

An omen? - A study by University of Calgary researchers entitled Euthanasia may save \$139MM in a recent Canadian Medical Association Journal says doctor-assisted suicide could save Canada tens of millions of dollars in “end of life” care costs. While stating “Neither patients nor physicians should consider costs when making the very personal decision to request, or provide, this intervention”, it nevertheless points out that “as death approaches, healthcare costs increase dramatically in the final months ... Patients who choose medical assistance in dying may forego this resource-intensive period”. It calculates that the direct total cost of a “completed case” of ‘doctor-hastened death’ ranges from \$269 to \$756 (*i.e. less than the average daily cost in Canada of a hospital stay*) depending on the doctors (family physician or internal medicine specialist) & drugs (oral vs, intravenous) involved - *According to the World Bank Canada’s health care expenditures had gone from 8.9% of GDP in 1995 to 10.4% in 2014 (vs the US’ 13.1 & 17.1 & the UK’ 6.7& 9.1) and according to a recent US study nearly half of one’s lifetime health expenditures occur during one’s senior years (& for the 85+ cohort over one-third during their remaining years); so the aging of their populations almost inevitably will result in these percentages rising further in the future, in the process increasingly becoming a high profile issue for future generations of taxpayers.*

Faint praise? - In a scientific paper on January 19th in the open access journal ZooKeys, an Agriculture Canada entomologist reported naming a new species of twirler moths *Neopalma donaldtrumpi* for the bright yellow scales on top of the tiny creature’s head (discovered in 2011 on California’s Santa Cruz Island, it has a wing span of < 12 millimeters/0.5 inches).

Medical breakthrough? - A 32 year Ontario mother of one was born with cystic fibrosis & waiting for a lung transplant. Last April she was brought to the Toronto General Hospital with a raging lung infection featuring bacteria resistant to all antibiotics. At death’s door & still waiting for new lungs, doctors, in a Hail Mary pass-like move, removed her lungs & kept in a coma with machines oxygenating & circulating her blood until, six days later, lungs became available & the transplant was completed. Today she is back to leading as normal a life as could be expected – *these antibiotic-resistant bacteria encounters are becoming too frequent for comfort.*

Mexican Wall - Mexico’s Cemex is the world 5th largest cement company & its Houston-headquartered American subsidiary the second largest in North America. Since Election Day investors have bid up its share price 16.3% in the expectation that it will be a major beneficiary of Trump’s border wall-building mania. And his claim that Mexico will pay for it via a 20% tax on its imports into the US is as bogus as some other of his claims; for while Mexico would pay for it by way of its negative impact on its economy, the actual cash proceeds of such a tax would come out of Jill & Joe US Consumer’s pockets through higher retail prices.

Saskatchewan Premier Brad Wall’s innovative thinking - Faced with a growing backlog of people needing MRI scans & with low oil price-driven budgetary constraints, he is allowing Saskatchewan residents to pay for MRIs out of their own pockets, with a side deal with the MRI providers to do another one for free for someone on the public waiting list (*a ‘redistribution of wealth’ methodology that will hike the utilization rate of existing equipment & keep money in Canada that otherwise might have been spent in a foreign country medical tourism destination?*)

US oil production - According to IEA Executive Director Fatih Birol, from the sidelines at the Davos World Economic Forum, if OPEC & Russia stick to their plans to cut output there will be continued upward pressure on oil prices. On the other hand, higher oil prices in the First Half of 2017 will further stimulate output by US shale oil producers that will have the opposite effect. This came after it had noted in its latest monthly review that US ‘tight oil’ output may grow by 520,000 bbl/d in 2017, continuing a trend that got underway in late 2016 as the prospect of

higher prices “supported increased activity in the U.S. shale patch” & “the outlook for U.S oil production for 2017 had materially improved”. And after declining for two decades, US output had soared by 4MM bbl/d (i.e. 80%) between 2008 & 2015 as improved hydraulic fracking-, & directional drilling-, technology had made vast amounts of crude oil trapped in shale rock profitable to extract. Finally, that the number of active drilling rigs in the US was up 50% from last May’s low (although still down two-thirds from its 2014 peak) & that capital spending by the industry was on the rise for the first time in three years & productivity was up sharply due to lower drilling costs & a focus on the most prolific wells.

GLEANINGS II - 695
Thursday January 26th, 2017

U.S. HOUSING SURGES IN DECEMBER WHILE JOBLESS CLAIMS DECLINE (Reuters)

- On January 19th the Department of Commerce reported the tighter labour market is boosting demand for multifamily housing & driving up rents, and that, despite 4+% mortgage rates, housing starts in December had been up 11.3% MoM to 1.23MM (vs. 1.20MM expected) *although still down 7.1% from November’s 1.32MM recent high*. And the Department of Labor that in the week to January 14th new claims for unemployment benefits had declined 15,000 to 234,000, just over mid-November’s 233,000 43 year low.

This may drive the Fed to hike interest rates further faster (& may prompt Trump to try & make it more “dovish” by filling the two vacancies on its Board with “let her rip” individuals?)

TRUMP’S TOXIC ‘WELTANSCHAUUNG’ - His comments on foreign policy are troubling but his scorn for Germany is cause for alarm (G&M, Paul Heimbecker)

- His pronouncements to date suggest a world view a mile wide & an inch deep, less a manifestation of a *well thought out* geostrategy than an echo of cocktail party chatter. He has called NATO obsolete (*at a time of a greater-than-usual Russian threat to European security?*), encouraged the breakup of the EU & lauded Brexit, deprecated the UN, encouraged nuclear proliferation, disavowed US commitments on climate change, disparaged Mexico, blustered on the Middle East & provoked China while handing it the leadership of Asia on a platter (*by backing out of the TPP*), while risking a trade war that would benefit no one. His dismissal of the EU as “basically a vehicle for Germany to run Europe” is misguided (*even though there is an element of truth to it*). But after triggering two world wars *in 25 years* that killed 100MM people & *dragged America in*, the more the Germans are embedded in Europe & the less they’re feared by their neighbours, the more likely a peaceful, prosperous & cooperative future for Europe. Due to the EU’s existence, Europe has *since WW II* experienced its longest period without a major war in 350 years. His characterization of Merkel’s refugee policy as a “catastrophic mistake” was at best oblivious (*of geopolitical realities?*) & at worst malevolent (being the leader of a country whose 2003 Iraq invasion had triggered a chain of events at the root of today’s refugee crisis¹), especially so since she was one of very few Europe’s leaders with the political will to shelter refugees fleeing for their lives, rather than keeping them

¹ Who is about to sign an Executive Order to gut his country’s already puny Syrian refugee program (late last August the Obama Administration announced proudly that it had met its 10,000 Syrian refugee target while Canada with a little more than one-tenth its population had six months earlier reached its 25,000 refugee target)..

out with razor wire. His criticism of Germany & Chancellor Merkel is in sharp contrast to his admiration of the *thuggish* Russian President Vladimir Putin, who has ordered the 'removal' of political rivals, invaded Georgia, annexed Crimea, supported Ukrainian dissidents, pressured the Baltic states & Poland, backed a war criminal in Syria, and interfered with elections in Europe & the US. And the fact he told the Times of London that he has the same trust in Putin as in Merkel, suggests he has a blind-eye world view or that the Russians are really blackmailing him². How all this is in the interest of *the Western world and the United States* is difficult to fathom. And a few more months of his (*mindless?*) tweeting will (*or should it be 'is likely to'*) undo decades of US *diplomatic* achievement in painstakingly constructing an international system (*that, on the whole, has the US' fingerprints all over it & has served its interests well?*)

Now 75 & a Distinguished Scholar at the University of Waterloo-based Centre for International Governance Innovation³, the author calls Trump's approach to foreign affairs as "Blind to history and deaf to reason". While he may have an axe to grind & this may seem like an elitist's reaction, he nevertheless has something Trump lacks, extensive hands-on, high level international diplomatic experience, having been, among others, Brian Mulroney's Chief Foreign Policy Adviser (1989-1992) and Canada's Ambassador to Germany (1992-1996) & to the United Nations (2000-2004). So it may be unwise to dismiss his observations.

TRUMP THREATENS TO 'SEND IN THE FEDS' TO CHICAGO (Politico, Christiano Lima)

- At a January 23rd ribbon cutting ceremony at an Uptown domestic abuse shelter Chicago mayor Rahm Emanuel criticized Trump for his pre-occupation with the size of the audience at his inaugural address, saying "You didn't get elected to debate the crowd size at your inaugural ... You got elected to make sure that people have a job, that the economy continues to grow *and* people have security as it relates to their kids' education. It wasn't about your crowd size. It was about their lives and their jobs." *This obviously rubbed Trump's purported empathy for the hoi polloi the wrong way; for in a late night tweet the next day, he fired back that "If Chicago doesn't fix the horrible 'carnage' going on, 228 shootings so far in 2017 with 42 killings (up 24% from 2016), I will send in the feds."* (without specifying if he proposed to use federal law enforcement-, of military-, personnel), This was in line with his call in his inaugural address to end to gang violence & "this American carnage", but a step-up from an earlier comment on the violence in Chicago that "If the mayor cannot do it, he must ask for federal help."

Trump has a point, up to a point. In 2016 there were 762 murders in the country's third-biggest city, up 55% YoY (although with 42 YTD the annualized rate is only marginally, if any, in excess of the 2016 rate. And while the highest such number in two decades, it' was well short of 1974's 970 (that equated to a rate of 30.2 per 100,000 inhabitants, double 2014's 15.1). And his targeting Chicago is oblivious of the fact that this 15.1 per capita 'murder and non-negligence

² During the Soviet era the KGB, Putin's alma mater, was known to have made extensive use of "Kompromat", the use of blackmail to silence domestic-, & pressure foreign-, 'enemies of the state'.

³ Founded in 2001 with an initial \$30MM endowment (that was matched by the government of Canada) by the then co-CEOs of the company then named Research in Motion & now as Blackberry, this think tank has since benefitted from significant Government of Canada largesse & the fact OECD Secretary-General (since 2006) José Ángel Gurría has long been on its Board.

manslaughter' rate ranks 19th in the 'league table' of major US cities' per capita murder rates⁴, more or less on a par with Washington, D.C. (15.9) but lower than Buffalo NY (23.2), Pittsburgh P.N. (22.4), Memphis TN (21.4), Atlanta GA (20.5), Cincinnati OH (20.2), Oakland CA (19.5) & Miami FL (19.2), and a fraction of St. Louis' 49.9, Detroit's 43.5, New Orleans' 38.7, Newark's 33.5 & Baltimore's 33.8. In reflecting on why Trump chose to pick on Chicago two, possibly three, reasons spring to mind : Mayor Emanuel had the nerve to criticize him, he had been Obama's Chief of Staff in 2009 & 2010, and he is Chicago's first-ever Jewish mayor (who was first elected in 2011, after having had to go to court to establish his eligibility to run for the job, with 55% voter support & re-elected in 2015 with slightly less voter support.

CHINA IS BEATING TRUMP ALREADY (WP, Aachen Tharoor)

- The TPP (Trans-Pacific Partnership), a 'trade pact' with 11 other nations (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore & Vietnam) was a cornerstone of the Obama/Clinton strategy to *preserve/enhance* American influence in the Pacific Rim; for as Obama put it, "We can't let other countries, like China, write the rules of the global economy ... we should write those rules". But *an obstinate* Congress didn't ratify it & on January 23rd Trump *triumphantly* signed an Executive Order jettisoning America's participation therein, thereby illustrating his difference from his predecessors, all of whom had embraced free trade & preached the dogma of open markets. In the process he has handed China a great opportunity to tilt the geopolitical balance in Asia (& *the world?*) in its favour. *And worse still, self-asserted super deal maker as he claims to be*, according to Edward Alden of the Council on Foreign Relations "Trump has single-handedly given away an enormous source of leverage over China ... The first rule of negotiating is 'don't give way something for nothing', and he has done that right off the bat'."

*Withdrawing from the TPP was an out-&-out dumb geopolitical move. While he called it an "unfair" trade agreement, it's a trade agreement 'in drag', a key political-, rather than economic-, component of the Obama/Clinton strategy to curb the growth of China's global influence (hence the conspicuous absence of China among its participants). Trump's backing out of it has given Beijing a golden opportunity to start reeling in support for its anti-TPP Regional Comprehensive Economic Partnership initiative to forge closer links between China & the ten ASEAN nations (incl. the TPP aspirants Brunei, Malaysia, Singapore & Vietnam) **plus** Australia, India, Japan, New Zealand & South Korea⁵. And the fallout of his asinine move is already making itself felt : since he first mooted the idea during the election campaign the Philippines, Malaysia & Singapore have increasingly been making goo-goo eyes at Beijing, it enabled Xi Jinping to project an image of himself in Davos as the world's greatest defender of free trade, globalization & economic openness (which longer term isn't conducive to "Making America Great Again"), and Beijing has stepped up the marketing for its Shanghai Cooperation Agreement (SCO), a military, security & trade pact with Russia, Kazakhstan, Kyrgyzstan, Turkmenistan & Uzbekistan. While another dozen or so countries as far West as Egypt have observer status and/or are contemplating joining, Russian Foreign Minister Sergei Lavrov announced on Inauguration Day*

⁴ And has the same placing in the 'violent crime' league table.

⁵ Thus one journalist seemed justified in referring to the US withdrawal from the TPP as "an early Christmas present for Xi Jinping".

that he expects negotiations for India & Pakistan⁶ to join to be successful in the near future, with there being (unconfirmed) reports Iran is considering seeking membership in this anti-US group & that Turkey's President Recep Tayyip Erdogan, a NATO 'ally' who has for some time been seeking EU membership, has been heard musing that the SCO might be a 'better fit'. Trump may have been backed into a corner early in the election campaign when his (ill-considered & ill-informed) off-the-cuff remark caused Hillary, who had hitherto been pro-TPP, to jump on the bandwagon (she all but conceded this during the First Presidential debate when, in an attempt to fend off a verbal Trump attack she said "I was against it once it was finally negotiated on the terms that were laid out ...", while the left-of-centre Bernie Sanders of course decried it from the get go as an elitist plot to take advantage of the hoi polloi.

ISRAEL APPROVES 2,500 NEW WEST BANK HOMES (Reuters/CBC)

- On January 24th it announced this decision (four days after Trump's inauguration & two days after announcing plans to build 600 in East Jerusalem)⁷. According to the Defense Ministry (that administers the lands captured in the 1967 war) this seeks to meet the demand for new housing & "maintain regular daily life", and most of them would be built in existing settlements that Israel intends to keep in any future peace agreement with the Palestinians (although the breakdown provided by the Prime Ministers' office showed large numbers will be built elsewhere, incl. 100 in the Beit El settlement that, according to Israeli media sources, has received funding from the family of Jared Kushner, Trump's son-in-law, as well as from the American Friends of Beit El group that is headed by David Friedman, Trump's nominee for the post of US Ambassador to Israel.

A few years ago an Israeli journalist wit rather aptly described a positive US reaction to some Netanyahu move as "giving a green light to someone who doesn't even stop for red lights" and Trump's election has done so 'in spades'. And this is not just a declaration of war on the Palestinians but on world opinion as well, takes Israel one step further into international 'scofflaw' territory, will be detrimental to Israel's domestic security if it were to prompt a third intifada, and could be a (not so small) first step towards Israel formally annexing the West Bank and in due course to an 'ethnic cleansing' of 1.5MM Palestinians currently resident in Israel proper (strong popular support for which was enhanced by the Palestinians' insistence on "no Jews in a Palestinian state") & may ultimately, in a worst case scenario, even prompt an ethnic cleansing of the lands of Judea & Samaria (i.e. the West Bank) as the extremists have been advocating. And last Sunday, the Israeli Cabinet voted unanimously to delay a decision on the highly controversial & explosive proposal to formally annex the strategically located 40,000 inhabitant (10+% of the West Bank settlers) Maaleh Adumim settlement, seven kilometres East of East Jerusalem, until after his visit to Washington (currently scheduled for early February) that may well be the most geopolitically important meeting between a US President & an Israeli Prime Minister in decades.

DUTCH PM WARNS MIGRANTS TO BE 'NORMAL OR BE GONE'

⁶ This would constitute a real breakthrough for Beijing since they are in a population-, economic-, & political-, sense far more significant players on the global scene than the 'Stans' &, unlike Russia, have no direct, or otherwise interest in the movement of natural gas & oil from Russia to China.

⁷ With Netanyahu apparently telling his senior ministers that he was lifting restrictions on settlement construction across the board & one official quoting him as saying "We can build where we want and as much as we want'."

(Telegraph, Senay Boztas)

- This was the bottom line of a full-page ad in several Dutch newspapers on January 23rd, & a TV interview that featured a comment that “people who come to this country for freedom but then reject our values should leave”. Both originated with 49 year-old Mark Rutte⁸, the Dutch Prime minister for the past 6+ years (& for several years longer, the head of Holland’s ‘conservative-liberal’ People’s Party for Freedom and Democracy). And last summer Rutte had said on TV that the *couple hundred or so* Dutch Turks that were demonstrating in Rotterdam *against the coup in their homeland* should “f*** off”⁹ & criticized migrants who “abuse our freedom to spoil things ... bothering gay men, harassing women in short skirts or saying regular Dutch people are racists”
- That same day François Fillon, the Conservative candidate in the French presidential race, after talks in Berlin, rejected Angela Merkel’s “open door” immigration policies¹⁰, tweeting that “the right of asylum is not migration chaos.”

Rutte faces an election on March 15th & the latest polls suggest Geert Wilders’ xenophobic Party for Freedom could end up with most seats (33) in the 150-seat Lower House, up from its current 15, with those of Rutte’s People’s Party for Freedom and Democracy declining from 41 to 24 (& the Labour Party’s from 38 to 10). Nevertheless, the chances of Wilders becoming Prime Minister, or even a part of the government, are deemed slim since all the other significant parties claim¹¹ they wouldn’t be part of a coalition his party is part of; so coalition building after the election may take longer than usual¹². For with PR (proportional representation) there are over eleven parties in the running, seven of whom the polls say may get 10 or more seats. In France the two round presidential election is scheduled for April 23rd & May 7th and at last report the right-of-centre François Fillon & the far-right, anti-immigrant Francine LePen were neck on neck (with the latter marginally ahead 27-25), although the absence of a meaningful Socialist candidate likely favours the former in the run-off). And as to the German election (that has to take place before October 22nd but is now supposedly scheduled for September 24th), the polls have been contradicting the gloom & doom sayers, showing Merkel’s Christian Democratic (D) party with 38% voter support (up 1%), its current junior coalition partner, the Social Democratic (SD) party, with 21% (also up 1%), and the anti-immigration AfD party with 11% support (down

⁸ Who will turn 50 next month, is, like many Dutch people, quite tall 1.95 m/6 ft/4 in, has an MA in History & for many years worked in the Unilever in the Human Resources area.

⁹ This was somewhat unfair reporting for his choice of words was a function of the fact that some of the Turks involved in the demonstration had used the same expression in telling a *female* journalist covering the event that she should skedaddle. More specifically, Rutte’s comment had been “My primary feeling is : ‘f*** yourself ... go back to Turkey”, adding that “a majority of Turks are well-integrated but a small minority stands outside *our* society” (a comment that the Turkish Foreign Ministry later said had been “inappropriate”, *despite the fact that its government tends to deal in a far harsher manner with dissidents*).

¹⁰ That she herself appears to have had second thoughts about; for she was quote not long ago as observing that “If I could, I would turn back time many, many years, to prepare better.”

¹¹ In the first Rutte government (from October 2010 to November 2012), Wilders’ Party for Freedom enabled a minority coalition to rule by supporting it in Parliament without being part of it.

¹² While the Dutch are likely more pragmatic than the Belgian, under not dissimilar circumstances in 2010 (close to a dozen parties with seats with none having more than 20% thereof), the process of coalition building took a record 541 days.

1%) although that may be about to change; for the very latest poll, conducted after SD party leader & Merkel's Vice-Chancellor Sigmar Gabriel announced he was stepping aside in favour of former European Parliament President Martin Schultz, showed the latter tied with Merkel with 41% voter support each (down two points for her & up five for the SD).

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SOARING LAND VALUES IN VANCOUVER SPARK 'PROPERTY-TAX REVOLT **(G&M, Kerry Gold)**

- Nails Bended has been designing & manufacturing furniture in Vancouver since 1963 and *apparently quite successfully* so since his Ribbon Chair is part of New York's Museum of Modern Art's permanent collection. He is currently doing so from two (manufacturing/ storage/office) buildings in the city's Downtown Eastside, a rundown area near its industrial waterfront that is one of the city's oldest-, & once nicest, neighbourhoods that has in the past 50 years degenerated to one 'notorious for *its* open air drug-, & sex-, trade, *and prevalence of* poverty, mental illness, homelessness, infectious disease & crime'. But 'gentrification', or as the city calls it "rejuvenation", is encroaching on it, causing property values to soar; so while in 2016 the assessed value of one building was \$3.93MM, for 2017 it will be \$12.25MM, causing his annual taxes to go up from \$60,000 to \$147,000, with corresponding numbers for the other building being \$5.7MM & \$14.5MM and \$68,852 & \$175,000. So he is considering relocating his half century-old, 75 employee business to Toronto where he says 'commercial properties are much cheaper'.

Knowing politicians' proclivity to spend any money they can lay their hands on, one can only wonder what the City Council does with such tax revenue windfalls & it is not surprising that its 2017 capital budget is up 50% YoY.