veto. In California, a state that, due to problems with its lethal injection protocol, hasn't carried out an execution since 2006, despite the fact it is home to 25% of the nation's death row inmates, a proposal to abolish the death penalty was defeated 53.9-46.1 (i.e. a margin of 151,000+ of the 8.2MM votes cast). And in Oklahoma, that last year became the first state to make nitrogen gas a back-up method of execution, voters passed a proposal declaring *not only* that the death penalty is not cruel & unusual punishment, but also gave the state with the authority to adopt "any *other* method of execution not prohibited by the United States Constitution".

Robert Dunham, Executive Director of the Death Penalty Information Center, may, or may not, have been putting lipstick on a pig when he said that "The long-term trend is still pretty clear ... (it) has been away from the death penalty."

WHERE WE GO FROM HERE (WP, Charles Krauthammer)

- As Hillary pointed out in her concession speech, Trump won fair & square and is owed a chance to lead. So conservative critics of Trump like myself must start thinking about how to make a success of the coming years of Republican rule. We should start by recognizing his remarkable (*Reaganesque?*) political instincts; or as Paul Ryan put it in his 'morning after' olive branch news conference, Trump heard "a voice out in the country that no one else heard." Our principal first task must be to craft a governing agenda that actually alters the lives of those left behind by the new globalized digital economy who delivered the presidency to Trump; so the now dominant GOP must start by cancelling Obama's Executive Orders on everything from immigration to climate changes policies & then move on to some of his more elaborate adventures into overweening liberalism, first & foremost Obamacare. Once that is done, we will have a chance to enact the Reaganite agenda that has been in exile from the White House for years.
- While Washington's gridlock has long been attributed to GOP obstructionism, the House did pass serious legislation such as Medicare reform, only to have it founder in the Senate on opposition by *Senate Minority Leader* Harry Reid (*D.-Nev*) or on a veto on Obama's part. And once the undoing of *Obamaism* is out of the way, there will be scope for action in areas such as border enforcement, with a wall providing the leverage for a grand bargain that would include the legalization of resident illegal immigrants, an idea that according to the exit polls has the support of more than seven in ten voters.
- During the campaign Trump's populism often clashed with traditional Reaganism. Key to GOP success will be the fusion of the Reaganite core of smaller government & strict constitutionalism & meeting the grievances of those who drove the Trump insurgency, the long-suffering, long-neglected working class, i.e. a willingness by both the Reaganite & populist elements in the party to *support* & advance each other's goals, even at the cost of their ideological purity, requiring far-reaching negotiations between a Trump White House & the GOP Congress. We now have control of all the political branches (*incl. the USSC?*) &

thus have the means to deliver; but must show we can deliver (*instead of indulging in intra-GOP guerilla fighting*).

The writer puts his finger on a key point, namely that a President & Congress of one & the same party will not necessarily 'sing of the same song sheet'. For five reasons his initial priority should be focus on small business. For it creates most new jobs, it cannot help but appeal to all lawmakers (whereas large projects create dog fights among them), it may help short circuit the lobbyists' 'loop', it has a much shorter payback period than more capital-intensive spending and, if he were to succeed in creating more jobs at the grass roots level, his other sins will likely be forgiven

DON'T PARDON CLINTON : GIULIANI (BB, Elizabeth Titus)

- While during the campaign Trump talked about having a special prosecutor investigate her & that, if he were in charge of US law enforcement, she “would be in jail”, on November 9th the White House said it would not rule out the issuance of a pardon to protect her from prosecution over her use of a private email server while Secretary of State, an issue that dogged her throughout the campaign,. But the next day *one-time New York Mayor, & now supposedly a candidate to be Trump's Attorney-General*, Rudy Giuliani told Fox News that President Obama should not do so & “should leave it to the system we all believe in”, going one step further by suggesting it was not just a question of pardoning her but of the family foundation (that is already under investigation). On the other hand, *he seemed to pee on his own parade when he continued* “I don't like to see America become a country in which we prosecute people ... about politics ... On the other hand, there are deep and disturbing issues there in which if you don't prosecute them ...”

Obama would do everybody, incl. Trump, a big, big favour if he were to pardon her, even if it meant being vilified by some for doing so.

CANADIANS RAMPING UP THEIR DEBT IN 3Q (FP, Garry Marr)

- Debt rating agency TransUnion reported on November 10th that *Canadian consumer* non-mortgage debt had risen, at the end of the Third Quarter, to an average \$21,686 (up 2.3% YoY), with Jason Wang, Director of Research & Analysis in Canada for the Chicago-based firm commenting “Canadians continued to add debt in the third quarter, with balances increasing across most loan types ... The recent government outlook for weak economic growth conditions may have led consumers to believe low interest rates will be here for a long time, which could result in pushing balances even higher due to low expected borrowing costs.” But the agency is encouraging lenders to continually ‘stress test’ their consumer loan portfolios since “A recent TransUnion study found that as *many* as 700,000 Canadians may not be able to absorb even a quarter-of-a-point interest rate hike *and* up to one million consumers could be impacted by a full one percentage point rate hike.”

Last May, according to Manulife, the average Canadian homeowner with a mortgage owed \$181,000 on it (up from just \$175,000 six months earlier), 37% of them had been 'caught short' at least once in the previous 12 months & just 40% were confident that they had enough savings for retirement. And, according to StatsCan, as of June 30th of

this year total consumer debt in Canada equaled 100.6% of GDP, the highest such ratio among the G-7 countries, up from 95% two years earlier & 60% at the turn of the century²).

VANCOUVER PROPOSES ONE-PERCENT TAX ON EMPTY HOMES (CP)

- City staff has proposed bringing in an annual 1% tax of their assessed value on empty homes that, if approved by the city council, would be a first for Canada. It is supposed to go council in the week of November 15th in the hope it will be in place next year (at a cost of \$4.7MM) with the first revenues generated in 2018. According Mayor Greg Robertson the aim of the tax is not to raise revenue but to encourage owners to rent, *rather than just 'sit on'?*, their properties in his city (which has the lowest rental vacancy rate, & highest rents of any city in Canada). While the ongoing annual cost of administering the program would be \$1.5MM this is expected to be more than covered by the revenue generated.

The Province has for decades had a land transfer tax applicable to all real estate transactions. Last July it introduced a further 15% such tax applicable only to foreign (mostly Chinese) buyers in Vancouver to discourage them from driving house prices ever higher for their money parking' purposes, thereby making home ownership an ever-evanescent dream for deserving locals. This move is another step down the same path of trying to slow down the rapid rate of house price escalation in Vancouver (that last July's government move seems to have succeeded in doing).

JIHADISTS CELEBRATE TRUMPS' WIN ON SOCIAL MEDIA (WP, Ishaan Tharoor)

- Social media sites associated with ISIL & al-Qaeda hailed Trump's win as the start of "dark times" for the US, with a spokesman for the Syrian jihadist group Jabhat Fatah al-Shami tweeting "Trump's Victory is a powerful slap to those promoting the benefits of democratic mechanisms" & Abu Muhammad al-Maqdisi, a jihadist ideologue linked to al-Qaeda, that "it may be the beginning of America's fragmentation and the era of its breakup."

Both observation seem to display an understanding how the real world works.

RUSSIA SIGNS DEGREE TO SELL ROSNEFT STAKE (Reuters)

- On November 7th Russia published a government degree signed by First Deputy Prime Minister Igor Shuvalov ordering the sale of a 19.5% interest in state-controlled oil giant OAO Rosneft by December 5th (so that the proceeds could find its way into the Russian Treasury before yearend). The problem is that the Budget Deficit may turn out to be greater than envisaged & 1TR rubles (US\$21BN) is needed from privatization deals to balance the Budget, with YTD only 382BN rubles having been raised from the sale of shares in diamond producer Alrosa & oil company Bashneft, with the rest expected from this deal.

On November 11th Putin himself went on record as saying that the deficit may exceed 3.7% of GDP (which was already well over the initial 3.0% estimate). Be that as it may,

² During the same period US consumer debt went from 97% of GDP in 2000 to 97% in 2015.

with Rosneft having bought a 50.1% interest in Bashneft just last month, there may be some 'financial engineering'/ skullduggery/cooking of the books here to obscure Russia's fragile fiscal situation.

GREEK TOURISM RISES ON GREATER STABILITY (AP)

- Greece's Alternate Tourism Minister told a travel conference on November 7th that 2016 has been "another great year for Greek tourism" with international arrivals up 7% by September 30th. It appears to have benefitted from greater political stability & from holiday makers avoiding other Mediterranean tourist hotspots (like Egypt, Tunisia & Turkey).

The UK government doesn't seem to quite agree; for its latest tourist travel guide for the 2.7MM Britons that visit Greece each year warns that on November 10th two men on a motor bike threw a hand grenade at the French Embassy in Athens and that there are frequent strikes, often on short notice, in the public transport system, & public demonstrations in Athens & other cities. On the other hand, the EC (European Commission) is remarkably upbeat about the outlook for the Greek economy; for after years of minimal-, if not negative-, GDP growth, it is calling for 2.7% real GDP growth in 2017 & 3.1% in 2018 (which would bring unemployment down from the current 24.9% to 20.3%, balance the budget after a string of deficits, & cut the Debt-to-GDP ratio from 180 this year to 172 in 2018. And the market seems to be buying this; for the yield on 10-year Greek government bonds is down to the low 7% range (from 48.60% in 2011 & 20% a year ago).

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HIS VOTERS WANTED IT MORE; CLINTON COULDN'T INSPIRE ENTHOUSIASM (NP, Richard Warnica)

- The coalition he always claimed *was there* didn't just turn out, it turned out in force in precisely the places he needed it most. On the other hand, huge parts of her base stayed home. She didn't need a great performance to beat Trump & not even a good one'; she just needed to do 'OK' & couldn't manage that. She failed to get the margins she needed among Hispanics³, blacks, & women⁴. More specifically, he beat her among white voters 58-37, among those without a college degree 67-28, among white women 53-43, among rural voters 62-34 & in the suburbs 50-45, whereas she only carried the big cities 59-35.

And she got consistently beaten by him, albeit mostly by small margins, in the 'swing states' : Florida (49.1-47.7), North Carolina (50.5-46.7), Michigan (47.6-47.3), Ohio (52.1-43.5), Pennsylvania (48.8-47.7) & Wisconsin (47.9-46.0⁵)

³ Among whom, exit polls suggested women had tended to vote for her & men for Trump.

⁴ Among whom she had more appeal among older-, than among younger-, women, a trend that had already been apparent long before Voting Day

⁵ Where the pollssters got it so badly wrong that the average of the last five polls conducted in the five days ending November 6th had her handsomely ahead 52.8-45.9

TRUMP IS THE CHANGE CHANGE VOTERS SAY THEY WANTED (BB, Virginia Postrel)

- Many liberals are telling themselves depressing, frightening, self-congratulatory & not entirely true stories that Trump's victory was a function of voters endorsing racism, misogyny & ignorance, & just being jerks. But he didn't win because voters endorsed his most ignorant utterings; for, while 60% of voters viewed him unfavorably, 15% of those same voters *nevertheless* voted for him, 60% didn't think he was qualified to be President & yet 18% of those gave him their vote and one-fifths of the 63% who didn't think he had the "temperament" to be President also voted for him. He also got the vote of 29% of those who said his treatment of women bothered them. And when in the exit polls voters were asked what quality in a candidate mattered most to them, 39% answered "to bring change" (and 83% of those voted for Trump). Liberals who attempt to turn Trump's win into an endorsement of racism & misogyny do themselves a disfavor; for, as *Hillary herself admitted after the election*, calling half of all Americans horrible people was a big reason Trump got elected & the longer Democrats keep saying this, the worse it will be for them.

The exit polls also told the following story : Trump won the white vote by a record margin among both men & women. There was no surge of female-, nor Latino-, voters⁶, Education mattered : while in 2012 Obama attracted votes from 50% of who had graduated from college & 51% of those who hadn't, this time around Hillary got the votes of 52% of the former but trailed Trump by 8 points among the latter. The economy was a big issue : 52% of all voters said the economy was the most important facing the country & Hillary led Trump by ten points among them. This was a change election : 39% of voters said 'bringing needed change" was what mattered most & the Trump-Hillary split among them was 83-14. Obamacare was a wind in Trump's sails : 47% believed that Obamacare had gone "too far" and 83% of those voted for Trump. Only 38% of voters had a favorable impression of Trump. 63% of Americans said the Clinton email issue bothered them a "lot" or "some". And finally, this was a deeply pessimistic electorate :only one in three voters said that the country was "generally going in the right direction" & two-thirds that it wasn't, with Hillary getting the support of 90% of the former & Trump 69% of the latter.

⁶ There was a sex split among Latinos, with most women voting for her & a majority of men for him.