

**GLEANINGS II - 731**  
**Thursday October 12<sup>th</sup>, 2017**

**Quote of the week** - “If what you have done yesterday still looks big to you *today*, you haven’t done much today.” - Mikhail Gorbachev, Secretary-General of the Communist Party of the Soviet Union from 1985 to 1991 & final leader of the Soviet Union. Now aged 86 & for many years in retirement, he still occasionally makes the headlines, as he did this week when he told the state newspaper Rossiiskaya Gazeta that US-Russian relations were in the throes of a “severe crisis”, and that the INF (Intermediate range Nuclear Forces) arms control treaty he had signed with President Reagan in 1987 was in peril & needed a Putin-Trump summit to save it.

**Sen. Bob Corker (R-TN)** - His exchange of vitriolic tweets with President Trump has tongues wagging all over Washington, in part because his pointing out that ‘the Emperor is wearing no clothes’ reflects what many other Republicans think but dare not give voice to. In the process he is making fools out of the ‘talking heads’ who proclaimed him to be a “lame duck” when he announced a while ago, after he had turned 75, that, after a decade in the Senate, he wouldn’t run in the 2018 mid-terms (in which his is only one of 8-, out of 52-, Republican Senate seats up for grabs) & demonstrating what he had meant when he had promised to work “thoughtfully and independently” during his remaining time in the Senate. And Trump is ‘pissing in his own nest’ by picking a fight with him, for he doesn’t just need his support in the Senate to get legislation through but also his cooperation as Chairman of the Senate Foreign Relations Committee in filling some ‘juicy’ ambassadorial appointments & the half a dozen or so senior level posts in the State Department that remain unfilled.

**Vice President Pence’s inappropriate spending of taxpayers’ dough?** - Scheduled to fly to California on the taxpayers’ tab for a three-day fund raising tour, he made a stop enroute to address Las Vegas at a unity prayer walk in memory of those killed in the recent shooting. But then he doubled back to his home town, Indianapolis, for an Indianapolis Colts-San Francisco 49ers’ game that he walked out of during the singing of the national anthem, not wanting to “dignify” the players’ kneeling demonstration with his presence (Trump later tweeted “I had asked him to do leave”), He then resumed his California trip - *traveling in Air Force Two, a C-32 military version of a Boeing 757, this side trip added US\$200,000+ to the US\$2+MM cost of his partisan trip (while a few days earlier Health Secretary Tom Price, who had done the dirty work in Trump’s vain efforts to repeal Obamacare, was fired for spending US\$52,000 on charter planes while on government business).*

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**FED CRITICAL OF ADVANCING U.S. TAX REFORM (Reuters, David Morgan)**

- On October 5<sup>th</sup> the GOP-controlled House of Representatives approved 219-206 a fiscal 2018 spending blue print<sup>1</sup> with a provision to let the Republicans bypass the Democrats by requiring a simple majority to pass a tax reform bill in the Senate. While President Trump & the Republican establishment still hope to pass a US\$6TR tax cut package to benefit corporations, small businesses & (*well-to-do?*) individuals to ‘boost US economic growth, jobs & wages’, Federal Reserve officials warn it will deliver a short-term growth surge but longer term high inflation, burdensome government debt levels & a return to sub-par economic growth. And San Francisco Fed President John Williams (Janet Yellen’s successor there) specified that, unless the tax package boosted productivity, it would prompt “unsustainable” growth &, ultimately, asset bubbles, inflation & recession.

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<sup>1</sup> For the fiscal year ending September 30<sup>th</sup>, 2018.

- Many economists feel the economy doesn't need the massive stimulus the tax package will entail. And there is a possibility for a real dogfight within the GOP; for, while the House budget proposal prohibits tax reform from adding to the deficit, the Senate version envisages US\$1.5TR in *net* revenue losses over a decade. The non-partisan Washington-based Tax Policy Center think tank says the Trump tax plan would add US\$2.4TR to the deficit over the next decade at a time the national debt already exceeds US\$20TR, & Rep. John Yarmuth (D-KY ), the top Democrat on the House Budget Committee answered his own question on the House floor "Where is all that money coming from?" by saying "If you're not a millionaire, probably from you."

*After their Obamacare repeal misfires, the Republicans need tax reform in the worst way to brag about in next year's mid-terms &, in typical modern political fashion, have opted for rolling the problem (in this case fiscal probity) 'down the road' for others to deal with when they themselves will have gone to their reward. And on October 12<sup>th</sup> Trump decided to deal with Obamacare with an Executive Order he says will improve the quality of healthcare, & lower its cost, for consumers, and bring affordable healthcare insurance to millions more people, while his critics say it will cause younger & healthier Americans to drop out, thereby increasing the cost for older people, & prompting insurers to start marketing lower cost plans with skimpier benefits.*

### **U.S. WILL WITHDRAW FROM UNESCO (NYT, Gardiner Harris)**

- The Trump administration announced on October 12<sup>th</sup> it will formally do so on December 31<sup>st</sup>, 2018, after years of America distancing itself from the organization for its "anti-Israel bias". According to the State Department "this decision was not taken lightly", citing, in addition to the anti-Israel bias, a "need for fundamental reform ... and the monetary arrears", But the administration says it wants to continue to provide expertise as a non-member. This announcement came as no surprise to anyone in the know on the US-UNESCO relationship; for in 2011, pursuant 1990 & 1994 legislation that mandated the cutting of funding to any UN agency that gave full membership to the Palestinians (as UNESCO did in 2011 by a vote of 107-14), the Obama administration had quit funding the agency and, as a result had in 2013 lost its vote.
- Analysts see this as a major escalation of the US' critical attitude vis a vis all UN bodies. And Aaron David Miller (68)<sup>2</sup>, a former Middle East negotiator & advisor in both Republican & Democratic administrations, opined "This is another example of the Trump Administration's ambivalence and concern about the way the UN is structured and behaves and shows its determination to separate itself from its predecessors."

*UNESCO's cause in Washington was not helped by its passing a resolution in 2015 criticizing Israel's "mishandling" of heritage sites in East Jerusalem, nor by its declaration last July of the danger to the status of the ancient, & hotly contested, core of Hebron<sup>3</sup> as a Palestinian World Heritage site.*

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<sup>2</sup> Who served in the State Department for 24 years ended in 2003 & since then has been Vice President for New Initiatives at the Washington-based Woodrow Wilson International Center for Scholars (that was established in 1968 by Act of Congress as part of the Smithsonian Institution) and a *part-time* CNN analyst.

<sup>3</sup> Hebron, 30 kms/19 miles South of Jerusalem is the second largest city in the West Bank. It is home to 215,000 Palestinians & 700 Jewish settlers (who live in part of the old city protected by thousands of IDF soldiers & frequently instigate confrontations). One problem is that it is the second holiest city (after Jerusalem<sup>0</sup> for the Jews & one of Islam's four holiest cities.

## **THE PERMIAN BOOM IS COMING TO AN END (OILPRICE.com, Nick Cunningham)**

- Citing Wood Mackenzie data, the Houston Chronicle reported that shale oil companies spent only US\$5BN on West Texas land deals in the past six months, down from US\$35BN in the previous nine. This is the latest piece of evidence the bloom may be off the shale rose. For more & more companies crowding into the field has pushed up the cost of land, labour, oil field services, rigs & everything else which, according to Greig Atkin, WM's Head of Upstream Oil & Gas Mergers and Acquisitions, has "taken the edge off the Permian", as the low-hanging fruit of cost-cutting had ended & cost inflation had set in, and the backlog for oilfield services has grown. This *supposedly* has led to a growing consensus that the pace of shale oil drilling needs to slow down, with the view increasing that the EIA forecast of 10MM bbl/d US oil production will never materialize.

*In a global context, this may be irrelevant. For the shale technology is spreading. Thus Argentina's Belgium-sized Vaca Muerta shale oil formation is now under development with, according to the state-owned oil company YPF, a break-even price of US\$43 & the first oil being produced next year, thereby reversing the long slide in Argentina's oil output to its current 500,000+ bbl/d level. And there can be little doubt that China will pull out all stops to develop its-own & to help Pakistan develop its-, shale oil reserves<sup>4</sup>.*

## **WANT TO BET ON \$100 OIL IN 2018? SOME INVESTORS ALREADY HAVE (Reuters, Amanda Cooper)**

- When crude prices crashed in early 2016 to US\$27, most industry executives said the world had seen the last of US\$100 oil. Almost two years later, as oil hit a post-2015 high (shy of US\$60), some punters have been snapping up December 2018 US\$100 buy options to the point where the open interest in them tripled, in the space of one week, to 30,000. The thinking is that demand will next year exceed 100MM bbl/d, supply from OPEC will remain restricted for at least part of 2018, and years of flagging prices led the oil companies to cut back on exploration, causing the pipeline of new projects to dry up.

*One cynic called this "going long" US\$100 oil a "cheap lottery ticket", i.e. spending very little upfront for a long shot chance at a huge gain. Global oil consumption was 97MM bbl/d in 2016 & may well hit 100MM bbl/d next year, and by all accounts the supply demand situation is now in better balance than it has been for some time. But the Paris-based IEA (International Energy Agency) expects the 2018 growth in non-OPEC production to exceed that of global consumption growth, in which case it becomes a matter of whether Saudi Arabia can continue to garner support for its production restraint program when, like other producers, fiscal pressures have forced it to produce more oil than it was supposed to. Furthermore, a report last month by the Washington, DC-based Arab Gulf States Institute think tank, entitled Navigating the New Oil Era, concluded that "Industry expectations that prices would steadily strengthen to the end of 2017, as oil inventories contracted and production cuts took place with reduced capital investment curtailing new supply, gave way to a soberer mindset. The prevailing industry now see \$50-60 per barrel as the new normal through the end of the decade, and possibly longer."*

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Total global shale oil reserves are 345BN bbls (i.e. 30% greater than Saudi Arabia's-, & 20% of of global-, conventional oil reserves), with the five top countries being Russia (75BN bbls), the US & Pakistan (58BN bbls each), China (32BN) & Argentina (27BN).

## **PUERTO RICO BONDS PLUNGE AFTER TRUMP PLEDGE TO WIPE OUT DEBT** (CNBC, Fred Imbert)

- Trump visited Puerto Rico on October 3<sup>rd</sup> & later told Fox News its US\$74BN debt will have to be wiped out, upon which its bonds slumped to 37¢ on the dollar, down from 56¢ MoM. According to Larry McDonald, Head of Macro Strategies at Washington, DC-based ACG Analytics “this is not something a president should be doing, or can do ... It’s just noise and ... pretty far removed from reality ... This is not a dictatorship ... We have bankruptcy judges and the rule of law ... But it is scaring the bond market.” And Jeff Lipton, Head of Municipal Research & Strategy at Oppenheimer & Co. Inc., a New York-based investment ‘boutique’, noted “The President ... does not have the power to wipe it out. To my knowledge he cannot issue an Executive Order *to do so* even though Puerto Rico is a US territory”.

*Puerto Rico formally declared bankruptcy last May & a Washington-sponsored orderly process has been underway since to deal with the matter (that will be complicated technically & politically by the fact that 75% of its debt is held by retail investors attracted by the bonds’ high yields & their interest payments’ having “triple tax-exempt status”, i.e. freedom from all federal-, state-, & local taxation). In absolute terms its debt problem shouldn’t be all that problematic (it’s Debt-to-GDP ratio, at 75%, is well below the US’ own 105%) but its economic growth potential has long been undermined by steady population losses as its young people leave for greener pastures elsewhere & by a very low participation rate among those who remain since its mainland-driven welfare system provides a strong incentive to ‘live on pogeys’ rather than work. And Trump muddied the waters still more on October 12<sup>th</sup> by tweeting that Puerto Rico, where most people are still short of power & safe drinking water, should not expect FEMA & the military to provide aid “forever”, thereby demonstrating once again his remarkable lack of knowledge of the US government’s operations; for the FY 2017 budget for FEMA’s Disaster Relief Fund earmarks US\$1.4BN for relief related to Hurricane Sandy in 2012, US\$444MM for Hurricanes Katrina, Rita & Wilma in 2005, and US\$110MM for Hurricanes Gustav & Ike in 2008.*

## **INSIDE NORTH KOREA AND FEELING THE DRUMS OF WAR** (NYT, Nicholas Kristof)

- Far more than when I last visited (in 2005), North Korea is galvanizing its people for nuclear war with the US. There is evidence of military mobilization everywhere, even in the kindergarten playgrounds, all on the ubiquitous assumption that North Korea will not only survive a nuclear conflict but will win it; thus a 38 year-old teacher visiting an amusement park explained “If we have to go to war, we won’t hesitate to totally destroy the United States” & a 41 year-old factory worker, surprised by my asking if he thought his country could survive a war with America, answered “We would certainly win.”
- Hardliners have gained greater power; thus we were told military officers often mock their country’s diplomats as wimpish “American cronies”. The upshot of all this was that I felt more constraint than during my previous visits & a great deal more tension; whereas before I had been able to see military generals, this time the military flatly refused my requests for interviews & the security forces those seeking a meeting with the three Americans still detained there, one now for two years, without consular access.
- A senior Foreign Ministry official, Choe Kang-il told me “The situation in the Korean peninsula is on the eve of breakout of a nuclear war ... we can survive”, adding this was not a time for talks. For it’s a standoff : they insist the US must make the first move and drop sanctions & its “hostile attitude” & the US is equally unrealistically insisting North Korea end its entire nuclear program. When I told Choe that my visit reminded me of the atmosphere in Saddam Hussein’s Iraq on the eve of the Iraq War, he was unimpressed,

saying that Saddam & Libya's Gadaffi had made the mistake of giving up their nuclear programs, after which the Americans ousted their regimes : "the lesson is obvious".

- The next best option (to nuclear war?) would be to settle for a long-term state of nuclear deterrence (*a la the Cold War of the 1960s, 1970s & 1980's?*). But that would be risky, not least so because we now have leaders on both sides who seem impetuous, overconfident & temperamentally inclined to escalate any dispute. So I leave North Korea with the same sense of foreboding as when I left Iraq in 2002, that of war being preventable but not going to be prevented. And what makes all this so perilous is that the North Koreans are steeped in the belief they have repeatedly beaten the US & can do so again; thus Yo Yong-myong, a 20 year-old student who thinks war is likely, observed " US Pride will be squashed ... The big nose of the US will be cut off."

*It may be a stretch to call Kim Jong-un "impetuous" : overconfident - definitely, temperamentally inclined to escalate any dispute - yes (although less aggressively so than Trump?), but impetuous - not so; to the contrary he seems to have more of long-term script than the flying-by-the-seat-of-his-pants Trump. And on Saturday October 7<sup>th</sup>, hours after Donald Trump had said "only one thing will work in dealing with North Korea", Kim Jong-un told his Workers' Party Central Committee he will build up his nuclear arsenal as a "powerful deterrent to the United States".*

### **CATALONIA : PUIGDEMONT'S STRATEGY (Vue, Gwynne Dyer)**

- It was on the 'wrong' (i.e. Republican/Communist) side in the 1930's Civil War (in which tens of thousands of Catalans died), for which Franco punished it by banning the use of the Catalan language (while close to Spanish it's different enough for it to matter to some people). There have always been Catalans who felt the central government wasn't fair to them & who wanted independence. But today Catalonia is the richest region of Spain<sup>5</sup> which has attracted so many from elsewhere in Spain that 46% of its population today now speaks mostly Spanish vs 37% Catalan while 12% says they use both equally. And now the historical grievances of some Catalans have been augmented by resentment towards the 'newcomers' & by the fact Catalonia must share some of its wealth with the poorer parts of the country, while the Spanish-speaking 'newcomers' (many of them born in Catalonia) don't share their nationalist dreams. Thus a March poll showed 48.5% opposed independence vs. 44.3% who favoured it & another one in July a 49.4%-41.1% split.
- Catalan nationalist leader Charles Puigdemont<sup>6</sup> got what he wanted from the October 1<sup>st</sup> pseudo-referendum<sup>7</sup> : a couple of martyrs & 761 injured by the Spanish police and foreign media coverage of the 'brutal Spanish police suppressing the popular will'<sup>8</sup>, i.e.

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<sup>5</sup> That with 16% of its population & 6.3% of its landmass accounts for 19% of its GDP.

<sup>6</sup> A journalist, he is no stranger to histrionics : for he has compared Catalan separatists' non-violent campaign for independence to the Spanish Civil war of the 1930s and even to the Vietnam War.

<sup>7</sup> In which 90% of those voting, but only 38.1% of eligible voters, voted for independence.

<sup>8</sup> Sending in the riot police was the dumbest thing the Spanish government could ever have contemplated since their involvement would have an effect on the separatist element it not dissimilar to that of a red flag at a bull; a much better, less adversarial approach would have been to mobilize the 80,000-strong army reserve, all of them civilians in everyday life, and flood Catalonia with much of the 160,000+ strong regular & reserve force.

an excuse for a unilateral declaration of independence. It was for him a win-win-, & for Madrid a lose-lose-, proposition; for if it did nothing, Puigdemont, the nationalist leader who heads a coalition government with a tiny majority, could declare independence on the strength of a referendum in which only a minority of voters, almost all of them Catalans, had voted while if it did intervene, as it did, to stop the referendum, it would be portrayed as “thwarting democracy” (*and, as Miquel Iceta, the leader of the anti-referendum Socialist Party had warned “penal action ... will prompt solidarity”*). So, in a televised address after the referendum results were out, Puigdemont said “With this day of hope and suffering, the citizens of Catalonia have won the right to an independent state in the form of a republic.”

*He has since disappointed his followers by suspending his declaration of independence to have time for ‘talks’. Catalonia, one of Spain’s 17 “Generalitats”<sup>9</sup>, is triangular-shaped, the size of Holland or South Carolina, & in Spain’s Northeast corner, with the Pyrenees mountains to its North separating it from France & the Mediterranean Sea to its East. Spain has a governmental structure that gives its Generalitats unusual autonomy, although the 1978 constitution, brought in after the death of Franco & the restoration of the monarchy, does rule out independence). Puigdemont, President of Catalonia since January 2016, upon taking office refused to swear loyalty to King Felipe 1; so this is in part a matter of a personal anti-monarchical crusade.*

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### **ADULT SUPERVISION (Vue, Gwynne Dyer)**

- Assume that one evening Trump was watching Fox News when it reported North Korea was about to launch a missile capable of reaching the USA (as it has said it will do some day, albeit only as a test cum warning to show it can, with it made to land *safely* in the *Pacific Ocean*). So Trump, who trusts Fox News more than his intelligence services, reacts by ordering the US strategic forces to go to DEFCON 1 (nuclear war is imminent). And North Korea, upon noticing the resultant unusual activity in the US forces, concludes an American pre-emptive strike is imminent & goes to its own DEFCON 1 equivalent which, picked up by US intelligence, is reported to Trump who then orders a disarming *nuclear* strike on North Korea that reduces the country to rubble.
- This scenario is what keeps many senior US military people awake nights & is the source of a recent rumour that Gens. Mattis, McMaster & Kelly (all serious, experienced & professional officers) have agreed never all to be simultaneously away from Washington (so as to be able to monitor &, if necessary countermand, any *launch* orders from the White House & to ensure there will always be one responsible adult between Trump & the nuclear button) although in such an event the one in Washington would face an agonizing choice between not obeying a Presidential order, a court martialable offense, & possibly *needlessly* killing millions of people due to a stupid mistake/*misunderstanding*. And the same holds true for the other side; for there too is a child-man in charge & the generals know that if the “little rocket man” stumbles into a war with the US, they & their families and everyone they know will be pulverized (& for them the dilemma is worse since they serve a petulant God-king with the power of life & death over them & their families *whose favorite means of dealing with those who displease him is to have them blown apart by anti-aircraft guns*).

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<sup>9</sup> Units that in the US are known as “States” & in Canada as “Provinces”.

- There is probably not going to be a ‘Second Korean War’; so both sets of senior military may never face this ultimate crisis. But things have come to a pretty pass when we can have this discussion without sounding as if we have lost our marbles.

*By coincidence (?) in the September 30<sup>th</sup> issue of the Economist the subject of the usual obituary on its final page is Lt-Col. (Ret.) Stanislav Petrov, who died last May 19<sup>th</sup> at age 77 & who according to the Economist once “saved the world”. For on September 26<sup>th</sup>, 1983, back in the Cold War days, he was in charge of the Serpukhov-15 early warning facility near Moscow when its system reported an incoming missile, and then more & more, followed by a message “probability of attack, 100%”. He knew that in ten minutes ground radar would confirm the alarm but that, if this was not a false alarm, in 12 minutes, the time needed by high command to organize its response, missiles would start hitting Russian soil. Nevertheless, panic-stricken as he was, he ‘followed his gut’ & reported a false alarm, not an attack, & in so doing may have saved the world from a nuclear apocalypse (his story remained secret until 1998 but, once out, he was feted in the West, toured America, starred in a documentary, was commended at the UN & on February 24<sup>th</sup>, 2011 was awarded the Dresden Peace Prize<sup>10</sup> at a ceremony in Baden Baden, Germany).*

### **A PRESIDENT WHO WORSENS THE SUFFERING (G&M, Jared Yates Sexton)**

- Recently many Americans experienced unthinkable natural disasters, human suffering & personal tragedies. And the president made things worse. Thus in the case of Puerto Rico he disrespected victims with a series of tweets that ran the gamut from rude to racist, telling the mayor of San Juan, after she’d taken to the airwaves to ask for help, that officials there “want everything done for them”, calling those who criticized the delay in relief “politically motivated ingrates”, and bragging about “The results that we’ve had with respect to the loss of life. People cannot believe how successful that has been” &, while in the territory, complaining that the disaster had “thrown our budget ...out of whack.” And after the Vegas shooting, while he did visit the wounded in hospital, very quickly the video of him doing so was turned into a campaign ad, accompanied by the tunes of God Bless America.
- This contrasts with the behaviour of former “Consolers-in-Chiefs”. Bill Clinton consoled the nation after Timothy McVeigh *in 1995* bombed the Alfred P. Murrah Federal Building in Oklahoma City, killing 168 people. George W. Bush, *like Trump*, was still in his early White House days but quickly grew into this role amid the rubble of the World Trade Center. And Obama took this part of his job seriously as he sought to heal the wounds of the shootings *in 2012* at Newton, Conn (*of elementary school children*), *in 2015* at Charleston, SC (*of church goers*) & *in 2016* in Dallas, TX (*of police officers*).
- Such moments transcend politics and rise above the usual rhetoric & posturing since most people, regardless of political persuasion, do feel them as heartbreaking. And even those who support Trump’s political initiatives must recognize it when the president fails at such important human moments (as they did last August when, after his disgusting response to the Charlottesville tragedy, his approval rating sank to 34%, its lowest level yet). Ever since Richard Nixon disgraced the office, Americans have had low expectations of their presidents, aware that they lie & throw anyone & everyone under the bus when it suits them. But they still expect them to ‘have a heart’.

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<sup>10</sup> This prize, first awarded in 2010 (to Mikhail Gorbachev) commemorates the February 1945 firebombing & flattening by 722 heavy bombers in four waves of the militarily insignificant East German historic city of Dresden, is awarded to those who ‘intervened before it was too late’.

*In the latest AP poll made public late last week his approval rating had sunk to a new 32% low (after having recovered to 40% in September).*

### **DONALD TRUMPS PRESIDENCY 'COULD BE DOOMED' (The Independent, Robert Costa)**

- White House officials & outside advisers alike said on October 9<sup>th</sup> that, frustrated by his Cabinet & angry at not having gotten more credit for his handling of the three hurricanes, Trump had been lashing out, rupturing alliances & imperiling his legislative agenda, torching bridges all around him & nearly imploding a deal with the Democrats to protect the young undocumented immigrants brought to the US as children, and plunging into culture wars ranging from abortion to the national anthem, to solidify his 'base'.
- Sen. Bob Corker's brutal assessment of Trump's *unfitness* for office came as a surprise to the White House, as did the nasty Twitter exchange that ensued & the fact that few GOP leaders, except Vice President Pence, came to Trump's defense (& he did little to reassure Trump allies concerned that his feud with Sen. Corker could further unravel his *already* threadbare relations with Capitol Hill). And according to one Trump loyalist, this confrontation could dash the chances for tax reform & other meaningful legislation, saying "His presidency could be doomed." According to Patrick Caddell, a veteran pollster who has worked with Stephen Bannon "We have been watching the slow motion breakup of the Republican party and Trump is doing what he can to speed it up."<sup>11</sup> The more disciplined structure Kelly has implemented in the White House has left Trump bereft of the free-flowing conversations with his staff he had come to relish & that had often buoyed his mood, and given him a safe sounding board. And he is now also without his long-time body guard cum confidante Keith Schiller (age 58), who recently quit his job as Director of Oval Office Operations<sup>12</sup> & had been so long at his side as to be adept at soothing his foulest moods. And Trump is seeking counsel from friends outside government, incl. Thomas Barrack<sup>13</sup>, who chaired his inauguration & could be a replacement for John Kelly (although Trump on October 7<sup>th</sup> told reporters "John Kelly is one of the best people I've ever worked with ... He's doing an incredible job ... He will be here, in my opinion, for the entire seven years.")

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<sup>11</sup> In which endeavour he is aided & abetted by Bannon, his former Chief Strategist who, back at Breitbart is on a crusade to recruit Republican primary challengers in the 2018 Senate races to defeat incumbents deemed not conservative enough or too pro-GOP establishment - *the damage he can do is limited by the fact only 8 of the 33 Senators up for re-election are Republican.*

<sup>12</sup> A former NYPD detective he was with Trump for two decades. While he said his primary reason for quitting was financial (his White House salary was US\$165,000 while it had been US\$294,000 at the Trump Organization), the third party assessment was that the real reason was his displeasure with John Kelly's restricting access to the President (for he had been heard to complain he now had to go through the White House switch board to speak by phone to Trump. Having been sued three times for non-payment of taxes & twice having property foreclosed on him, he met the Department of Homeland Security's standards for being a 'security risk'.

<sup>13</sup> Anyone wanting to know more about Barrack, a self-made Los Angeles -based real estate baron of Syrian Christian descent with ties to Texas' Bass family & the Saudi royals, who served as Deputy Undersecretary to Interior Secretary James Watt during the early Reagan era & who has been a close to Trump for decades, would be well advised to google the Washington Post article by Michael Kranish entitled 'He's better than this says Thomas Barrack, Trump's loyal whisperer.'