

Quote of the Week - “Good company in a journey makes the way seem shorter” - Izaak Walton (a 17th century iron monger cum writer best known for his book “The Compleat Fisher”, a celebration of the art & spirit of fishing. First published in 1653, it can still be bought online, albeit often with the word ‘Compleat’ in its modern ‘Complete’ version) - *This quote was contributed by my No. 1 daughter Leslye who has lived in Kenya for 26 years & who just started her own blog, entitled ‘My Life with Stitches - Life and Stitching in Kenya’.*

“Go, Go, Go” to beat Airbus with the 737 Max” - This is the title of a March 23rd NYT article relating chapter & verse how Boeing (*irresponsibly?*) accelerated the development of its 737 Max 8 out of concern it might otherwise lose an order from American Airlines, a long-time Boeing customer, to Airbus. Its two operative phrases are “The bigger engines altered the aerodynamics of the plane, making it more likely to pitch in some circumstances” and “The push for automation was a philosophical shift for Boeing which for decades had wanted to keep pilots in control as much as possible, whereas ... Airbus tended to embrace technology, putting computers in control.” (*to the point, apparently, that some pilots preferred not to fly Airbuses*).

Taking the global economy’s temperature - According to :

- **Reuters** in January & February Chinese industrial profits were down 14% YoY, the most ever since it started tracking this data series in October 2011;
- **ECB President Mario Draghi** (whose 8 year term, after being Governor of the Bank of Italy, will end October 31st) : “The last year has seen a loss of growth momentum in the euro area which has extended into 2019. This has been predominantly driven by pervasive uncertainty in the global economy ... So far the domestic economy has remained relatively resilient and the drivers of the current expansion remain in place. However, the risks to the outlook remain tilted to the downside ... We will continue monitoring how banks can maintain healthy earnings conditions while net interest margins are compressed. And, if necessary, we need to reflect on possible measures that can preserve the favorable implications of negative rates for the economy, while investigating the side effects, if any. That said, low bank profitability is not an inevitable consequence of negative rates.” (*According to the WSJ, European banks are being hit not just by negative interest rates (on government bonds) but by a ‘triple whammy’ of negative rates, slowing economic growth & money laundering scandals*);
- **Stephen Moore**, Trump’s nominee for the Federal Reserve Board of Governors ¹ has pronounced that it should reverse last September’s & December’s interest rate increases, i.e. cut rates by 0.50%, while the prevailing view within the Fed is that it is too early to be talking about rate cuts & that the yield curve inversion would need to be more pronounced & staying in place longer before it should make “counteractive rate cuts”;
- **The Financial Times** “Wall Street is braced for an earnings recession as margins fall”; &
- **US Trade Representative Robert Lighthizer** “I want to get a deal *with China* but am “not necessarily hopeful.” (*The 21st-24th February talks in Washington between Vice Premier Liu He & Robert Lighthizer that originally had been scheduled for two days made enough progress to be extended to four, for the March 1st deadline to be extended indefinitely & for the US not to raise its tariffs from 10% to 25% on US\$200BN of Chinese imports (as the President had threatened). And while there were no official talks during the March 3rd to 15th sessions of China’s two main legislative bodies, the two*

¹ The WSJ has since reported since he was never properly ‘vetted’ before Trump took it upon himself to nominate him & that he owes the IRS US\$74,000 in back taxes, penalties & interest from his 2014 tax return that he has contested but for which a tax lien against him was filed last year in Maryland, so that it therefore may take weeks, if not months, before the Senate can start considering his nomination.

sides did continue to exchange views, Liu spoke by phone to Lighthizer on March 12th, Mnuchin & Lighthizer are in Beijing right now and the outline of a deal is getting clearer to the point where, while the prospects for a firm deal remain elusive, the two sides are now working on draft MOUs (Memoranda of Understanding) in six areas : forced technology transfers & cyber theft, intellectual property rights, services, currency, agriculture and non-tariff barriers. But the one big question mark remains whether enough progress will be made fast enough for President Trump's impatience.

This Sunday, March 31st is Ukraine's Presidential Election Day - While there will be 39 names on the three foot-long ballot paper (there used to be 45, all but four of them males, but some have fallen by the wayside, mostly to throw their support behind other fringe candidates), only three really matter. One is the incumbent, 53 year-old Petro Poroshenko, a prominent oligarch, candy manufacturer & media mogul who was elected in 2014 with 54% popular support (hence avoiding the need for a run-off) & who succeeded in pushing through some reforms but whose 'hangers-on', incl. his son, have sullied his stature with corruption scandals. The second, 58 year-old Yulia Tymoshenko, co-led the 2004 Orange Revolution & served as Prime Minister in 2005 & again in 2007-2010, and, thanks to efforts by Paul Manafort in Ukraine, spent three years in jail in 2011-2014 on trumped-up, politically-motivated charges & now seems past her 'Best Before' date. And the third is a 41 year-old political novice, Volodymyr Zelensky, who has his own comedy show on TV in which he plays a small town school teacher who becomes president; he has marketed himself as 'the outsider' & a popular plank in his platform is the abolishment of immunity for politicians. Last June Tymoshenko had 18% popular support & was well ahead of five others, incl. Poroshenko & Zelensky, whose popular support was in the 8-12% range, but since then she has stagnated at 18% as support for Poroshenko & a couple of others rose to the 16% range and Zelensky's more than doubled to 26%. So the odds are for a run-off on April 21st, likely between Zelensky & Poroshenko (that the former is expected to win). But that is only the beginning, for in the fall there will be parliamentary elections (with none of the three having much of a party structure behind them); meanwhile three things are sure, none of the three are Russophiles, with Putin controlling Eastern Ukraine's Donbass region the pro-Russian voting base in Ukraine has withered & Russia will seek to interfere with the election outcome.

Trump on a tear after his "complete and total exoneration" by the Mueller report ² ? (which his personal lawyer, Rudy Giuliani seems to contradict because he took Attorney-General Bill Barr's direct quote in his four page summary that "While this report does not conclude that the President committed a crime, it also does not exonerate him", at face value & called it a "cheap shot) - For, as part of his self-delusion as to his powers, Trump first "demanded" that Russia "get out of" Venezuela after 100 of its troops were reported to have landed there to help the embattled President Maduro (without having any clear option as to what to do if they didn't) & then that OPEC+ produce more oil as prices were getting "too high" (*ditto*, next drove Republican lawmakers to distraction by renewing talk about repealing Obamacare - *as a result the Economist has now accorded him the moniker "self-harm Donald Trump"*, and today, March 29th threatened to close the US-Mexican border to all traffic, *human-, & trade-, wise*, saying, according to a White House press release "And we will keep it stopped for a long time. I'm not playing games."

² Which, according to a CNN poll, the American public by a count of 56-43 (i.e. slightly worse for him than his latest 52.8-41.9 disapproval/approval rating), does not agree with;

World's largest submarine fleets - Thirty-eight countries have a total of 503 submarines as part of their naval establishment, 141 of them being nuclear-, & 362 diesel-, powered. It was surprising to see that numerically the US submarine fleet is not the largest in the world (although technologically speaking it is the most powerful by far since all of its 70 submarines are nuclear powered & hence capable of staying at sea for months on end without having to come into port to re-supply). For in sheer numbers China is No. 1 with 76 (18 of them nuclear), North Korea No. 2 with an estimated 72-76, all of them diesel-powered ³, the US No. 3, with 70, all nuclear, & Russia No. 4 with 61 (39 of them nuclear). Thus between them these four countries account for over half the world's submarine fleet & for the lion's share of the nuclear ones.

-0-0-0-0-0-0-0-0-0-0-

GLOBAL REBOUND HIT BY SLUMP IN FACTORIES **(Reuters, Jonathan Cable & Stanley White)**

- In March factory activity in the 19-country Eurozone contracted at the fastest pace in nearly six years (with economists at the Berlin-based Berenberg bank noting "No other factor shapes the eurozone business cycle more than the ups and downs of global trade"), in Japan, hurt by the Chinese slowdown, manufacturing output shrank the most in nearly three years, as it did the Philadelphia Fed's Third District (consisting of Eastern Pennsylvania-, Southern New Jersey- & Delaware) *while its New Orders Index fell 9.6 points to 19.8, a post-September 2001 low*. And after the Fed signaled on Wednesday March 20th that there would be no more rate hikes this year, in Germany the 10-year government bond yield plunged into negative territory while that on the 10-year UST bond hit a 14-months' low, to a level below that on Treasury Bills (thereby 'reversing the yield curve'). And while the United States & China are about to resume their face-to-face trade talks shortly, it's not clear if they can narrow their differences to the point of ending the trade war between them (*while the official line is that they will, it has not escaped the markets' notice that earlier this month President Xi unilaterally took his proposed summit with Trump at Mar-a-lago, that had been scheduled for this month, off his agenda*).

Meanwhile, European officials keep worrying Trump may impose new tariffs on car imports from Europe (thereby starting another trade war which, however, may well not happen as long as his trade war with China continues).

TREASURIES' BUYING WAVE TRIGGERS FIRST YIELD CURVE INVERSION SINCE 2007 **(Bloomberg, Emily Barrett)**

- Demand for UST bonds gained momentum on Wednesday March 20th after the US central bank policy makers altered both their US economic growth projections & their interest rate outlook. According to Kathy Jones, Chief Fixed Income Strategist at San Francisco CA-based brokerage firm Charles Schwab & Co. Inc. ⁴ "It looks like the global slowdown worries have been confirmed and the market is beginning to price in Fed easing ... *and a potential recession down the road ...* It's clearly a sign that the market is

³ This number seems questionable given the size of its population & economy (although Israel also a relatively high ratio of subs to population, although only the Dear Lord knows why given its relative lack of shore line, its location in a relative backwater of the world's oceans & the main threat to its national security being land-, rather than water-, borne, unless it was to enable Netanyahu to generate some 'off the record' income..

⁴ San Francisco-based, it is the US' 14th largest bank, as well as its seventh largest wealth management firm.

worried about growth and moving into Treasuries from riskier asset classes.” Two days later, on Friday March 22ⁿ, the yield gap between 3 months US Treasury Bills & the benchmark UST 10-year bond went negative for the first time since 2007, a ‘yield curve inversion’ that is deemed the first reliable market signal of a pending US recession.

The yield curve, that portrays the difference in yield on UST paper from the three months’-, out to the ten year-, maturities normally is upward sloping (which makes sense since the longer the maturity the greater the risk for investors of changing interest rate-driven bond valuations). But when it reverses itself, i.e. when the yield on three months’ Treasury Bills exceeds that on the ten-year bond, it has correctly predicted the onset of 12 of the 11 recessions since WW II (it once gave a false alarm). But it is worth noting that, after the ‘gap’ went negative in mid-2007 & the Great Recession ensued six months later, by late 2008 it had recovered to a more ‘normal’ positive 400 points, only to decline in stages to 200 points by late 2016 & 100 points by late 2017, and to just 20 points three months ago, before actually going negative last Friday.

US POSTS LARGEST-EVER MONTHLY BUDGET DEFICIT IN February (Bloomberg, Katia Dmitrieva et. al.)

- In February the budget ‘spending gap’ widened to US\$ 234BN, due to a 20% drop in corporate tax revenues & a boost in spending, surpassing the previous monthly record of US\$231.7BN set in February 2012; this pushed the government’s total deficit for the first five months of this fiscal year to US\$544.2BN, up 40% YoY (while receipts, at almost US\$1.3TR, were less than 1% lower than last year, spending was up 9% to US\$1.8+TR). And while Fed Chair Jerome Powell at the March 20th post-FOMC meeting press conference reiterated his concern over the government deficit, proponents of the ‘Modern Monetary Theory’⁵ argue that, with inflation low & borrowing cheap, there’s room for still more spending & *borrowing*. According to the White House Office of Management and Budget (OMB), the deficit this year as a % of GDP will go from 3.8% to 5.1%, then decline to 4.9% in FY/20 & narrow further in subsequent years until 2024 [*based on what may prove unrealistically high GDP growth forecasts*]. Treasury data show that, while both corporate & individual tax receipts were down slightly from last year, customs revenues from the higher tariffs imposed by the Trump Administration, *that added to the cost of imports to US consumers & thus helped offset whatever gains in their after-tax income they had derived from the tax cuts*, almost doubled. According to Stephen Moore, Trump’s pick to fill one of the vacant seats on the Federal Reserve Board (*in the expectation he will make it more amenable to his views as to what monetary policy should be?*), “It’s not an accident that the economy is doing so well, it comes in no small part from business tax reductions ... we’ve just got to get spending under control” (while adding no party was in the mood for that). And while Trump’s 2020 election crew is eager to show that his three-pronged approach of tax cuts, deregulation & new trade deals has spurred growth, key indicators such as business investment haven’t expanded greatly despite tax policies intended to prod them to spend more.

With global economic black clouds seemingly building, one must wonder how Trump’s 2020 election crew may react; for, as James Carville, Bill Clinton’s campaign manager in 1992, once put it, (It’s) “The economy, stupid!”

⁵ That include Paul Krugman, former Bernie Sanders’ advisor Stephanie Kelton (who has a Ph.D. from the mostly Greenwich Village-based New School University) & Rep. Alicia Ocasio-Cortez.

WE NEED A PLAN : GOP SHAKEN BY TRUMP'S HEALTHCARE DEMANDS (Politico, Alice Miranda Ollstein)

- While President Trump says the GOP is now the "party of healthcare", it has no real plan to deliver on that (& *a viable plan is unlikely to be drawn up overnight out of thin air*). The last time it sought to get rid of Obamacare *in 2017* it cost it control of the House & of several state capitals in the 2018 elections. And Republicans know that the more they talk about repealing Obamacare, the more likely the battle over health law & the *popular* protection of people with pre-existing conditions will be dragged into the 2020 election & damage vulnerable Republicans, with 85 year-old Sen. Chuck Grassley (R-Ia), the Head of the Senate Finance Committee, saying "We're going to be involved in health, but most of it is going to be very, very bipartisan", while 78 year-old Sen. Lamar Alexander⁶, his counterpart Head of the Health, Education, Labor & Pensions Committee similarly told reporters "We're working in a bipartisan way" & recently turned his attention to costs, rather than repeal. And with the GOP vision of being able to bring in conservative healthcare ideas now seemingly a pipedream, since they couldn't even enact them when they controlled both Houses, the Republican rank & file now says that, if the President wants changes, he'll have to propose them himself, as even lawmakers close to Trump, like the Freedom Caucus Chair Mark Meadows (R-NC), acknowledge that, after the toxic fallout *from the attempted 2017 Obamacare repeal* in the 2018 mid-term elections, the GOP, going into the 2020 elections, should focus on simpler goals, like drug pricing.

Trump keeps wilfully overlooking the fact that the more successful Presidents of modern history became so, not by throwing their weight around to keep their base happy, but by assiduously cultivating support on both sides of the aisles in both Houses.

SWIFT PUSHBACK ON STEPHEN MOORE, TRUMP'S LATEST PICK FOR THE FED (Bloomberg, Brendan Murray)

- *On Friday March 22nd President Trump announced, by Tweet, that he was nominating the Heritage Foundation's 59 year-old Stephen Moore, who had been his campaign's Economic Adviser, to fill one of the two vacancies on the Federal Board of Governors. This drew swift, & unusually pointed, criticism, with one prominent Republican economist, Harvard's Greg Mankiw [who was Bush 43's Chairman of the White House Council of Economic Advisers (CEA)] saying "He does not have the intellectual gravitas for this important job ... It's time the Senators do their job. Mr. Moore should not be confirmed". Even some private sector economists who have supported Trump's efforts to accelerate economic growth with lower taxes, less regulation & fairer trade deals, were non-plussed by his choice, with Neil Dutta ⁷, Head of Economics at New York-based Renaissance Macro Research, saying "The fact that Stephen Moore gets nominated and has a plausible path to confirmation⁸ but Peter Diamond didn't is truly detestable ⁹ ... and*

⁶ Who will not run for re-election in 2020.

⁷ Who went on record on Monday March as saying that "We've been upbeat

⁸ He may be unduly optimistic/ pessimistic, depending on your view of Trump, for criticism 25th has already emerged on both sides of the Senate aisle.

⁹ MIT's Peter Diamond was nominated by President Obama for the Fed Board in April 2010, but after 14 months, after the President had resubmitted his candidacy twice in the face of determined Republican intransigence & after he had the Nobel Economics Prize in October 2010, he withdrew his name in June 2011.

the upshot is that Stephen Moore will not have much influence if he sat around the table". And while most Presidential nominees tend to keep a low profile until their Senate confirmation hearings, Moore lost no time hitting the air waves after his nomination was announced, calling the fact that the FOMC in December had unanimously approved a rate increase a "substantial mistake", even though he admitted he would have a lot to learn about monetary policy because "I know that I am kind of new to this game ... and I'm going to be on a steep learning curve myself how the Federal Reserve makes its decisions ... It's hard for me to say even what my role will be there, assuming I get confirmed." And later that day he tweeted his thanks to Trump "for the opportunity to serve you and for your zealous commitment to freeing the American economic engine from government overreach and oppressive taxation."

Someone like Moore, with firmly fixed notions & a tendency not to be 'confused by facts', as witnessed by the fact his two stints at the Heritage Foundation sandwich, among others, times at the Cato Institute & Fox News, may not be very effective, if not outright, useless at the "data-driven" Fed. And to make matters worse his reception there will be coloured by the fact that he recently told the WSJ that Fed Chair Jerome Powell was "totally incompetent" (prompting a Washington Post headline that at the Fed Moore "can inflict more long-term damage than any of Trump's other nominations.") & that he only has a Master's degree in International Relations & Economics while, like all central banks, the Fed is chock-a-block with Economics Ph.D.s (although that train sort of left the station when Jerome Powell became the first Fed Chairman ever without one - his (earned) doctorate was in law rather than economics)- even though he had a great deal more hands-on experience in finance than Moore (who has none to speak of).

CANADIAN CANOLA FARMERS REEL FROM 'HUGE' CHINA BLOW (FP, Naomi Powell)

- While Winnipeg-based Richardson International, Canada's largest exporter of canola to China a few weeks ago had its Chinese canola import license revoked (*ostensibly because of "prohibited pests" but in reality as part of the retaliation for Canada's arrest last December, in Vancouver pursuant a US warrant, of the Huawei CFO cum founder's daughter*), no other Canadian firms had received the same treatment until all China importers thereof suddenly halted their purchases thereof. Just a couple of weeks before the planting season is to start in southern Manitoba & Southeastern Alberta, and after farmers on the Prairies have decided what crops to plant this year, this is a big issue for farmers who last year planted 22MM acres to-, & harvested 20+MM tonnes of-, canola, 90% of which, with a value of \$2.7BN was exported to China.

One thing this does is to provide evidence China is not a reliable export market! Last year Prairie farmers planted a total of 68.6MM acres, 24.7MM acres to wheat (up 10.7% YoY), 22.7MM acres to canola (down 2.3% YoY), 6.5MM acres to barley & oats (up 12.7%YoY), 6.3MM acres to soybeans (down 13.2% YoY), 3.8MM acres to lentils & peas (down 14.5% YoY) & 3.6MM acres to corn for grain (up 1.6% YoY). So canola is very significant. And there are at least two other problems not immediately obvious to the layman : if they now must change their seeding plans, not enough seed may be available for them to do so (things were so much simpler in the 'olden days' when all a farmer could just get some grain out of his own bins for seed, clean it & get on with the job, and when with much lower overhead, he might just have shrugged his shoulder & decided to do some more 'summer fallowing' ¹⁰) and, if they cannot

¹⁰

When I came to this country to a farm in Eastern Saskatchewan, it was routine for prairie farmers to be on a three year crop rotation, one year in wheat, another of barley or oats & the third in "summerfallow" (which meant the land was not seeded to any crop but was allowed to 'rest' for a year & being 'worked' with a disk or cultivator several times over the summer to reduce the next two years' weed infestation, with my second

sell their canola inventory over the summer, they may face storage problems when the new crop comes in four months from now that ay force them to spend money building more storage space that would be 'excess to requirements in subsequent years).

WHY CHINA AND CANADA ARE A BAD FIT AS TRADE PARTNERS (FP, Jesse Snyder)

- A report made public on March 28th by the Ottawa-based Macdonald-Laurier Institute presents a comprehensive argument against Canada seeking a trade agreement with China, saying this is so because of fundamentally different views on basic market principles & international trade laws. For Senior Fellow Duanjie Chen (*who recently produced a paper entitled The Practical Consequences of Free Trade with China that, among others, argued “We need to stop foreign governments like China’s from taking advantage of our open, freer and democratic system”*) has reviewed a number of trade agreements China has signed with countries as diverse as Switzerland, New Zealand & Pakistan, only to find “a troubling pattern of benefitting China more than its *new* partners” since it had been a “much shrewder negotiator in getting what it wants from its partners, all of whom ... regarded China’s non-market system as harmless”. And this comes after warnings from various intelligence sources that China’s increasingly aggressive geo-political positioning puts it at odds with Western powers, particularly when it comes to inking free trade agreements, because of the lopsided trade rules by which China typically gains great access for its SOEs (State-Owned Enterprises), while maintaining high restrictions on investments in Chinese assets.

Many government negotiators are lousy at negotiating because they personally have little vested interest in the outcome; on the other hand, Ms. Chen, with her nearly three decade career as a consultant to international organizations, national government agencies & business-, & not-for-profit-, entities, has a real vested interest in her results since she knows that if she doesn’t get results for her clientl, her employment prospects quickly dim.

CHINESE PREMIER LI KEQIANG TALKS UP ‘STEADY’ AND ‘POSITIVE’ ECONOMY AS CRUNCH IN US-CHINA TRADE WAR TALKS KICK OFF IN BEIJING (South China Morning Post, Amanda Lee)

- On March 28th he gave a speech at the annual BOAO Conference in China’s Province/island of Hainan ¹¹ in which he maintained that “since the beginning of this year

year’s boss being the only one I know of to have improved on that by ‘underseeding’ his second year crop with so-called “sweet clover” that would in the third year re-seed itself on a ‘volunteer’ basis” to be plowed under; Doing this had three advantages for him : it enhanced the nutrient value of the straw he fed his (beef) cattle that winter, since sweet clover was a so-called “nitrogen-fixer” (*a family of plants that absorb nitrogen from the air & store it in nodules on their roots, where it would be available to feed the next year’s crop*), &, finally, since sweet clover grew 3-4 foot tall plant, once plowed under, it helped to maintain the natural organic ‘structure’ of the soil (that that according to Darwin Anderson, a University emeritus professor & soil scientist in an article on Prairiesoilsandcrops.ca. has numerous advantages incl. controlling the release of food to the growing plants, improving the soil’s water-holding capacity, affecting the acidity of the soil, helping solar energy absorption, acting as a growth stimulant & helping to store organic pollutants (incl. pesticides) until micro-organisms in the soil can deal with them. And it is relevant in this context that world-wide, & the Prairies are no exception, decades of Monsanto-driven ‘factory farming’ (& ‘monoculture’, i.e. the growing of the same crop year after year that historically has been culture-destructive), has resulted in the natural fertility of the soil being only a fraction what it once was).

¹¹ This is a ‘knock-off of the now 38 year-old Davos World Economic Forum. Attended this year by 2000 people it seeks to bring together government-, business-, & academic leaders to discuss matters about the Asian region & the world at large. Like Davos, it is named after a small town, Boao (population 10,000 on the East Coast of Hianan island) and while its fixed address is there, its permanent secretariat is based in Beijing, maling a lie of the pretense that it is a not-for-profit entity.

China's economy has been steady & there have been some positive changes", & that "the government will stick with its current policy of targeted, limited policy support."

Anyone who buys this line is gullible beyond belief, if only because Beijing's 'policy support' has not been- (& by definition never will be) "limited", and even more so than ever with President Xi at the helm. Meanwhile, US Treasury Secretary Steven Mnuchin & Trade Representative Robert Lighthizer were enroute to Beijing for the next, possibly critical, round of negotiations to end the US-China trade war (so Trump can turn his attention to another one with Europe?)

SLOWER BUT STEADIER? (The Economist)

- In a flashy promotional video on its website, China's National Statistics Bureau warns that any fabrication of *economic* data is against the law. Nevertheless, a new paper, published by the Washington-based Brookings Institution on March 7th, by Prof. Chang-Tai Hsieh ¹² & three co-authors from the Chinese University of Hongkong reported that China's industrial output-, & investment-, data have been consistently embellished & so that China has overstated its real GDP growth rate by *at least* two percentage points in every year from 2008 to 2016, & hence the size of its 2016 economy by 16%, i.e. by US\$1.5TR. And, while they are by no means the first to have studied this problem, they were the first to work with public data that compared revenues from the VAT (Value-Added Tax) with the reported growth of industrial output only to find that they had been consistent until 2008, after which a gap opened between them [*that was at its widest in 2010 (by 4%) but by 2016 had narrowed to half that*]. And rather than these results having been due to Beijing fiddling with the numbers, they say it was due to them being unable/(*unwilling?*) to correct the false reports by local government officials.

Apparently local & national consumption figures are of a better quality (since they are not, unlike output & investment data, GDP inputs?).

SORTING THROUGH CHINA'S WASTE CRISIS (WP, Anna Fifield)

- Until the 1980's there was little garbage in China; for the country was poor & so were its people; hence they didn't buy much & wasted even less. But then came the boom & with it mountains of consumer trash while now, with the prevalence of food delivery services - one can even get a cup of tea or a single serving of soft ice cream delivered for a nominal fee -, every day the Chinese people dispose of 60+MM takeout food containers) & online shopping is producing mountains more of new kinds of trash. So, buried under waste, the government is trying to make a change ; thus it has started banning imports of solid waste (a practice that started three decades ago when, in the early stages of its industrialization, Chinese manufacturers were looking for cheap raw materials¹³) which,

¹² He is the Phyllis & Irwin Wikelreid Professor of Economics at the University of Chicago, a well-known scholar who has been a Visiting Scholar at, among others, the San Francisco-, New York-, & Minnesota Feds, the World Bank's Development Economic Group and Japan's Economic Planning Agency and a prolific producer of articles in 'learned' journals.

¹³ Which industrialization promoted; for the more consumer goods China produced for the Western markets, the more ocean shipping containers were needed to get them there & the greater the surfeit of them in the West, for which there were no goods to be shipped back to China; so rather than 'backhauling' them empty for free, the rates to haul garbage back were rock bottom low.,

by the time the ban came into effect, on January 1st, 2018 ¹⁴, had China every year importing 8MM tonnes of foreign plastic waste alone. But when the ban comes into full effect by the end of this year, it won't make much difference; for the **real** problem now is domestically produced waste.

And this is a problem that the entire world is increasingly facing, & not dealing with (because it will require a wholesale consumer product packaging revolution?).

VENEZUELA CRISIS : RUSSIAN MILITARY PLANES LAND NEAR CARACAS (BBC News)

- On March 24th two of them landed on Venezuela's main airport, carrying large amounts of equipment & dozens of troops, with Russia's Sputnik news agency reporting they had been sent to "fulfill technical military contracts". Russia has long been an ally of Venezuela, selling it arms & lending it billions of dollars, backing its oil industry & military, and vocally opposing any US moves to sanction the Maduro government. According to Venezuelan journalist Javier Majorca on Twitter the planes were an Antonov 124 cargo plane (*the world's largest military freight plane*) & a smaller jet (*likely a troop-carrying Ilyushin IL 26M of the type Russia has been using to support its war effort in Syria*), the troops numbered 100 & the equipment offloaded weighed 35 tons, and 59 year-old Gen. Vasily Tonkoshkurov *himself* led the troops off one of the planes. Ties between Moscow & Caracas have strengthened in recent months amid the latter's worsening relations with Washington, & last December Moscow sent two air force jets to Venezuela to participate in military exercises, while condemning others for backing the Venezuelan opposition leader Juan Guaidó who declared himself interim president in January (with the Kremlin echoing President Maduro's line that Guaidó was trying to mount a coup against him with help from 'US Imperialists'), pledging to do "everything required" to support Maduro.

If Majorca is right, Putin has seriously 'upped the ante'; for Gen. Tonkoshkurov is the Head of Russia's 350,000 active duty ground forces.

-0-0-0-0-0-0-0-0-0-

Amazing this didn't get more exposure - Seattle WA-based Amazon is the largest e-commerce market place & cloud computing platform in the world (by revenue & market capitalization). Still, last November 15th CNBC had a feature entitled "Jeff Bezos to employees : 'One day, Amazon will fail but our job is to delay it as long as possible.'" This was based on a recording of an all-hands meeting at Amazon's Seattle headquarters a week earlier, on November 8th, during which one employee asked Bezos what lessons he had learned from the bankruptcies of Sears & other big retailers, to which Bezos' answer had been "Amazon is not too big to fail ... In fact, I predict one day Amazon will fail (*just as his 25-year marriage just failed?*) Amazon will go bankrupt. If you look at large companies, their life spans tend to be 30-plus years, not a hundred-plus years" ¹⁵, continuing by saying that the key to delaying such a

¹⁴ Initially it banned the import of household waste plastics, unsorted waste paper & waste textile, this year added scrap metal, and ship-, & auto-, parts and by the end of this year plans to ban the import of all waste, except that which it cannot substitute.

¹⁵ He is only partially correct. For there are lots of exceptions, incl. CP & HBC in Canada and , Standard Oil, JPMorganChase & Jim Beam in the US. And it is interesting to see that there are literally hundreds of operating business in the world today that can trace their founding as far back as the 900s, with a disproportionate number of them being bars, hotels & breweries. And among them is Newell MA-based Avedis Zildjian, the world's largest maker of cymbals, that was founded in 1623 in Constantinople/Istanbul & today is still run by a descendant of the founder.

demise is for the company to “obsess over customers” and avoid looking inward & worrying about itself; for “If we start to focus on ourselves, instead of ... on our customers, that will be the beginning of the end ... We have to try and delay that day for as long as possible.” - *This may have contributed to-, if not caused, the then Amazon share price fainting spell, going from US\$ 1,619.44 on November 15th to US\$1,495.46 on November 20th, although by December 3rd it had more than recovered the lost ground since it closed that day at US\$1,772.36.*

Surprise, Surprise; you think you’re going to Germany & you’ll end up in Scotland! - On Monday morning March 25th BA flight 3271 left the London City Airport, as it does every morning, bound for Duesseldorf, Germany, about an hour’s flight away. One can only imagine the passengers’ surprise when, less than an hour into their flight, the PA system carried a “Welcome to Edinburgh” message; for that’s where, due to a “paperwork screw-up”, their plane had gone; so when the pilot came on the system & asked “Will the passengers wanting to go to Duesseldorf please raise their hand”, every single one of them did. After a (*n inexcusable*) 2½ hour wait on the tarmac (during which the toilets quit working), the plane took off again & finally delivered the passengers to their destination, some five or so hours behind schedule (which meant that Sophie Cooke, a 24 year-old management consultant, who takes this flight every Monday to commute to Duesseldorf for her work, was a bit late arriving at her office - *BA passenger agents met the passengers at the Duesseldorf airport to try & pacify them, & the Company issued a statement that “We have apologized to our customers for this interruption in their journey and will be contacting them all individually.”*

KENTUCKY GOVERNOR SENT HIS KIDS TO ‘CATCH CHICKEN POX PARTIES’ BECAUSE HE IS A MORON (Esquire, Charles P. Pierce)

- *Gov. Matt Bevin (age 52) is a Tea Party Republican who is running for a second term in the state’s November 5th gubernatorial election after having replaced his Afro American female running mate with a Hispanic male. He & his wife Glenna have nine children between the ages of five & sixteen, four of whom are Ethiopian adoptees. In an interview on WKCT, a Bowling Green talk radio station, he told the world “Every single one of my children has had the chicken pox ...They got the chicken pox on purpose because we found a neighbour who had it and went & made sure every one of my kids was exposed to it and ... got it They were miserable for a few days and they all turned out fine”.*

Medical experts call this practice unsafe & unwise, and some even call it dangerous; on the other hand, while the Atlanta GA-based Centers for Disease Contr ol and Prevention also urges against it, it also concedes that complications are not common in healthy people.

OUR CHESS CHAMPION HAS A HOME (NYT, Nicholas Kristoff)

- Last week I wrote about 8 year-old Tanitoluwa Adewumi as a reminder that talent is universal, even if opportunity is not. A Nigerian refugee who had learnt to play chess at school only a little more than a year ago, he had just defeated kids from elite private schools to win the New York State Chess Championship for kids in his age group, winning a trophy almost as big as he to take back to the homeless shelter where he was living. But what a difference a week can make; for while then he was homeless, studying chess moves on the floor of a shelter in Manhattan, today Tani, as he is known, has a home, a six-figure bank account & scholarship offers from three elite private schools, and an offer to meet Bill Clinton. For my column prompted a GoFundMe drive that raised US\$200,000+ for him and his parents & six year (?) older brother, half a dozen offers of

- housing, pro bono offers of help from immigration lawyers for his parents (who are legally in the US, seeking asylum) & offers from film companies for a movie about him.
- Tani's father, Kayode Adewumi, has two jobs, he drives a rented car for Uber & sells real estate through Brooklyn-based Bricks & Mortar LLC. Somebody has offered him a free car so he can keep more of the money he makes driving, and Tani's mother, Olilwatoyin, has been offered a job as a healthcare aide in a hospital. From the housing offers the family selected one of the more modest & practical ones, a clean, comfortable & freshly-painted two bedroom one near Tani's school that a donor has offered to furnish & equip. As to schools, they have decided that, while they might accept a scholarship for middle school, for the time being he will stick with P.S. 116, the public elementary school that taught him chess & waived his fees for the chess club, with his mother telling its principal, Jane Hsu, that since the school had shown confidence in Tani, "so we return the confidence". And the family decided not to spend the U\$200,000 on themselves but donated a 10% 'tithe' to the church that helped them when they were homeless & the remainder to a foundation to help other African immigrants still struggling in their new environment, as they had been doing just a week earlier.
 - Tani was lucky because everything fell in place for him; the challenge now is to replicate that supportive environment for all other Tanis out there with public service and private philanthropy alike.

"Lucky" - Yes, up to a point. But he still had to work hard (& that cannot have been easy when they lived in a homeless shelter), and he had parents that supported him in his endeavour & made sacrifices to create a family environment that encouraged him. And, theirs is an example of immigrants not being as President Trump likes to portray them to be but more like the early Americans who came hereto build a life for themselves different than it would be back home & who in the process built the nation's foundation in a way that many of today's 'fat cats' with their over-developed sense of 'entitlements' would have a difficult time relating to. .