



# **2016 SEPTEMBER NEWSLETTER**

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### THE LONG-TERM FUTURE OF AMERICA LOOKS GREAT !!

We can be upbeat about the new innovations in the scientific and business community:

▣ **New models of transportation** ... UBER, LYFT and HOPSKIPDRIVE opening a new world of work relationships and entrepreneurship endeavors. Oh ... and yeah ... what about self-driving cars ?

▣ **New models of medicine** with the development of biotech.

- DNA Technology
- Genome Sequencing
- Stem cells as Regenerative Therapy
- Synthetic Biology ... etc. etc.

▣ **Robotics** ... they can assemble circuits and pack boxes ... beginning of the industrial – robot revolution? ... and will they be making dinner soon ?

▣ **Virtual reality and holodecks** ... with your virtual-reality headset you can visit ancient Greece ... journey within the human body ... imagine anything!

▣ **Internet connectivity** ... Your home, appliances, cars, street lights, medical instruments etc. etc. ... everything will be connected ...

▣ **Artificial Intelligence** ? Uh oh.

ALL THIS NEW INNOVATION IS VERY GOOD FOR THE ECONOMY, PRODUCING NEW HIGH PAID JOBS AND GENERALLY INCREASING THE STANDARD OF LIVING. IMAGINE ... **65% OF TOMORROWS JOBS** HAVEN'T EVEN BEEN CREATED YET !

## **Unfortunately ...**

The short-term outlook for the Economy looks dismal ...

Continued stagnation ... no real income improvement ...

Some people and industries will do okay ... most people not so okay ... inequality in income will become more severe ...

- ▶ There is good news here and there ... but ...
- ▶ The short term outlook is generally disappointing.

## **A CONTINUING “C” ECONOMY**

### **ON THE NATIONAL LEVEL**

#### **WHY ARE WE STILL IN THIS “C” ECONOMY ??**

##### **UPDATE FOR THOSE NOT FOLLOWING THE ECONOMY**

- OUR AVERAGE ... REPEAT ... AVERAGE PRE-2000 GROWTH RATE WAS **3.6%**.
- OUR GROWTH RATE FOR SECOND QUARTER THRU JUNE ... **1.1%**.
- OUR GROWTH RATE FOR THE FIRST SIX MONTHS OF 2016 ... **0.95%** ... Less than 1
- OUR GROWTH RATE FOR THE LAST YEAR ... **1.2%**

***SO TRANSLATED MEANS ... OUR ECONOMY ... IN THE LAST YEAR ... NATIONWIDE ... HAS BEEN PRODUCING ... ONLY ONE THIRD OF OUR HISTORICAL AVERAGE ... NOT VERY IMPRESSIVE.***

OF COURSE.....THERE ARE MULTIPLE REASONS FOR THIS NOT VERY IMPRESSIVE ECONOMY ... LIKE ...

## **THE “BABY BOOMER” GENERATION IS RETIRING**

▣ AND SPENDING LESS.

▣ AFTER AGE 65 YOU BEGIN SIMPLIFYING AND GETTING RID OF “THINGS”. (YOU HAVE ENOUGH SWEATERS IN THE CLOSET ... YOU ARE NOT BUYING ANY MORE SWEATERS).

IN FACT ... YOU FIX THE REFRIGERATOR ... NOT BUY A NEW ONE.

▮ YOU DO NOT BUY A NEW COUCH OR BED ... ANYMORE.

▮ YOU FIX THE CAR....GET MORE MILEAGE OUT OF IT.

**IN OTHER WORDS ... YOU ARE NOT THE “MONGO CONSUMER” ANYMORE.**

AND ... THE “BOOMERS” HAVE BEEN 40% OF THE ECONOMY ... AND ...

AS THEY CHANGE THEIR SPENDING HABITS TO NOT SPENDING ...

THEY WILL SLOW THE ECONOMY ... NATURALLY ...

THIS IS A STRUCTURAL CHANGE TO THE ECONOMY ... WE CANNOT CHANGE IT ... IT IS LIKE GRAVITY

### **ALSO BECAUSE:**

THE “MILLENIAL GENERATION” IS NOT SPENDING

▮ AGE 18 TO 34 ... IS NOT LEAVING HOME AND GETTING MARRIED AS YOUNG AS EARLIER GENERATIONS ... ABOUT A THIRD.

▮ IN 1960 ... 12% OF YOUNG ADULTS WERE NEVER MARRIED ... TODAY ... 49%.

▮ CONSEQUENTLY, THEY ARE NOT “NESTING”, BUYING HOMES AND ALL THE THINGS THAT MAKES THEM GOOD CONSUMERS ... HENCE ...

▮ THIS GENERATION IS NOT REPLACING THE “BOOMER” GENERATION AS THE “MONGO CONSUMERS” TO SUPPORT A CONSUMER ECONOMY.

▮ THEY ARE ALSO WORKING AND EARNING LESS:

**IN 1964 ... 98% OF COLLEGE EDUCATED MEN WERE WORKING.**

**97% OF HIGH SCHOOL GRADUATES WERE WORKING.**

**IN 2015 ... 94% OF COLLEGE EDUCATED MEN WERE WORKING.**

**83% OF HIGH SCHOOL GRADUATES WERE WORKING.**

[ 7% OF THE PRIME – AGE MALE POPULATION WAS IN PRISON AT SOME TIME IN THEIR LIFE ]

### **AND BECAUSE**

#### **SMALL BUSINESS FORMATION IS DECLINING**

THE AVERAGE PACE OF NEW BUSINESS FORMATION HAS FALLEN TO THE LOWEST LEVEL IN AT LEAST 35 YEARS.

WHY ? HOW ABOUT ... SARBANES-OXLEY ACCOUNTING RULES, SEC FAIR DISCLOSURE REGULATIONS, ENERGY MANDATES AND THE EPA ... “CAUTIONARY PRINCIPLE” RULES THAT STOP INNOVATIVE MANUFACTURING.

THIS IS THE FIRST ECONOMIC “RECOVERY” ... ON RECORD ... IN WHICH SMALL BUSINESSES HAVE ACTUALLY BEEN SHEDDING JOBS.

**UNCERTAINTY OF THE PRESIDENTIAL ELECTION** ... ONE-THIRD OF SMALL BUSINESSES SURVEYED SAID THAT UNCERTAINTY RELATED TO THE ELECTION IS HAVING A NEGATIVE EFFECT ON THEIR BUSINESS. FIRMS HAVE REPORTED DELAYING HIRING, PUTTING OFF INVESTMENTS OR REDUCING NEW EQUIPMENT PURCHASES.

■ IN FACT, THE DURABLE GOODS REPORTS (products designed to last at least three years) SHOWED BROAD BASED AND PERSISTENT WEAKNESS ACROSS THE MANUFACTURING SECTOR.

## **AND OF COURSE**

### **TOO MANY REGULATIONS**

THE “**BIG GOVERNMENT**” WITH ONE MILLION FEDERAL REGULATIONS IS BECOMING THE “**ENORMOUS GOVERNMENT**”

WITH MORE REGULATIONS COMING !!

THESE REGULATIONS ARE NOT FREE AND ARE BECOMING A HEAVIER AND HEAVIER DRAG ON THE BUSINESS COMMUNITY ... AND THUS THE ECONOMY.

**The Federal Income tax system** is a major drag on the Economy.

In **2012** ... the American people spent over **3.2 billion hours** filing Federal tax returns ... at a cost of **\$37 billion**.

AND ... American businesses spent over **2.9 billion hours** complying with the business income tax code ... at a cost of **\$162 billion**.

AND ... the cost of compliance and administration of the Federal Income Tax system is estimated at **\$431 billion**.

**AND CALIFORNIA !!!! IT IS HARD TO IMAGINE ... BUT THE CALIFORNIA TAX SYSTEM IS CONSIDERABLY MORE COMPLICATED THAN THE FEDERAL SYSTEM ... THAT IS TRULY STUPID !**

**BOTTOM LINE ... THE CALIFORNIA INCOME TAX SYSTEM IS AN ABSOLUTE DISASTER AND RIDICULOUSLY EXPENSIVE.**

OH ... AND BY THE WAY...THE STATE OF CALIFORNIA HAS THE **HIGHEST TAX RATES** FOR INDIVIDUALS IN AMERICA ... GREAT...WE PAY THE **HIGHEST RATES AND MOST TAXES TO BE THE MOST AGGRAVATED, INCONVENIENCED, AND FRUSTRATED TAXPAYERS ... REAL SMART.**

## **AND ALSO BECAUSE OF**



## THE FEDERAL DEBT

IN JUNE 2016 ... AMERICANS ... INCURRED \$ 19,295,813,436 IN DEBT ...YEAH ... THAT'S RIGHT ... THAT'S 19 TRILLION !!! WITH A "T".

NOW ... THAT WOULD BE OK ... SORT OF ... IF ... AND THIS IS THE BIG "I" ... IF YOU WERE EARNING MONEY FASTER THAN THE DEBT.

*YOU KNOW ... YOU EARN MORE THAN YOU ARE PUTTING ON YOUR CHARGE CARD.*

**STARTING IN 2013 ...**

THE ENTIRE PRODUCTION OF GOODS AND SERVICES WAS **\$16.7 TRILLION**

THE TOTAL AMOUNT OF UNITED STATES DEBT IS ... **\$16.7 TRILLION**. Hmm ...

**IN OTHER WORDS** ... WE NOW OWE ... AS A PEOPLE ... AS MUCH MONEY AS WE PRODUCE IN AN ENTIRE YEAR ... YIKES ... **LIKE 100% !**

*YOU KNOW ... YOU OWE AS MUCH ON YOUR CHARGE CARD AS YOU MAKE IN A YEAR ... not good.*

AND ... AS RECENTLY AS THE YEAR **2000** ... WE PRODUCED **\$10.4 TRILLION** ... BUT OUR DEBT WAS **\$5.7 TRILLION** ...THAT'S ONLY 54%.

**IN OTHER WORDS** ... 15 YEARS AGO WE **ONLY** HAD TO WORK **6** MONTHS OF THE YEAR TO PAY OUR NATION'S DEBT ... NOW ... WE NEED TO WORK **12** MONTHS A YEAR

ISN'T THAT GREAT? ... KEEP ON SPENDIN' ... YAHOO ...

**HISTORICALLY** ... BELIEVE IT OR NOT ... THE 1970s WERE THE BEST YEARS FOR THE AMERICAN PEOPLE AND INCREASING DEBT ... ONLY **32%** INCREASE OVER THE PRODUCTIVITY.

THE BIG DANGER IS IF OUR PRODUCTIVITY DOES NOT INCREASE FAST ENOUGH TO KEEP UP WITH THE INCREASE IN DEBT ... WE COULD BE WORKING A YEAR AND A HALF TO PAY THE DEBT ... WE BECOME A BAD BET ... AND THE WORLD STOPS BUYING OUR 10 -YEAR BONDS ... AND WE REALLY HAVE A PROBLEM.

*YOU KNOW ... YOUR CREDIT RATING IS DROPPING ... YOU ARE HAVING PROBLEMS MAKING YOUR PAYMENTS ON YOUR CHARGE CARD ... THE PAYMENTS START GETTING TOO HIGH ... EVENTUALLY ... NO MORE CREDIT.*

## **INTEREST ON THE DEBT**

▣ AS OF **2015** THE INTEREST ON THE DEBT WAS **\$223 BILLION** OR **6%** OF THE FEDERAL BUDGET.

▣ NOW ... CONSIDER THE **\$223 BILLION INTEREST** IS DURING A PERIOD WHEN THE 10 YEAR BOND IS APPROXIMATELY **1.4%**.

▣ SUPPOSE THE RATE GOES UP TO APPROXIMATELY **14%** ... AS IT DID IN **1982**. THEN THE INTEREST ON THE DEBT COULD DANGEROUSLY SKYROCKET.

*YOU KNOW ... YOU CAN'T MAKE YOUR PAYMENTS ... UH OH ... CREDIT CRUNCH TIME ??*

## **AND ... BY THE WAY**

Government spending has continued to increase over the years as a portion of the GDP (America's productivity). In the 1990's and 2000's government spending stayed constant at **33-35%** of GDP but ... in the last 6 years government spending has increased to **40%** of GDP.

## **AND ... ALSO BECAUSE OF**

## **THE TRADE DEFICIT**

A trade (deficit) is an economic measure of a negative balance of trade in which a country's imports exceeds its exports.

In other words; Americans spend more on foreign-produced goods than foreigners spend on U.S. produced goods.

In other words; more of our money leaves our market and goes to foreign markets.

In other words; lower domestic economic growth, reduced jobs and increased debt for the future.

## **GLOBALIZATION**

Corporate America is holding trillions of dollars in other countries which it is not bringing back into the U.S. because of the potentially 35%, or more tax consequences upon repatriation. These are monies not being invested in helping the U.S. Economy.

Corporate America is still moving manufacturing plants, businesses and jobs to other parts of the world for tax and cost savings.

## LACK OF HOUSE CONSTRUCTION

Although we had sales of **582,000** new homes in June it is still far below what it could be.

**PERSPECTIVE:** In July 2005 ... there were 1.4 Million new home sales ... that is 800,000 more homes that were built in 2005 than built in 2016! That's a lot of jobs that did not happen for the construction and real estate industry in 2016.

Stagnant Pay ... rising apartment rents ... rising property prices ... heavy student debt ... and difficulty in financing has dropped the American home ownership percentage to **62.9%** ... the lowest level in **51 years !!**

## OTHER FACTORS

- Lack of business confidence resulting in declining investment by business in new equipment and ideas.
- Slower World economy.
- Productivity of the U.S. worker is declining.
- Wages for the average worker are not going up.
- Our infrastructure is aging and/or not growing with the times. Obviously, the road traffic speaks for itself.

**AND LAST ... BUT MOST IMPORTANT**

## THERE IS NO POSITIVE FISCAL POLICY

And I mean no as in ... none ... natha ... zippo ... zero ... NOTHING !! And ... passing the Annual Federal Budget ... doesn't cut it ... OK ... what is "**Fiscal Policy**" it is:

- Government policies that influence the performance of the entire Economy.
- Through "**Fiscal Policy**" regulators attempt to stabilize, **improve** and control the Economy.
- Policy actions include :
  - Income Tax policies ... increase or cut ?
  - Government spending programs ... up or down ?
  - Regulatory policies ... more ? or less ?
  - Interest rates ... higher or lower ?



**The Washington Establishment ... our “Leaders” ... have not been able to agree on ... or implement any ... meaningful positive “Fiscal Policy” in many years. They have been out of the game for awhile and who knows when they might get back to their job ? In the meantime ... in the short run ... they are not going to help.**

*Here’s a funny thought ... the reality is ... the Congress and Administration should already be legislating policies to avoid the next recession ... fat chance of that happening.*

## **SUMMARY**

### **PROBLEM**

BOOMER GENERATION

SMALL BUSINESS

REGULATIONS

FEDERAL DEBT

TRADE DEFICIT

GLOBALIZATION

HOUSE CONSTRUCTION

POSITIVE FISCAL POLICY

### **OUTLOOK**

WILL BE LESS CONSUMERS AS THEY AGE

THIS COULD IMPROVE ... MAYBE

THIS IS CONTINUEING TO GROW ... NOT GOOD

THIS IS ALSO NOT STOPPING ... REALLY NOT GOOD

WILL CONTINUE AS IT HAS FOR THE LAST 40 YEARS

COULD IMPROVE WITH BETTER TAX POLICIES

LOCAL POLITICS AND THE MILLENIALS ????

DON’T HOLD YOUR BREATH

## **BUT ... on the positive side ...**

Parts of the Economy are doing pretty good ... Consumers seem to be spending more.

If you are in the technology and medical business, you are making money.

If you are a government bureaucrat, you are making money. If you are investing in real estate in the Bay Area you are making money ... **so not all is dismal.**



## **WISH LIST 1**

Despite the sluggish Economy. Real estate in Marin have the whole wish list.

Interest rates have been incredibly **low** !!! Let me give you some history on **how low** !!

**10 Year Bond** ... issued as a debt obligation by the U.S. Government that matures in 10 years. This is how the government covers the bills. It borrows the money with 10-year bonds and notes. The yield on the 10 year bond dropped to **1.385%** on Friday July 1, 2016.

**THIS WAS THE LOWEST YIELD IN THE HISTORY OF THE UNITED STATES.**

AT THE BEGINNING	<b>1790</b>	5.36%
DEPRESSION YEARS	<b>1936</b>	2.65%
WORLD WAR II	<b>1941</b>	1.95%
INFLATION YEARS	<b>1982</b>	14.59%
TURN OF THE CENTURY	<b>2000</b>	6.66%

**THIS JUNE WE DETERIORATED TO AN BOND YIELD LOWER THAN EXPERIENCED DURING THE 1930'S DEPRESSION AND WORLD WAR II !!! WOW ... WOW ... AND BIG WOW !!!**

## **PERSPECTIVE**

Interest rates are the price of money ... a lot of demand for money ... the price goes up ... you get higher interest rates ... No demand for money ... the price goes down ... you get lower interest rates. When you have a stagnant Economy ... like now ... not much demand for money ... interest rates will stay low.

This has kept commercial interest rates in the **3 – 4% range** ... not seen since the 1950's. **This is very positive for the current purchase of real estate.**

## **WISH LIST 2**

The banks have been aggressively lending to commercial real estate. Since 2010 the volume of commercial and industrial loans has experienced exceptional growth ... increasing at an **average annual growth rate of 10%** over the last five years. So ... not only are interest rates low but we are in a favorable lending environment with the banks.

## **WISH LIST 3**

The sluggish Economy helps keep construction of new buildings to a bare minimum creating future shortages of residential and commercial space well into the future. This will lead to higher future rents and property values. In Marin ... there is virtually no construction that will alleviate any future rental shortage ... and the law of “supply and demand” still works.

## **WISH LIST 4**

The local industries of Marin and Sonoma County in computer technology, bio-technology, medical services, tourism and financial services are the right industries to be in today. These businesses are expanding and putting strong upward rental pressures on the local real estate markets pushing up property values in commercial properties.

Both multi-residential and commercial rental markets are strong ... allowing for significant rent increases. And ... better ... this good market is looking healthy well into the future.

## **WISH LIST 5**

The sluggish Economy has kept other investments under-performing making Marin County real estate a tough investment to beat.

**Cash in the bank** ... pays 1% or less.

**Bond Market** ... pays 1% to 4% a year (maybe ... if your bond does not go down in value, which it can).

**Stock Dividends** ... pays 1% to 4% a year (maybe if your bond does not go down in value, which it can).

**And ... how about the Equities? You know ... stocks ... Well ... here's the math:**

## DOW JONES AVERAGE

JUNE 2014 ... 16,852

JUNE 2016 ... 17,930

PERCENTAGE GAIN IN TWO YEARS OF 6.4%. **(3.2% PER YEAR).**

## STANDARD & POORS 500

JUNE 2014 ... 1,960

JUNE 2016 ... 2,097

PERCENTAGE GAIN IN TWO YEARS of 7% **(3.5% PER YEAR).**

In other words ... Stocks have also not done very well in the last two years. Why ? Because corporate profits determine the value of stocks and corporate profits have been sluggish for the last two years .... reflecting the sluggish "C" Economy of the last two years.

(Second quarter corporate profits were down 2.2% compared to last year)

**SO ... compared to other financial markets all is good in the Marin and Sonoma real estate markets.**

## NOT WISH LIST

The real estate world has been recently seriously affected by large tax increases. This has resulted in discouraging the sale of property and reducing the amount of property for sale. Consequently, the a large problem in the Marin and Southern Sonoma markets is finding good quality buildings to buy. Although these markets have always been difficult to buy into, it has become particularly difficult today.

As an example of how expensive the tax bill can be and how it can affect the market ... I had a situation of a building owner, who after 30 years managing the building, was willing to sell. But ... after estimating his potential tax bill ... the sale was off. Why ?

Because his tax bill would have been **52%** of the profit ... the government would make more money then him !!! End of that sale.

If you sell a real estate property today and make a million dollars. Here is what happens.

PROFIT FROM SALE	<b>\$1,000,000</b>
<b>LESS:</b> Federal Capital Gain Tax @ 20%	(200,000)
Affordable Care Act Investment Income Tax @ 3.8%	(38,000)
California Income Tax @ 13.3%	(133,000)
California Mental Health Tax @ 1%	(10,000)
MONEY YOU PAY IN TAXES	<b>\$381,000 ... (38%)</b>

MONEY THAT YOU GET TO KEEP

\$619,000 ... (62%)

**AND** ... you're not done yet ... In addition ... there are potentially other taxes ...

- ▮ The Section 1250 Depreciation Recapture Tax which could significantly increase your final tax bill. Because it is so complicated, and difficult to estimate, we did not include this additional tax in the above computation.

- ▮ The Alternative Minimum Tax could potentially add another 8%

## Crystal Ball Indicators

What do the "indicators" indicate ?? (20 common indicators used to measure the Economy).

In the first six months of 2016 ... the indicators indicated:

ROUGHLY POSITIVE	<b>6</b>	<b>30%</b>
ROUGHLY NEGATIVE	<b>3</b>	<b>15%</b>
BASICALLY NO CHANGE	<b>11</b>	<b>55%</b>
INDICATORS	<b>20</b>	<b>100%</b>

Fortunately ... since January the indicators have slightly improved with a little more positive ... but little hope for a robust expansion in the near future. Basically still flat ... but slightly improving. A continuing "C" ... maybe "C+" Economy ... for a while.



## **MARVELOUS MARIN**

### **WILL MULTI-RESIDENTIAL HOUSING BE BUILT IN MARIN ?**

Hmm well ... let's see ...

#### **The Bolinas Effort**

The Bolinas Community Land Trust wanted to build **4 to 6** ... below-market two bedroom, single family homes. The Land Trust already owned the land and a donor pledged to fund the \$1.5 million project. Sounds great ... West Marin desperately needs workforce housing and here is a perfect opportunity ... right ?

Yes ... it is a perfectly sensible opportunity ... but ... uh oh ... oh no ...

#### **THE LAND FALLS WITHIN A 100 – FOOT BUFFER TO A WETLAND ...AAAH !!**

The “Wetlands” was a man-made ditch for storm-water runoff adjacent to the Bolinas Public Utility District sewage treatment pond. Anyway ... no chance for approval from the Coastal Commission ... so much for a sensible opportunity.

#### **The Sausalito Result**

For 20 years Sausalito has debated the development of 2 acres of land which could accommodate housing for as many as 87 units. Finally “OPEN SPACE SAUSALITO” purchased the land with grants from the Transportation Authority of Marin and Caltrans. The land will be left as open space and will not be developed. So much for housing ... but the willow and oak trees will be happy.

#### **AS OF FEBRUARY 2016 FOR THE TOWN OF NOVATO**

78 ROOM SENIOR ASSISTED LIVING FACILITY	UNDER REVIEW
86 TOWN-HOMES	UNDER REVIEW
104 SENIOR APARTMENTS	UNDER REVIEW
28 SINGLE-FAMILY HOMES	UNDER REVIEW
69 MULTI-FAMILY UNITS	UNDER REVIEW

**(NOT EXACTLY OVERWHELMING A CITY OF 52,000 PEOPLE)**

# REGULATION NATION

## SO WHAT IS GOVERNMENT REGULATION ANYWAY ?

### SOCIAL REGULATION

Seeks to benefit the public interest by prohibiting businesses from producing products in certain ways or with certain characteristics that are harmful to the public interests of health, safety and the environment.

*{ This type of regulation causes significant costs to business activities }*

### ECONOMIC REGULATION

Prohibits businesses from charging prices or entering or exiting lines of business that might cause harm to the economic interests of other firms or economic groups.

*{ This type of regulation can cause economic loss from the higher prices and inefficient operations that occur when competition is restrained }*

### PROCESS REGULATION

Imposes administrative or paperwork requirements such as income tax, immigration, social security, medical forms, etc.

*{ Most costs to the private business sector results from program administration, government procurement and tax compliance efforts }*

## AND HOW MUCH DO THESE REGULATIONS COST EACH YEAR ??

Would you believe? \*DRUM ROLL\* How about **\$2 Trillion !!!!!**

On a total productivity for 2015 of **\$18 Trillion**. In other words ... in a year we spend **11%** of all our productivity ... dealing with regulations.

To make it personal that's **\$15,000 ... per household !!!**

30% of the average family budget of \$50,000 !!!! Yup ... that's **30%** !!

And it's worse for business ... between **\$10,000 to \$12,000 per employee !!!!** A reduction of **0.8%** a year to the GDP.

*[Just environmental regulations are estimated to cost roughly **2% of GDP**. For 2014 that would cost roughly **\$360 billion**]*

## EAGLE FEATHERS ... APACHE INDIANS ... AND WINDFARMS

In 2015, the U.S. Government returned 42 eagle feathers it had seized from Robert Soto, a feather dancer of the Lipan Apache Tribe of Texas. The feathers were seized in 2006 ... **nine years ago** ... and it took that long for the “system” to finally get a legal decision out of the Fifth Circuit Court of Appeals

**ARE YOU NUTS !!!! THE COURT OF APPEALS HAD TO DECIDE WHAT TO DO WITH 42 EAGLE FEATHERS !!!**

**FROM A TRIBE OF APACHE INDIANS ... HUH ?**

And worse ... the Court ruled the seizure had violated the Indians rights under the “Religious Freedom Restoration Act”

*[Actually thought they should have referred to the COMMON SENSE ACT]*

You would think the government could spend their time and our taxpayer money on something better than sending undercover agents to raid Native American powwows and confiscate their eagle feathers.

So, watch out for those eagle feathers. Possession of eagle feathers without a permit can bring a prison sentence and a \$250,000 fine.

Now that’s an expensive feather !

**BUT NOW HERE’S THE RUB ...**

The U.S. Fish and Wildlife Service in June 2016, proposed granting 30-year permits to wind farms that would forgive them for thousands of eagle deaths expected from collisions of the birds with turbines. According to “THEM” ... the population of roughly 40,000 golden eagles could endure a loss of 2,000 birds a year without being pushed to extinction. The population of roughly 143,00 bald eagles could endure a loss of 4,200 birds a year without being pushed to extinction.

**But** ... take heart the wind farms would be required to monitor the number of eagle deaths each year ... oh ... thank God ... that makes us feel much better.

*[Wonder how many eagle feathers that is ?]*

## THE SBA BUREAUCRACY IS REGULATING ITSELF OUT OF BUSINESS !!

**HOWZ THAT ?**

WELL ... Let me tell you about the ... SBA

Created in 1953, **the Small Business Administration** is a Federal government agency that provides support to entrepreneurs and small businesses. The **mission** is “to maintain and strengthen the Nation’s economy by enabling the establishment and viability of small businesses”. One of the ways it does this is by guaranteeing loans made to businesses by banks and credit unions.

So how is the mission going these days ?



Well these are the results:

Small businesses...with less than 100 employees

In the **1980s**.....generated **58%** of new jobs.

In the **1990s**.....generated **49%** of new jobs.

Today ... **31%** ... that's a **decline of 47%** !!

Would you believe a burdensome **528 pages of regulations** govern the loan process? And ... of course ... new regulations added each year (13 in 2015) constantly complicating the process ... with PREDICTABLE RESULTS.

- Since 2012 a 13% reduction in bank participation.
- That is 324 fewer banks willing to work with the SBA.

Big surprise. You know ... it seems the **SBA** is having trouble regulating its own mission ... or maybe over-regulating itself in the wrong direction.

## CONGRESSIONAL ARROGANCE AT ITS BEST

The Federal Register Modernization Act of 2016 would require the Federal Register be published by electronic means ...

NOT PRINTED MATERIALS.

The American Association of Law Libraries strongly opposed the bill, arguing that the bill undermines citizen's right to be informed by making it more difficult for citizens to find their governments regulations. Also, 15 percent of Americans who do not use the internet would not have access to that material. The House voted in **July 2014** to pass the bill **386-0**. WHHAAATTT !!!! Not passed by the Senate ... yet.

The Register contains government agency rules, proposed rules, and public notices and is the way the government announces changes to its policies and rules.

**2015** was a record year for the Federal Register. **81,611 pages**. Are we out of our mind !!!! Who the hell can keep up with this !!!!

If you took one minute to read each page, it would take 34 weeks of a 40 hour week ... **8 ½ months** ... just to read the damn thing. America is drowning in the pages of the Federal Register.

*[ For the record ... the last record year was in **2010** at **81,405 pages**. Last year, **2014**, it was **only 77,687 pages** ... what a break ... jeez ]*

And to update you on the people who give us all these pages ... there are now 280,000 Federal regulators costing \$56 Billion ... a year.

## FACTOIDS

**Americans are sleeping more ... zzzzz ... working less.**

The average American with a full time job spends working or commuting to work

In 2015 ..... 8 hours and 8 minutes

In 2005 ..... 8 hours and 13 minutes

**Wow ... we work 5 minutes more ... ugh**

The average American sleeps

In 2015 ..... 8 hours and 50 minutes a day

In 2005 ..... 8 hours and 37 minutes a day

**Wow ... we sleep 13 minutes more ... zzzzz**

The average American has leisure time

In 2015 ..... 5 hours and 13 minutes a day

In 2005 ..... 5 hours and 8 minutes a day

**Wow ... we have an extra 5 minutes a day ... uh ... to exercise ... maybe ?**

AND ... time spent on household chores ....

Women ..... 2 hours and 14 minutes

Men .....1 hour and 26 minutes

**No comment.**

## WORLDS TALLEST PEOPLE

DUTCH MEN	6 FEET
LATVIAN WOMEN	5 FOOT 6 INCHES
AMERICAN MEN	5 FOOT 10 INCHES (37th tallest in the World)
AMERICAN WOMEN	5 FOOT 5 INCHES (42nd tallest in the World)