

GLEANINGS II - 821
Thursday August 22th, 2019

Quote of the week - “Some of China’s economic weakness this year has nothing to do with the US trade war ... *it* has its own challenges, ranging from skyrocketing debt and overpriced real estate to the chronic inability and unwillingness of the Beijing government to reform and disassemble China’s vast and sclerotic state-owned enterprises ... and its vast investments in Asia and Africa ... have not yielded particularly good results ...” - This is from an August 21st Politico article entitled “What Trump doesn’t get about the Chinese economy” that also notes that *while* “the US tariffs carry a bite in China, as they are meant to ... *they* are also biting back.” - *This confirms my belief that China is a “Potemkin Village” or, if you wish, a “giant with feet of clay” (Daniel 2:31-32), a condition which has been made worse by President Xi’s campaign to give the Communist Party’ a soviet-like role in the economy, thereby reversing the “socialist market economy” policy bias of Deng Xiaoping three decades or more ago that was responsible for China’s meteoric growth since, until it began to run out of steam a few years back.*

Bernard Baumohl is Chief Global Economist at the Princeton NJ-based Economic Outlook Group & is “well known for being ahead of the curve in assessing the direction of the US and world economies and ... was the most accurate forecaster for 2018 in the Wall Street Journal’s monthly survey” - His view on the economic outlook is that “this time it is different ... The key determinant that will shape the path of the economy this time won’t be the yield curve or the direction of the Federal Funds’ rate (*that is determined by the Fed*)¹ . It’s the extent to which American consumers will offset the damage done by policies that impede world trade and reverse globalization. “ (although even he sees a 30% chance of a recession in the next year or two and says that investors are “right” to worry about the escalating trade war with China as businesses have put *new* investments on hold & more interest rate cuts won’t help their plight - *Over the years I have learned many things, incl. a) that those who say “this time it is different” are almost invariably proven wrong, b) that being right in one’s forecast this year is no guarantee of being right the next year, especially so at a time of a major socio-economic ‘inflection point’ such as we now may be in and c) that all this percentage chance talk is a typical self-protection cop-out by forecasters since in the end, there will be a 100% certainty that something has happened.*

Brent Crude price - At last report it was US\$60.30, down from US\$85.12 last October 5th & from US\$74.39 last April 23rd but up from US\$55.03 two weeks ago, reflecting a widespread belief that the slowing world economy will result in a decline in demand for motor fuel.

CBO’s latest deficit prognostications - On August 21st the non-partisan Congressional Budget Office raised its federal budget deficit forecast for the current fiscal year (*that has only about another 6½ weeks to go*) by US\$63BN from last May’s projection to US\$960BN, and its annual average annual budget deficit projection for the period 2020-2029 from US\$809BN to US\$1.2TR. And it now expects that during this period the deficit-to-GDP ratio will range from 4.4% to 4.8%, well above the average for the last half century (*which, if my memory serves me right, was 2.9%*). And it also said that while it left its current year’s GDP growth rate unchanged at at 2.3%, down from 2.5% YoY, US foreign trade policies since January 2018 will reduce next year’s GDP growth

¹ Which is questionable economic reasoning since neither the yield curve nor the Federal Fund rate have ever “shaped the path of the economy”. The former has long been a relatively reliable “leading indicator” of what may happen while the latter has tended to be a **lagging** indicator of what had happened in the real economy, rather than a determinant thereof (since central bankers, depend on “hard” evidence for their monetary policy decisions that is typically months out of date).

rate by 0.3% from-, & the average household's real income by 0.4% below-, what it otherwise could have been. *But what really caught my eye is that it also said that the share of the public debt held by the public will go from the current 79% to a 95% post-WW II high by 2029 (presumably because the Social Security funds will no longer have the positive cash flow they have today).*

Chinese food prices – Due to China's African Swine Fever epidemic, its spread to other countries in Asia & at last report to Russia, and its effect on global pork prices, in July they were up 27% YoY in China, & food prices generally 9.1% -. Premier Li Keqiang has expressed concern *since food-, & pork prices are a major quality of life issue for China's 'hoi polloi'.*

Corporate share buybacks - Their annualized value almost doubled in the US over the past three years to about US\$900BN, in part since the December 2017 US federal tax reform bill had encouraged corporations to repatriate some of their large cash balances overseas. This has been a factor in the US stock market being "on wheels"; for it boosted demand for-, & shrank the supply of-, shares in the market and, with fewer shares outstanding, the same earnings by a company produced higher earnings per share. So the First Quarter's 10%-, & the Second Quarter's almost 20%-, QoQ decline in share buyback volume to a level the WSJ says is an 18 months' low, may have removed an important safety net for the stock market that threatens to take some oomph out of it, with one analyst commenting that "Q3, '19 will be critical to see where companies support their buyback levels - *this phenomenon seems to have been driven by two factors, slower growth in companies' earnings & cash flows and a vastly increased tendency to hold more cash in a time of uncertainty, especially since the share buyback phenomenon has increased the leverage in many companies' balance sheets & hence put them at greater risk in uncertain times.*

El Paso shooter - 21 year-old Patrick Crucius, who first was isolated from other inmates in a 7x11 foot cell in the El Paso County Detention Facility because he was "in danger" from its general population & now is on suicide watch, actually had to drive over 600 miles from his home town of Allen, Texas, in the Northern part of the Dallas Metropolitan Area, before he could "start shooting Mexicans" in El Paso (*which he could have done much closer to home in 70% white Allen*). His father John Patrick Crucius is a licensed professional mental health counselor & his home town is in Collins County, Texas' fourth most well-to-do county (with a per capita income of US\$37,392 (50+% greater than nearby Dallas' US\$26,185).

Iranian supertanker Grace 1, (now renamed Adrian Daryai since Panama has cancelled its registration & the ship is now Iranian-flagged, and international maritime regulations require a ship to have a name that reflects its nation of registration) - This vessel was detained on July 4th near Gibraltar in a British Navy raid, *after a long ocean voyage around the Cape of Good Hope that is about 4x the length of the journey through the Suez Canal (from which Iranian vessels are barred)*, pursuant EU sanctions regulations because of "solid documentary evidence" that its US\$140MM, 2.1MM bbl cargo was bound for Syria. But on Thursday August 15th it was released, despite last minute objections of the US government, because, according to Fabian Picardo, Gibraltar's Chief Minister, there had been "an important material change in the destination of the vessel and the beneficiary of the cargo" prompting Gibraltar's Supreme Court to order it released after the US Justice Department had failed to follow up on a last minute application to extend the vessel's detention - *While Iran's Foreign Minister Mohammed Javad Zarif said on Monday August 19th his country was being discrete about the tanker's destination since the US was "illegally trying to bully others from purchasing our oil", it is a sign of the times & of the diminishing stature of the US in global affairs that a pip squeak government like*

Gibraltar's, albeit with the backing of London ², can effectively tell Washington to “fly a kite” & allow Iranian oil, despite the US sanctions, to find its way into the global oil market. And this comes amid rumours that China has come up, & not surprisingly so, for economic & political reasons with clever roundabout ways to buy Iranian oil (at deep discounts) in ways that not patently violate the US sanctions on doing so.

Jackson WY's annual central bankers' get-together - The event this year has the quite aptly-named theme of “Challenges for Monetary Policy”. It has traditionally been hosted by the Kansas Fed (whose President, Esther George, is one of the more ‘hawkish’ members of the FOMC) and will get underway with an evening reception this Thursday evening August 22nd. Its highlight this year will be the Friday August 23rd 10:00 a.m. address by Fed Chairman Jerome Powell that is expected to seek to cool the jets of those pushing for more than a 0.25% rate cut at the September FOMC meeting, or as UBS put it “We expect some spin to make the meeting sound dovish, but the spin will only go so far; Powell appeared ... unable to convince the FOMC *at its July meeting* to be particularly aggressive in providing accommodation” - *While some outside the Fed, incl. the President, & supposedly even some within the Fed, are pushing for more dramatic rate cutting action than just 0.25%, the Fed's likely ‘go slow’ stance cannot help but have been affected by the Atlanta Fed's GDPNow reading having been raised on August 16th from 1.7% to 2.2%, a rate that, while it may be unacceptable to President Trump would be quite acceptable to many FOMC monetary policy decision makers ³, if only to avoid presidential harassment.*

Trump does another 180 - On Tuesday August 20th he said he was seriously considering indexing capital gains to inflation (& cutting the payroll tax that helps fund Social Security & the Medicare health program for the elderly). But the very next day he told reporters the US economy was very strong & didn't need tax reductions & that it would be perceived “if I do it” as somewhat elitist since “indexing (*capital gains*) is really probably better for the upper-income groups”.

Trump's recent poll numbers :

Date		Job	Approval	Country	Direction
		Approve	Disapprove	Right	Wrong
May 19 th	Rasmussen	46	53	37	58
	Gallup	41	54	-	-
May 18 th	NBC News/ WSJ	43	55	33	60

² Presumably in part at least in the expectation that this will help ease the tension between London & Tehran created by the latter's supposedly not retaliatory seizure of the British-flagged tanker Stena Impero & its 23 crew members .

³ Who are likely more aware than Trump of the fact that the economy's trend growth rate has been negatively affected-, & is likely to continue to be so affected-, by the four decade-low participation rate & the fact that in an era of an aging population, the potential consumption growth rate is negatively affected by older consumers spending more on their “needs” (such as food, housing & health care) & less on their “wants” (e.g clothing, automobiles & transportation, household furnishing & “toys”).

May 15 th	Fox News	43	56	-	-
May 14 th	Politico/ Morning Consult	42	54	37	63
	Economist/ YouGov	44	54	34	58
	Reuters/ Ipsos	43	53	31	60

Remarkable how consistent these numbers are, especially so given the number of polling agencies & the five day spread. But it's small wonder Trump doesn't like the results.

Trump gets loonier by the day - First there was his 'outlier' idea of buying Greenland & his negative overreaction to the Danish Prime Minister's negative reaction thereto. But then on August 21st in his address to the 75th Annual National Convention of American Veterans in Louisville KY he mentioned (& *only half jokingly?*) that he had wanted to give himself the Medal of Honor (the nation's highest award for military valour) *despite the fact he has never served a day in uniform due to his five draft deferments*, but had been told he didn't qualify & that doing so would not be a good idea - *needless to say, this remark was not well received by those present, all of whom had worn a uniform & were aware of what it had taken others to 'earn' the distinction.*

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TRUMP TEAM BRACES GOP DONORS FOR A POTENTIAL 'MODERATE AND SHORT' RECESSION (Politico, Nancy Cook)

- While President Trump & his White House officials in public keep extolling the strength of the US economy, in private they are increasingly worrying about a global economic slowdown triggering a US recession, & weighing options to shore up the economy ahead of an election year. *Thus according to an attendee, at a fund raising luncheon this week in Jackson Hole WY (where on Thursday evening the two day annual central bankers' 'clambake' hosted by the Kansas Fed will get underway), with both Jared Kushner and Ivanka Trump in attendance, White House Chief of Staff Mick Mulvaney behind closed doors acknowledged the risk of a recession but told the 50 donors present that, if the US went into recession, it would be "moderate and short". And White House officials are now discussing a broader package of measures than previously disclosed, incl. a 2% cut in the corporate tax rate, a payroll tax cut (as Obama did, a decade ago, to shore up the economy) & a move to index the capital gains tax to inflation (the latter of which has the support of the White House's National Economic Council, the Vice President's office & Mick Mulvaney, and is believed can be done by Executive Order while the other tax initiatives would need Congressional approval that may not be forthcoming with Democrats controlling the House.*
- While according to Stephen Moore, a Distinguished Fellow at the Heritage Foundation *who Trump not long ago had wanted to nominate for one of the two vacancies on the Federal Reserve Board*, "It is hard for us to grow when the rest of the world isn't ... That has increased the administration's desire to get a trade deal with China. That is key. Once you get a trade

deal with China, it puts you back on the 3 percent growth path”⁴ Meanwhile, White House Economic Adviser Larry Kudlow, Counselor to the President Kellyanne Conway & others are all over TV, and on Monday August 19th Vice President Mike Spence spoke to the Detroit Economics Club, to deliver the Administration’s upbeat message & tout the recent record low unemployment rate & wage growth.

The “record low” unemployment rate claim is a hoax since it’s based on an ‘apples & oranges’ comparison. And the corporate tax-, & capital gains indexing-, ideas are three decades out of date for, since the Reagan era belief in the “trickle-down effect” of giving tax goodies to the rich & business has long since been disabused & would give the Democrats a wonderful opportunity to convince Mr. & Mrs. Joe Independent Voter that they would ‘benefit the rich’ & be of no direct benefit to them..

TRUMP SEES FED RATHER THAN TRADE WAR AS SOURCE OF MARKET TURMOIL (Reuters)

- On Wednesday August 14th he tweeted that in raising interest rates four times last year “the Federal Reserve acted far too quickly and now it is very, very late.” and as to it reversing itself & cutting borrowing costs “Too bad, so much to gain on the upside”; this came after earlier that day White House Trade Adviser Peter Navarro (*who has even less credibility than his boss*) told the Fox Business Network the Fed should cut rates by half a percentage point “as soon as possible” since that would lead to “30,000 on the Dow”.

Four days later, on Sunday August 18th, when he left his golf club at Bedminster NJ & was asked by reporters for his reaction to a Fox News poll that had him trailing all four leading Democratic Presidential hopefuls by significant margins (Biden 38-50, Sanders 39-48, Warren 39-46 & Harris 39-45), his response was “Fox has changed and my worst polls have always been from Fox ... There is something going on at Fox. I’ll tell you right now. And I am not happy with it.” and the next morning he followed that up by tweeting “Despite all the Fake News, my Poll Numbers are great ... New internal polls show them to be the strongest we’ve had so far! Think what they might have been if I got fair media coverage!”

TRUMP UPS DEMAND FOR RATE CUTS (WP)

- He tweeted on Monday morning August 19th “Our economy is very strong despite the horrendous lack of vision by Jay Powell and the Fed but the Democrats are trying to ‘will’ the Economy to be bad for the purposes of the 2020 Election ... very selfish! Our dollar is so strong that it is sadly hurting other parts of the world ... *interest rates* over a fairly short period of time should be reduced by at least 100 basis points, with perhaps some quantitative easing as well ... If that happens, our Economy would be even better, and the World Economy would be greatly and quickly enhanced - good for everyone!”. But that same day Boston Fed President Eric Rosengren (*who at the July FOMC meeting, along with the Kansas Fed’s Esther George, had voted against the .25% rate cut decided on - both are deemed among the more hawkish of its members*) in an interview with Bloomberg TV signaled no willingness to support a further rate cut on the grounds that conditions are still good & easing policy now could encourage a worrying debt build-up, and “It’s a bigger risk to encourage people to take on too much more risk at this time”.

⁴ Words that must ‘be music to the ears’ of President Xi c.s. and lessen the likelihood of a good deal for the US and suggest the ‘Great Negotiator’s bully tactics have blown up in his face.

Trump's tweet sounds as if copied from a Teleprompter; for he has never been known to use the term "basis points", the word "enhanced" seems too rich for his vocabulary & he has never displayed the slightest interest in the "World Economy". And its purpose may not just be to try & affect decision making at the September 17th - 18th FOMC meeting but also to play down the risk of recession & to have the Fed as a possible "fall guy" in case the economy does go "off the rails". And he is financially naive enough not to realize that such talk by the President of the United States at this juncture may just make more people more nervous about a possible recession. And neither is he likely aware of the old financial market shibboleth "You cannot push on a string" (i.e. monetary policy is much better at choking off an economy threatening to go out of control than it is at reviving one that's on the ropes; for experience has shown that when business is a "downer-type" state of mind, the cost of credit is the last thing on people's minds. Moreover, The Federal Reserve System Purposes and Functions marching orders say, among many other things, that it "sets, in accordance with its mandate from Congress, monetary policy to promote maximum employment, stable prices and moderate long-term interest rates in the US economy", with there being no mention of a Presidential role in this process or a duty to 'goose' the stock market.

WE'RE DOING THIS FOR THE CHRISTMAS SEASON' : TRUMP'S LATEST COMMENTS SUGGEST TARIFFS COULD HURT AMERICAN CONSUMERS (Market Insider ⁵, Gina Heeb)

- On August 13th he announced that certain products, incl. lap tops, cell phones & toys (*and Christmas decorations*) will be exempted from his September 1st tariff increase package because of concerns about the *Christmas* Holiday shopping season (*a clear reversal of his contention hitherto that his tariffs had "virtually no" effect on Americans*). This prompted Mary Lovely, a trade scholar at the Peterson Institute for International Economics to comment that "In my view, today's announcement was mainly a bow to domestic political interests."

And not only did he by this shoot himself in the foot & undermine his credibility further by effectively conceding his earlier view on the domestic impact of tariffs had been 'out to lunch', but he also gave Beijing an early 70th anniversary present; for it will see this, along with his dithering on Huawei & his 'negotiating with himself' to accommodate various domestic political-, & business-, vested interest-, pressures as signs they are winning a 'war of attrition, have less need to make concessions and can continue to annoy him with talking & not doing (thereby acting on the advice of the famous Chinese military strategist Sun Tsu in his now 2,500 year-old book The Art of War (that still is obligatory reading at many military academies) that "If your opponent is temperamental, seek to irritate him" (to distract him from the things that really matter?).

I WAS WRONG ABOUT TRUMP (WP, Anthony Scaramucci)

- President Trump's August 19th insults directed at me (*he called him, among others, a "nut job"*) were predictable after I had publicly said he's unfit for office. But it reinforces my thinking that I can no longer in good conscience support his re-election due to concerns that have been building *in me* for some time. For the negatives of his demagoguery now clearly outweigh the positives of his leadership and it has become imperative that Americans unite to prevent him from serving another four years in office.
- When I *first* decided to support his candidacy & later went to work for him, it wasn't because I agreed with all his policies, or even liked every aspect of his personality but because, as

⁵ A 10 year-old US financial & business website with international editions in over 15 countries on four continents that is owned by Alex Springer SE, Germany's largest digital publishing house.

former New York Mayor Ed Koch ⁶ used to say, “If you agree with me on nine out of 12 issues, vote for me. If you agree with me on 12 out of 12, see a psychiatrist.” And even after leaving his administration I supported him since the positive results achieved during his time in office, especially concerning the economy, outweighed the corrosive effects of his presidential behavior & his lack of tact in trade negotiations with China (that now threatens to cause a recession). But in the yes-or-no matter of supporting him for president I have reached a tipping point. His response to the neo-Nazi march in Charlottesville was repellent, his administration’s child-separation policy on our Southern border appalling, his ranting about the news media as the “enemy of the people” dangerous while last month the final straw came when he tweeted that four Congresswomen’, all of them US citizens & three born here, should “go back and help fix the totally broken and crime infested places from which they came.”

- I have been accused of turning on Trump since he turned on me. If so, the time to have done so would have been after I sold my company to serve in his administration, only to be used as a hatchet man & be summarily fired after 11 days as White House Communications Director because I used naughty words to tell a reporter, whom I had mistakenly trusted, the truth about bad people. I (*finally?*) broke with Trump not only because, like all demagogues, he is incapable of handling constructive criticism but because his behavior has become more erratic & his rhetoric more inflammatory, and I believe the Republican Party must now choose between starting to clean up this mess or continue papering over the cracks. So I challenge my fellow Republicans to summon the nerve to speak out on Trump, defy the culture of fear he has created & go public with the concerns they readily express in private.

While he may be re-writing some history, his final conclusion/call to action seems “spot on”.

TRUMP IS MELTING DOWN. AGAIN (WP, Eugene Robinson)

- He is in such a state of panic about his dimming re-election prospects that he is getting his lies mixed up & occasionally blusters into the truth. Thus on Sunday August 18th he told reporters “It’s tough for Apple to pay tariffs if it is competing with a very good company [i.e. Samsung] that is not.” This reflects more than just the difficulty of juggling multiple lies & is evidence he is melting down again ⁷. And for good reason. For fears of a global recession, greatly exacerbated by his erratic & self-destructive trade policies that have sent financial markets tumbling, & a sharp downturn would close off one of the principal lines of attack he was hoping to use against his Democratic opponent *whomsoever that may turn out to be* or as he put it in his August 16th rally in New Hampshire when he told the crowd “You have no

⁶ Koch was Mayor from 1978-1989. A self-avowed “liberal with sanity”, he did much to help restore the city’s financial probity (it had nearly gone bankrupt in the early 1970’s, as analysts are now warning it may do again in the not very distant future) by reducing payrolls and cutting spending and yet get re-elected with massive (75%) bipartisan voter support.

⁷ He had previously done so, among others, in April 2018 after the FBI had, *with the necessary warrants*, raided the house & office of Michael Cohen, in September 2018 after Dr. Christine Blasey’s testimony against his Supreme Court nominee Brett Kavanaugh, in March 2019 when he tweeted 50 times in a single abusing everyone but the village idiot, some of them several times, causing Late Night’s Seth Meyers to comment that “some of his tweets would have made more sense if scribbled on the walls of a psych ward” & again last month when the Washington Post had the gall to call some of his tweets “racist”.

- choice but to vote for me ... because your 401(k)s down the drain everything is gonna down the tubes if I lose ... so whether you love me or hate me, you gotta vote for me.”
- He is flailing. He berates his hand-picked Fed Chair for not cutting interest rates fast enough to goose the economy (*that he continues to claim is “so strong”*). He almost begs President Xi for a meeting to get almost any trade deal but is met with a *deafening* silence *as the latter sees this as weakness*. He threatens more tariffs & then backs down, at least ‘for now’ (*another sign of weakness?*). He sees himself as the victim of a conspiracy to exaggerate the growing economic anxiety to hurt his chances of winning a second term. He entertains grandiose, almost Napoleonic, fantasies like buying Greenland (just a “large real estate deal”) & imposing a naval blockade on Venezuela. And he apparently spent much of the last weekend fuming about not getting enough credit for his New Hampshire rally having beaten the attendance record for the arena set by Elton John & cannot stop railing against the new Fox News poll that showed him losing to all the leading Democratic contenders, threatening that Fox News “is making a big mistake” because he is “calling the shots”, implying that it may be shut out from next year’s presidential election debates ⁸.
 - The astonishing part of all this is that the President of the United States is, let’s face it, raving like a lunatic, while the nation is reeling from two mass shootings, the markets are yo-yoing by hundreds of points ⁹, a bomb in Afghanistan, where we are still at war, kills 63 revelers at a wedding, tensions between the US & Iran continue to mount, North Korea keeps testing new missiles, India is playing with fire in Kashmir, Hong Kong has been convulsed for months by massive protests seeking to guarantee basic freedoms and *Russia may have developed a new class of nuclear-powered missiles*, while he obsesses & fantasizes, about Greenland. The truth is that we really don’t have an actual presidency but rather a tiresome reality show the ratings of which have begun to slide.

Trump’s ‘Best Before Date’ may be well looming although that will take an epiphany on the part of all federal politicians to quit thinking in a siloed manner & start doing so ‘Big Picture’-wise (as they are supposed to). And both of the above reports appear to be part of a growing body of unease among the GOP’s rank-and-file, the latest symptom thereof having come when the 58 year-old “flame-throwing” conservative radio & TV talk show host Joe Walsh, a former one term Tea Party Congressman from Illinois & a strong supporter of Trump, told Politico on August 21st he plans to mount a primary challenge of Trump, calling him an “unfit Divider-in-Chief” & claiming the party is craving an alternative (to be its standard-bearer next year), and that “I’ve been really surprised by the amount of anxiousness from people across the spectrum who want this president to have a challenge because there is ... real concern that he’s absolutely unfit”.

PHILIPPINES DECLARES EPIDEMIC AFTER DENGUE KILLS MORE THAN 600

(The Guardian, Hannah Ellis-Peterson)

- As of July 30th YTD the country had recorded 146,062 cases, up 98% YoY &, as of August 7th, 622 deaths. This outbreak followed last February’s nationwide ban on the sale & distribution of the Dengvaxia vaccine, a product of France’s Sanofi Pasteur company, that

⁸ Which is not his to decide; for since 1987 they have been organized & run by the bi-partisan Commission on Presidential Debates, that is funded by a number of large corporations & foundations and **cannot** accept money from political entities or politically connected private donors

⁹ Which is attributed to the so-called numerous “algorithmic trading” programs that now are deemed to account for as much as 80% of all daily trading and that tend to respond in lockstep to various market signals during the day.

has been at the heart of a scandal in the Philippines for the past nearly two years after dozens of children who had been given the vaccine as part of a national immunization programme had died & the company had conceded it could have put some children at risk. But it is the only dengue vaccine on the market (& WHO recommends it for use only in high risk areas & not in mass immunization projects). So last year the government suspended all dengue vaccination programmes & set up a (*scapegoat-finding?*) investigation into Dengvaxia that found the company had shown “complete disregard of government rules and regulations“ and last February decided to ban the vaccine altogether, prompting a nationwide panic & mistrust of all vaccinations that caused a plummeting of vaccination rates for measles as well as dengue, prompting a measles epidemic as well that YTD has resulted in 35,000 recorded cases & 500 deaths, a six-fold YoY increase. So the Department of Health is now conducting a campaign to find & destroy mosquito breeding sites & encourages people to use insect repellent & wear clothing covering the skin while according to Health Minister Francisco Duque the government is studying an appeal to allow Dengvaxia back in the Philippines but has ruled out using it to combat the epidemic (which hits small children the hardest), saying “This vaccine does not ... address the most vulnerable group which is the 5-9 years of age” (according to WHO, this vaccine, that is now licensed in 20 countries, is approved only for use for those age 9 & over).

- Malaysia has also reported an upsurge in dengue cases with, as of June 29th 62,421 cases & 93 deaths, up YoY from 32,425 cases & 53 deaths, as has Vietnam with 81,132 cases & 4 deaths vs. 26,201 cases & 6 deaths last year while Bangladesh is facing its worst ever dengue fever outbreak that is further straining its already overwhelmed medical system (*with earlier this month 2,428 new cases being reported in a single day*).

There are several reasons for this. Government mismanagement in urban planning & healthcare delivery administration. The evolution of new-, in some cases treatment-resistant-, viral strains; there are now four strains of the disease & this year the more virulent Den 3 & Den 4 strains that cause more plasma damage, respiratory distress & organ impairment have dominated, rather than the milder Den 1 & Den 2 strains of recent years (and according to WHO, while being infected with, & having recovered from, the Den 1 or Den 2 strains provides lifetime immunity from recurrence of that strain, any subsequent infection by one of the other three strains hikes the risk of a greater severity thereof. And while early symptoms include high fever, headaches, muscle-, joint-, & abdominal pain, nausea, bleeding gums & rapid breathing 3-7 days after infection, in this year's outbreaks the early symptoms have been absent in many & the more severe symptoms have shown up earlier. And since construction is booming in South-, & Southeast Asian teeming, overcrowded & unplanned urban areas, there are many big holes in the ground waiting to be built in that during the monsoon season fill with water & become a breeding ground for mosquitos.

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REMOTE ICE IN CANADIAN ARCTIC FOUND TO BE ‘VISIBLY CONTAMINATED’ BY MICROPLASTIC¹⁰ (Reuters)

- A US-led team of scientists funded by the Alexandria VA-based National Science-, & the Los Altos/San Francisco CA-based Heising-Simons-, Foundations conducted an 18 day, 2000 mile research expedition in the Canadian Arctic from July 18th to August 4th on the Swedish

¹⁰ Bits & pieces of plastic less than 5 mm/0.2 inches in diameter.

icebreaker Oden¹¹ as part of what is known as the Northwest Passage Project¹². Among the things they did there was to use its helicopter to land on ice floes & take 18 (one year) ice core samples up to 2 metres in length at four locations in the Lancaster Sound (between the Devon-, & Baffin-, Islands), trapped in which they found contamination in the form of visible plastic beads & filaments of various shapes & sizes that according to the University of Rhode Island's oceanographer Brice Loose, the expedition's chief scientist, "just jumped out in both its abundance and its scale."

- Their dismay at finding these was not unlike that of those who earlier in submarine dives had found plastic waste in the Pacific Ocean's Marianas Trench, the deepest place on earth¹³. And on Wednesday August 14th German & Swiss scientists from the Bremerhaven, Germany-based Helmholtz Centre for Polar and Marine Research published a study in Science Advances¹⁴ that reported snow *samples* collected on the Norwegian Arctic Svalbard archipelago, halfway to the North Pole, had contained 14,400-, & others collected in Bavaria, Germany 154,000-, bits of plastic per liter (*they would have to be bloody small to fit 154 of them in a cubic centimetre*), suggesting that microplastic particles are blown vast distances through the air & dumped when it snows & prompting Dr. Melanie Bergmann, a marine biologist at the Helmholtz Centre to raise the *million dollar* question of "Once we've determined that large quantities of microplastic can ... be transported by the air, it ... raises the question as to whether, and how much, plastic we're inhaling."

While the whole plastic conundrum seems to be getting worse by the day, we are mindlessly continuing to add to it every day!

WHAT SHARING YOUR PHONE NUMBER WITH COMMERCIAL SOURCES CAN REVEAL **(NYT, Brian X Chen)**

- I asked Emre Tezic, a researcher at Fyde, a Palo Alto CA mobile security firm to use my digits to demonstrate the potential risks of sharing a phone number. He plugged my cell number into a public records directory called White Pages Premium, an online data base that charges \$5 a month for access to public records, & then linked my name & address that he had found there to other background checking tools & public records and within an hour had a full dossier on me that included my current address, its square footage, the cost of the property and the taxes I pay on it; my past addresses from the last decade, the full names of my father, mother, sister & aunt; my past phone numbers, incl. the land line from my parents' home; information about a property I had previously owned, incl. its square footage & the mortgage taken out on it & my lack of a criminal record. And while Fyde declined to

¹¹ Built in 1988 as an icebreaker, this 108 meter long, 5,000 DWT vessel was subsequently converted into a research vessel with its own helicopter, a laboratory & accommodation for 15 crew & 65 guests.

¹² That is primarily focused on investigating the impact of climate change on the Arctic, whose role as the planet's cooling system is being compromised by the rapid vanishing of summer sea ice

¹³ So deep that it is two kilometres more **below** the surface of the Earth than Mount Everest is **above** it. And it is located in the Western Pacific Ocean 200 km/124 mi East of the Mariana Islands, a North-South island chain SE of Japan, WSW of Hawaii, North of New Guinea & East of the Philippines).

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hack into my (*bank?*) account using this information & my number, it warned that there was plenty a hacker could do, incl. resetting my pass words by answering questions like 'what's your mother's maiden name', using the information linked to my phone number to trick a customer service representative for my phone carrier into posting my number into a new SIM card (a practice known as "SIM swapping"), breaking into my accounts to receive a security code in a text message to log in in on online accounts, using my phone number to trick members of my family into showing their passwords and/or sending them money, targeting my phone number with phishing texts & robo calls, calling my voice mail box & listen to my messages, and adding my number to a data base to blast me with spam calls & text-messaged promotions.

Sooner or later, people other than the most online-addicted younger people will wake up to the reality that there is a downside to their addiction & walk away (& there already may be some early warning signals thereof in the form of slower growing-, or outright declining-, user bases that in a worst-, or best-, case scenario (depending on one's perspective) could culminate in an implosion of the entire online hysteria. And just as there now seems to be an environmental concern-driven anti-red meat crusade in the making, the day may not be far off that online shopping will fall out of favour because of its environmentally unfriendly nature (especially so since up to 30%, & often more, online purchases are for various-, & not always good-, reasons 'returned to sender'.