

**Gleanings 764**  
**Thursday June 14<sup>th</sup>, 2018**

**Quote of the week** - "We are at a time of hyper-partisanship ... unlike any other ... I have seen in my time in the Senate ... It's difficult when both sides want 100 percent fidelity, 100 percent of the time, to 100 percent of their views." - Sen. Susan Collins (R.-MA), age 65. First elected in 1996 & often called the most moderate, bipartisan Republican, since last January 23<sup>rd</sup> she has headed, with Sen. Lindsey Graham (R.-SC), the now 39-strong "Commonsense Coalition" that was instrumental in ending the 12:01 to 5:30 a.m. February 9<sup>th</sup>. 2018 government shutdown.

**All not well in the Saudi Royal family?** - Reports have emerged that in the evening of April 21<sup>st</sup> prolonged heavy automatic weapons fire was heard from the King's Al-Khazami Palace compound in Riyadh (with opposition sources claiming "a senior ground force officer had led a raid on the Palace to kill the king and the crown prince"). While the official reason given was that the Palace Guards had fired at a drone in the forbidden airspace over the palace<sup>1</sup>, there appears, given the number of 'discrete' high level funerals in the next few days, to have been some casualties. And the Crown Prince is said to have caught a couple of bullets, rumours given credibility by him not being seen in public for six weeks, & on photos only while seated, that when Mike Pompeo visited on April 28<sup>th</sup> he met only with the King & Foreign Minister Adel al-Jubeir (*not a Royal Family member*), but not the Crown Prince, and that for five weeks after April 21<sup>st</sup> the Crown Prince & King had been holed up in the Rabigh Palace military compound in Makkah/Mecca province, *hundreds of miles from Riyadh on the Red Sea (so as to have easy access to the outside world if necessary for medical-, or political-, reasons?)*

**China's credit growth** - PBC (People's Bank of China) numbers show that in May the total credit growth rate was 10.3%, down 20 bps. MoM & well down from last July's peak of 13.2%. The CW is that this heralds significantly slower GDP growth in the Second Half of this year *into a range that is worrisome to Beijing nervous because of its perceived social unrest implications.*

**May US inflation rate** - On June 11<sup>th</sup> the Labor Department reported that, based on the CPI, the May inflation rate had been 2.8% YoY, *up from 2.5% MoM, 1.9% YoY, and from 1.0% in May 2016, 0.0% in May 2015 & 3.6% in May 2011*) - *But this may not matter much at the FOMC meeting; for the Fed uses the PCE (Personal Consumption Expenditures) data series in its deliberations (which, according to the Atlanta Fed was 1.8% YoY last April vs. 1.6% in April 2017). But what will get their attention big time is that the Atlanta Fed's GDPNow growth rate reading was 4.6% on June 8<sup>th</sup> & 4.5% on June 6<sup>th</sup>, up from 3.9% on May 1<sup>st</sup> & < 3% a year ago. In the event, at this week's meeting the FOMC raised its rate 25 bps to 1.75-2.00%, with now eight voting FOMC members expecting four or more rate hikes this year, up from seven at the March meeting, while only seven, rather than eight in March, now expect three rate hikes or less (which cannot help but take some of the Oomph out of the GDP growth rate).*

**Shanghai Cooperation Organization** - The Western media gave massive, continuous & breathless coverage to President Trump's latest '*bull in the china shop*', "Make America Great Again" histrionics at the June 8-9 G-7 meeting in Canada to dismantle his predecessors' laboriously constructed post-WW II global economic-political-financial institutional infrastructure. But it gave scant coverage to the June 9-10 meeting in Qingdao, China of the Council of

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<sup>1</sup> Yemeni Houthi rebels had warned a few weeks earlier that they would start using more drones in their war against Saudi Arabia like the one that a few weeks before had overflowed an Aramco facility in Southern Saudi Arabia.

Heads of State of the Shanghai Cooperation Organization that, apart from the Presidents of its eight member countries<sup>2</sup>, was also attended by those of Afghanistan, Belarus, Iran & Mongolia, Nigeria's Amina Mohammed, one of the five UN Deputy Secretary-Generals, Victoria Kwakwa, the Ghanaian World Bank Vice President for East Asia, & Changyong Rhee, the Korean Director of the IMF Asia & Pacific Department, and by several heads of non-Western international agencies - *in long-term global macro economic & political terms, the Qingdao gathering may outweigh any short-term gains Trump may have made in Singapore.*

**Singapore Summit implications?** - According to the South China Morning Post analysts see this as a big victory for China since Beijing has long targeted a “dual suspension”/“freeze for freeze” whereby the US & South Korea would freeze their joint military exercises/“war games” in exchange for the North suspending its nuclear weapons testing, and now claims to have “coached” both sides - *whatever short-term improvements in the North Korean situation Trump may lay claim to, the hard reality is that the Summit's outcome represents a further step forward in the erosion of US' influence in the region.*

**Trump-Kim one-page joint statement's guts -**

1. “The United States and the Democratic People’s Republic of Korea commit to establish new US-DPRK relations in accordance with the desire of the peoples of the two countries for peace and prosperity; ...
2. will join the efforts to build a lasting and stable regime in the Korean Peninsula; ...
3. reaffirming the April 27, 2018 Panmunjon Declaration, the Democratic People’s Republic of Korea commits to work toward complete denuclearization of the Korean Peninsula; ...
4. commit to recovering POW/MIA remains, including the immediate repatriation of those already identified.”

*One must wonder about the value of such a barebones, platitudinal one page agreement between one man who has proven himself a foul-mouthed, lying deal breaker &, as one of you put it, “a make-believe President (who) is just an unstable, megalomaniac hell-bent on publicity and photo-ops about himself” & a young third-generation smiling hereditary ruler of a country that calls itself Democratic but never has even had sham elections in the three quarters of a century of its existence, who has people who displease him, incl. his own uncle, executed with an anti-aircraft gun & presides over a population over half of which lives in extreme poverty and another 5% of whom is incarcerated in concentration camps whose population, according to the International Bar Association, over the years has been gradually whittled down by “deliberate starvation, forced labour, executions, torture, rape ... forced abortion and infanticide” but that nevertheless is rated the world’s 23<sup>rd</sup> largest military power after Australia, that has a marginally smaller population but on economic grounds could justify, & afford, a much larger military).<sup>3</sup>*

<sup>2</sup> Founded in 2001 by the then Chinese President Jiang Zemin with six members (China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan & Uzbekistan, their numbers have since swelled by the (important?) addition of India & Pakistan.

<sup>3</sup> Following are some relevant data :

	Australia	North Korea	South Korea
Population	23MM	25MM	51MM
GDP	US\$1.24TR	US\$12.4BN	US\$1.41TR
Per capita GDP	US\$49,928	US\$1,900	US\$27,539
Defense Budget	US\$24.1BN	US\$7.5BN	US\$39.7BN
Military personnel	81,000	1+MM	500,000
Combat tanks	5,000	59	2,500

**Permian Basin still on fire ?** - There has been some talk that its oil production growth (from 8.9M bbl/d in January 2017 to 10.8MM now), that has been the largest single source of global supply growth, is being/going to be constrained by “take away capacity shortages” (i.e. a shortage of-, & bottlenecks in-, pipelines). On the other hand, according to the March Issue of the Pipeline & Gas Journal “Increasing constraints and projected output have triggered a race to build or expand pipelines to deliver Permian Crude to Gulf Coast refineries and export terminals”, and to Sandy Fields, Director of Oil and Products Research for Morningstar Commodities Research “it’s a very strong signal that we’ve got this sudden batch of new pipelines coming to market”, while the Dallas News on June 6<sup>th</sup> reported that the oil industry is offering workers in other industries, incl. school bus drivers, police officers & restaurant workers<sup>4</sup> to double their pay in the oil patch, causing problems for employers in those industry sectors & for school children for whom there is now a shortage of school bus drivers.

**Trump’s post-G7 mood** - He told the media on Airforce One enroute to Singapore “I thought we had great relationship and ... were on good terms when we left G-7 until I heard Justin Trudeau give a news conference about how he will not be pushed around”, adding “Push him around. We just shook hands ... We finished the [G-7] meeting and really everybody was happy” (*the meeting was nowhere finished when he left & ‘everybody being happy’ was not evident from the famous photo with Chancellor Merkel*). This prompted White House Economic Advisor Larry Kudlow (*who the next day had a heart attack*) to say on the Sunday June 10<sup>th</sup> on CNN’s “State of the Union” that Prime Minister Trudeau’s comments had amounted to a “betrayal” & White House Trade Advisor Peter Navarro that “There’s a special place in hell for any foreign leader that engages in bad faith diplomacy with President Donald J. Trump and then tries to stab him in the back on the way out the door ... that’s what bad faith Justin Trudeau did with that stunt press conference. That’s what weak, dishonest Justin Trudeau did; and **that comes right from Air Force One**” (bolding added). On the other hand, European Council President later used the Navarro choice of words to tweet “There is a special place in heaven for @Justin Trudeau ... *for the way you did the perfect organization of G-7” (as he should have, given that this clambake cost the Canadian tax payer \$600+MM)*

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### **ALONE TIME : TRUMP, KIM JONG-UN DITCH AIDES TO MEET 1 ON 1 (AP/NYT)**

- While scores of aides, bodyguards & diplomats had to wait elsewhere, the two of them had a 40 minute one-on-one with two interpreters the sole witnesses to history’s first-ever face-to-face conversation between an American president & a North Korean leader, raising concern among national security veterans. And if there had been any tension between them , they didn’t show it as they emerged to proceed to a second meeting and working lunch, with a large coterie of aides, after Trump had told the waiting cadre of reporters “ Very, very good” ... we are forging an ‘excellent relationship’ ”.
- Prior to the Summit word of a tete-a-tete had unleashed a torrent of criticism since, especially in high-stakes meetings with *relatively unknown* adversaries like Kim & a President with a reputation for ‘bending the truth, having others present to take notes avoids a subsequent misrepresentation of what had taken place. Thus Paul Haenle, a

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At last report the average hourly wage in the Dallas area was US\$24.64 (almost spot-on the national average while school bus drivers make US\$31,749/year, police officers a starting salary of US\$42,900 and restaurant servers average US\$12.64.

former China Director at the White House National Security Council in the Bush 43 & Obama administrations tweeted : “Bad idea ... I could see Trump giving up a lot for a little in return” (*prophetic words?*) And Barry McCaffrey, a retired US Army general called it an “unacceptable danger to US national security”, tweeting that Secretary of State Pompeo & Defence Secretary Mattis should oppose the idea “in writing”.

- But there are precedents : Obama often had impromptu chats with other leaders on the sidelines of major global confabs, early on Trump had a one-on-one meeting with Putin at a conference in Germany with only a Kremlin interpreter present & in Reagan’s November 1985 meeting with Mikhail Gorbachev they had a full hour’s one-on-one (that was to have lasted only 15 minutes) although in that case the National Security Archive at George Washington University has a copy of a “Memorandum of Conversation produced by the long-time US Russian-to-English interpreter Dmitri Zarechnak.

*Reagan had the wisdom to know that a written record of what was said was for his own protection, whereas for Trump not having one is a matter of ‘I know more than you’ egotism.*

### **U.S PRIMARIES POINT TO DEMOCRATS’ STRUGGLE (G&M, Tamsin McMahon)**

- On June 5<sup>th</sup> candidates backed by the party establishment won *non-partisan* primaries in Iowa, New Mexico and New Jersey, while in *Congressional seat-rich* California, home to the most closely watched races, Republicans came out on top in several key districts. And while early polls had suggested that voters in November would have to choose between two Democrats for Governor, one of them lost out to the *recently* Trump-endorsed John Cox, so that the election next November will be between Cox & the state’s current, Democrat Lieutenant-Governor Gavin Newsom.

*The “struggle” referred to in the headline is that of a lack of party discipline among California Democrats that resulted in too many Democrat ‘wannabes’hopefuls fighting each rather than Republicans, thereby allowing the latter to ‘come up the middle, ’& win, with only plurality voter support. And as far as the 62 year-old John Cox is concerned, he was born, raised, educated (as a lawyer) & politically active (albeit it only as a ‘wannabe’) in Illinois until in 2011 he became a full-time resident of California in Rancho Santa Fe, a 6.7square mile, 3,117 inhabitant entity in Southern California’s San Diego County, near the Mexican border, in which the mean household income is US\$188,859 & the median incomes for males US\$153,510 and where, according to the 2010 Census 93% of the inhabitants are white & there was only one Afro-American resident. And Cox is only a recent Trump convert; for in 2016 he supported Libertarian candidate Gary Johnson (which he now says “was a mistake”).*

### **TRUMP FOUNDATION, ACCUSED OF SWEEPING VIOLATIONS, IS SUED BY NEW YORK ATTORNEY-GENERAL (NYT)**

- On June 14<sup>th</sup>, after a nearly two-year investigation *by her predecessor*, New York’s new Attorney-General filed a scathingly-worded law suit in the State Supreme Court of Manhattan targeting the Trump *charitable* Foundation. It accused it of sweeping violations of *political* campaign laws, self-dealing & illegal coordination with the Presidential campaign, seeking *US\$2.8MM in restitution*, its dissolution and a ban on Trump himself & three of his children serving on non-profit organization boards. And, while she was at it, she sent referral letters to the IRS & the Federal Election Commissions for action. The suit asserts that the Foundation was often used to settle legal claims against Trump’s various businesses, even spending \$100,000 (elsewhere a media outlet says \$10,000) on a portrait of him that was hung in one of his golf courses

(the Trump National Doral in Miami) and to curry political favour as campaign manager Corey Lewandowski directed its spending, even as such foundations are explicitly prohibited from political activities.

*Trump first had Sarah Huckabee Sanders call Underwood “outrageously biased” & then, in late afternoon, responded in typical Trump blustering & name-calling fashion & seeking to divert attention by tweeting “The sleazy New York Democrats and the now disgraced (and run out of town) AG Eric Schneiderman, are doing everything they can to sue me on a foundation that took in \$18,800,000 and gave out to charity more than it took in, \$19,200,000. I won’t settle this case!” Schneiderman resigned on May 8<sup>th</sup> after four women accused him (a strong women’s movement & #MeToo supporter) of non-consensual physical violence. But Underwood lends credibility to the A-G’s case, for she would be most unlikely to be so stupid as to go forward with any suit, particularly one so politically “hot”, in the early days of her career as the state’s first woman Attorney-General unless she was absolutely dead sure she had a rock solid case.*

### **PALESTINIAN PROTESTERS KILLED, WOUNDED BY ISRAELI TROOPS** **(Reuters, Nidal-al Mughrabi)**

- On Friday June 8<sup>th</sup> Israeli troops killed four Palestinians (three adult men & a 15 year-old boy) with live fire & tear gas & wounded 620 others, incl. an AFP photographer & a 23 year-old man who is now on life support after being hit in the face by a tear gas canister, with Israel saying that it was defending its border against a crowd that threw stones & burned tires in an attempt to cross it, and that at one location *of the five* at least two militants had fired guns-, & others had thrown grenades-, at its soldiers (*the latter claim seems a bit dodgy since photos of the scene show demonstrators being well beyond grenade-throwing range from the border fence*). This brings to total killed since March 30<sup>th</sup> to 124, half of them in a single day last month (the day the US opened its Embassy in Jerusalem), & *many thousands injured*. While Israel’s deadly tactics in dealing with the protests have drawn international condemnation, Israel maintains the demonstrations are organized by Hamas that denies Israel’s right to exist, a charge denied by Hamas.

*While there is likely more than an element of truth in Israel’s claims, that doesn’t detract from the fact that the Israeli-induced concentration camp-like environment in Gaza has created the conditions conducive to Gaza’s 2MM residents to act up, especially since 45% of them are age 14 or less & hence vulnerably to demagoguery & that Israel’s response seems wholly out of proportion to the threat level the demonstrators pose.*

### **CHINA DEALS SHOCKING BLOW TO SOLAR INDUSTRY (OILPRICE. Com, Irina Slav)**

- On June 1<sup>st</sup> Beijing surprised everyone when the CPC (Chinese Planning Commission) announced it will not issue any approvals for new solar power installations this year & will cut in half the ‘feed-in tariff subsidy’ that has been a major driver of the country’s *rapid* solar industry growth. In the wake of this news :
  - **IHS Markit** slashed its forecast of the 2018 global installed capacity increase by 5-10MW (even though it sees a potential reduction in new China solar capacity of as much as 17GW from its earlier forecast 53GW);
  - **Wood MacKenzie** cut its forecast of new solar capacity installed this year in China to 30GW from its earlier 50MW forecast;
  - **GMT** cut its solar capacity additions forecast by 40% from 46 to 28.8GW; and
  - **Dennis IP**, Daiwa’s Head of Hongkong and China Utilities, Renewables and Environment cut his forecast of new installations this year by one-third to 30GW,

and **Frank Haugwith**, the 2002 founder of Beijing-based Asia Europe Clean Energy (Solar) Advisor his forecast for the year from 40-45 GW to 30-35GW and to 20-25GW for both 2019 & 2020.

- Beijing's solar subsidy payouts are said to have risen to the point of being unmanageable<sup>5</sup>; according to Massachusetts-based GMT (Greentech Media, a Wood MacKenzie sub), last year they hit 100BN Yuan/US\$15.6BN (which the government has yet to pay in full) & would have hit US\$39BN/ 250BN Yuan by 2020.

*Chinese solar panel makers have already taken double digit hits on their share prices & panel prices too will take further hits (which is likely to boost demand outside China & still more competition among panel makers) - in the US the cost of solar panels is now in the 60¢ per watt range, a far cry indeed from as much as US\$100 in 2005. And the fact that Beijing is driven to cut back on what has been a government priority program to save 0.5% of its Budget & 3.5% of its deficit suggests that its fiscal circumstance may be worse than hitherto believed.*

### **ITALIAN AND CANADIAN TROOPS WORK TO THWART MOSCOW'S EFFORTS TO EXTEND BORDERS IN LATVIA (G&M, Justin Ling)**

- In a field in rural Latvia just over 200 kilometres from the Russian border (*i.e. halfway between it & the Baltic Sea*) a dozen Canadian LAVs (Light Armoured Vehicles) are spread out in a seemingly haphazard way, while a few hundred metres away Italian military vehicles are bunched up, as if huddling for warmth. The 450 Canadians were sent here, along with 300 Spanish, 160 each of Italians & Polish, 50 Slovenians & 18 Albanians on a mission (that since has become locally popular) of a type not seen since the Cold War after Russia seized the Crimea & Ukraine's Donbass region, with the Canadians in command (along with the British in command of similar motley crews in Estonia, the Germans in Lithuania & the Americans in Poland, with Trump recently complaining that "we protect Europe (which is good) at great financial loss" and promising "change is coming" (while having suggested Russia be re-instated as a member of the G-7).

*There is a real fear in the three Baltic states that with ethnic Russians (many of them retired Russian soldiers & their offspring) ranging from 26% in Estonia's population to 6% of Lithuania's, Putin will use the same subterfuge he used elsewhere (namely that the ethnic Russians need "protection"), to move their border, if not overrun their entire countries; hence the NATO forces serve first & foremost as a "trip wire" for Putin & a security blanket for the non-ethnic Russian locals.*

### **CROSS VS. CRESCENT IN EUROPE (Edmonton Sun, Tarek Fatah)**

- Turkey's President Erdogan recently, in a speech more befitting an Ottoman era Sultan than a 21<sup>st</sup> Century head of state, threatened "a war between the Cross & the Crescent" in Europe. This was prompted by a June 8<sup>th</sup> announcement by Sebastian Kurz, Austria's Chancellor since last December 17<sup>th</sup> (& Leader of its nearly 80 year-old Christian Democrat centre-right People's Party), that a number of mosques would be closed & Islam clerics expelled, because "Austria cannot abide parallel societies", a move that had country-wide public support, with even the left-of-centre Social Democratic

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<sup>5</sup> This suggests that the government's fiscal situation may be a bit more dodgy than the rest of us is led to believe for US\$15.6BN is barely 0.5% of its revenues and less than 4% of its budget deficit.

opposition calling it “the first sensible thing this government has done”. But this was nothing new. For a week earlier Denmark had banned the wearing of *face-covering* burkas & niqabs in schools & Norway planning to do the same, while France, Belgium, the Netherlands & Bulgaria already have similar laws in place, and the new Italian government is also saying “no more Muslims”, albeit not in as many words.

*This reflects widespread resentment of the refusal of many Muslim immigrants to integrate into Europe’s culture & embrace its values, as witnessed by the French daily Le Parisien carrying a manifesto on April 21<sup>st</sup> signed by 300 intellectuals & politicians, incl. former President Nicolas Sarkozy (2007-2012) & former Prime Minister Manuel Valls (2014-2016), that said among others that the Quran incites violence & that verses in it calling for the murder and punishment of Jews, Christians and non-believers should be struck to obsolescence by religious authorities.*

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**Alberta’s “Goat Lady”** - 33 year-old Jeannette Hall & her husband, Dan Vandenberg, live ‘off the grid’ & operate an ‘off-the-wall’ environmentally-friendly business that has a growing client base among farmers, *large* property owners & pipeline companies. For in the past three years they have traveled all over the province with a herd of 400 goats trained to eat noxious & invasive weeds. Thus in the week of June 5<sup>th</sup> they were in Calgary to help rid its Confluence Park of leafy spurge & this week they’re in Edmonton to rid its Rundle Park of the bothersome burdock (where they will return several times during the summer to finish the job), having stopped on the way between the two cities in Lacombe to crop the weeds around its sewage treatment lagoons. The goats are well-trained & listen to voice commands, with the mothers now showing their kids what plants to feed on, while their ‘hired help’ (Border collies to help with the herding & a 160-pound white Great Pyrenees dog for protection against coyotes & other predators) working for board & room only – *This is an example of what I have been preaching for decades, namely that “In the 16<sup>th</sup>, 17<sup>th</sup>, 18<sup>th</sup>, 19<sup>th</sup> & 20<sup>th</sup> centuries Man thought he could **control** while, if we want to survive as a species in the 21st, we’d better start learning how to **work with** Nature.*

**“Curiouser and curiouser”** - On June 12<sup>th</sup>, Dennis Hoff, the owner of half a dozen brothels (legal in much of Nevada except Vegas & Reno), star of the HBO adult reality show “Cathouse” & author of the book The Art of a Pimp, in a primary beat hospital executive, James Oscarson, a three term lawmaker who had beaten him with a 60% majority in 2016 when Hoff had run as a Libertarian. And now he is favoured to beat Democrat Lisia Romanov in November in a Republican-leaning district. After his victory he told AP “It’s all because Donald Trump was the Christopher Columbus for me ... He found the way and I jumped on it.”

**Officer still on payroll 11 years after suspension** - The eight-year veteran Toronto police officer was suspended in 2007 when he was among 25 people arrested in Canada & the US (in his case on allegations he had searched confidential police files to assist a criminal organization, had taught *drug* traffickers how to avoid detention & had helped cover up two violent kidnappings by gang members. He was suspended for ten years under the Police Services Act & later acquitted of criminal charges in a jury trial in 2012 but remained suspended while facing further disciplinary charges under the Police Services Act. Last year, at another disciplinary hearing under that Act he was found guilty of breach of confidence, insubordination, & two counts of discreditable conduct and, finally, a week ago on Monday, June 5<sup>th</sup>, ordered fired, although, pending his appeal, he will continue to draw his full salary - *It’s this kind of police department’s ‘looking after their own’ and/or utter incompetence in dealing promptly & in a*

*reassuring manner with their 'bad apples' that impacts negatively on the public's view of-, & attitude towards- the police & complicates effective & efficient policing.*

**On January 23<sup>rd</sup> the then Liberal Ontario government sold by auction a 'bundle' of prime gaming assets (a casino & slots at two horse racing tracks) for 22 years** - On May 9<sup>th</sup> the buyer consortium revealed that it had paid \$158MM for \$161.3MM in total assets ( incl. \$62MM in cash) & that in the two months it had operated them they had generated \$86.7MM in gross revenues & \$31.3MM in net income. And by June 11<sup>th</sup> its share price has increased from \$37.26 to \$54.87, so that in less than five months its 'market cap' had soared by almost 50% & that it could have a payback period of as little as six months - *This is a case that just reeks of utter stupidity/incompetence or some 'underhanded', nefarious business'.*

**Triple Crown winner Justify (that sold as a yearling for US\$500,000) is Kentucky-bred, but has strong Canadian connections** - Calgary-born John Gunther, first got involved in the horse business in Langley, BC in 1970 & now divides his time between Langley & Kentucky where, since 1989, he has owned the Glenwood Farm. And his daughter Tanya, who is said to be as horse-crazy as the rest of her family & has been riding horses since childhood, studied at the LBE (London School of Business) in Finance & worked in investment banking for a few years before she gave that up to run the Kentucky branch of her father's race horse business. It was she who is responsible for Justify; for the family owned a nice mare named Stage Magic, that had produced several stakes winners, that needed to be bred again. So, according to Tanya, she put her analytical skills to use in analyzing prospective studs' & the mare's bloodlines and, in due course, picked a stud called Scat Daddy, a horse that had won five of his seven races before being permanently injured in the 2013 Kentucky Derby & put out to stud, whose bloodlines included no fewer than four of the twelve Triple Crown winners since 1919 (Seattle Slew in 1977, Secretariat in 1973, Count Fleet in 1943, & War Admiral in 1937) that had caught her eye a few years earlier since he 'moved so nice'. And she got, with the benefit of hindsight, a great deal on his stud fee, for she paid only US\$35,000 at a time that for top stallions they were as much as US\$400,000 & Scat Daddy's own, before his death a few years later, had gone to US\$150,000. And, as the saying goes, "The Rest is History" - *Other unusual/remarkable things about Justify are that he was never raced as a two year-old (because he was still growing - he is now 16.3 'hands', i.e. 67 inches at the withers (a giant compared to, for instance, the legendary Northern Dancer, who had an even stronger Canadian connection, having been born North of Toronto by the legendary E.P. Taylor<sup>6</sup>, that, compared to Justify, was a mere 'shrimp' at 15.2 hands/ 62 inches) and only had been in -, & won decisively-, three races since last February 18<sup>th</sup>, all of them at Santa Anita CA (where the horse, its trainer & jockey all make their home) prior to this year's May 5<sup>th</sup> Kentucky Derby. And with all the focus on the horse, relatively little press coverage was given to its trainer & jockey. For the former this was his second Triple Crown-winning horse in three years (he had also saddled the 2015 Triple Crown winner, American Pharoah, thereby tying the legendary "Sunny" Jim Fitzsimmons double Triple Crown win record in 1930 & 1935) as well as, over the years, 14 other winners of Triple Crown races. And the jockey, Mike Smith, in riding a Triple Crown winner for the first time in his career, struck a blow for the older generation by doing so at age 52 (after 5,400 wins earning his horses' owners over US\$300MM in prize money), an age at which the lion's share of jockeys*

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<sup>6</sup> Who, 'for the good of the industry' had the habit of having a two day sale each year of **every one** of his yearlings at fixed prices that ended when half of them were sold, after which he kept the balance to race under his own colours; thus the legendary Northern Dancer who later lifetime winnings of \$580,647 could have been bought for \$25,000 but was overlooked because he was "small" & a late foal (he was born on May 27<sup>th</sup>).



*have long since given up riding (although at his age he spends more time staying fit than riding horses and, with the track record & experience, can afford to be pretty picky about what horses to ride).*

**Trump nominated for Nobel Peace Prize** - Last May a group of Republicans nominated him for it (*and ever since he is said to have had a bee in his bonnet for it, if only to equal Obama in that respect?*). Now two Norwegian politicians, MP Christian Tybring-Gjedde & former Justice Minister Per-Willy Amundsen<sup>7</sup> have followed in their footsteps on the grounds that “Mr. Trump had taken a huge and important step in the direction of the disarmament, peace and reconciliation between North and South Korea”. But the formal nominations don’t have to be in until February with the winners not announced until 16 months from now; so, *with there being “many a slip between the cup and the lip” until then, especially so if the US keeps insisting there shall be no lifting of sanctions on North Korea until its denuclearization is “complete” (in which there is little incentive for Kim to follow through on his denuclearization promise?)*.

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Both are members of the libertarian, anti-establishment Progress Party that is part of Norway’s current three party, centre-right coalition government in which the Progress Party’s Leader, Siv Jensen, is Finance Minister.