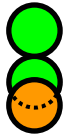




Transactional Musings



Special Privileges for California Redevelopment

California’s politicians are all in a lather about the idea of abolishing “redevelopment.” Abolishing this activity is one of many of Governor Jerry Brown’s proposals to balance California’s budget deficit.

“City and County officials have attacked this proposed shift as a raid on revenues for essential public services.”

Things are so stirred up there is even talk of ultimately re-writing, re-organizing State government, re-structuring the tax structure, even talk of re-writing the California Constitution.

“Redevelopment projects” define specific geographic areas as a “project area.” They may be within a city, or in the county, or both. Special taxation rules apply to these areas, and they are different from all other areas. They get advantages, privileges that people don’t get outside these areas. And there are disadvantages for property owners: increased threat of eminent domain, and being designated “blight.” Some believe this taints the property and owners. The elect and governments have allowed this to go on for over a half century. California is riddled with these special privileged districts.

Many elected repre-

sentatives refer to “Redevelopment” as a tool of governing. The question is, who benefits?

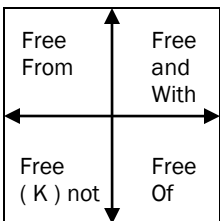
Most citizens and voters are totally unaware of the mess cities and counties have created with their pockets and designated special areas of special tax rules. These “pockets” can capture most of the taxes above a base line, use them for pet projects, divert funds away from schools, fire services, police services, other services for the benefit of those pockets, “Redevelopment Projects.” The League of California Cities and the California State Association of Counties have lobbied vigorously for the “tool,” extensively.

This “tool, these “projects” are not the business of the city councils and county supervisors. They are separate organizations made up of the same people who call themselves “councilmen” and “supervisors.” They tend to the special / privileged interests of those areas, pockets that have been created, that exist with a different set of rules from the rest of the city or county.

A number of reports and studies have been commissioned by the “Public Policy Institute of

California.” A study and report written by Michael Dardia titled “Subsidizing Redevelopment in California” presents some interesting conclusions (not popular with special interests). A Research Brief on the study says some interesting things. The February 1998 brief titled “Redevelopment and the Property Tax Revenue Debate,” (also published by the Public Policy Institute of California) states in part “The study’s goal was to answer two questions raised by critics of redevelopment: How blighted are project areas, and how much are RDAs subsidized by tax increment financing?”

“This study’s results suggest that the existing tax increment system is not an effective way to finance redevelopment. Few projects generate enough increase in assessed value to account for their share of these revenues, and those projects that came closest defined blight broadly and including large amounts of vacant land. Tax incentives can lead cities to designate too many areas as blighted, and if true blight is targeted, an area is unlikely to generate enough revenue to earn the tax increment revenues.”



Freedom Diagram

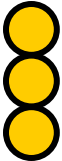
Volume 2, Issue 2
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Special points of Interest:

- Accountability
- Goat-running
- Why are U.S. Intelligence “surprised” by new Chinese technology advancements?

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“The study makes four recommendations to state lawmakers that should help resolve the controversy surrounding redevelopment: (1) The legislature should formally clarify the goals of redevelopment. (2) The definition of blight should be aligned with the goals of redevelopment and should be made more precise. (3) Some form of oversight authority should be estab-

lished to monitor RDA behavior. (4) If the legislature intends redevelopment to be self-financing rather than heavily subsidized, the pass-through rate should be increased significantly.”

Special rules, exceptions to rules, and exceptions to exceptions exist. Why the mess? Who has benefitted and who is benefitting? Who benefits?

Is it not time to return to a level playing field for all of California? Government and People?

There is a saying in regards to “redevelopment”: “The rule is the rule, is no longer the rule, sorry too bad, you loose.”

Dad and I wrote on this in several newsletters in the early 1980’s. Copies of “Our Letter” are available at www.ListeningActivity.com

Accountability in Vallejo City Government

The Vallejo City Manager recent proposal for streamlining the agenda process and formalizing procedures for council referrals was met with mixed response.

One councilmember described it this way: in years past “when something has been brought up by a councilmember, it seems to go into a black hole. When I have enquired about the matter months later I learn

that nothing has happened.”

Another councilmember seemed to view things as fine the way they are. Another councilmember actually got mad at the city Manager for bringing the matter up.

It looked like “business as usual” except for the obvious. This City Manager wants to create a system of accountability, a way for tracking council requests.

Good idea, in a city where ideas, assignments, requests have gotten “lost” among department heads and among the long list of Vallejo City Managers.

This new City Manager is saying things that previous city managers have said. Good ideas. Why? For the record? Are city staff and department heads holding out? Are council-members holding out?

Changes in Egypt; Belarus

In much of the news these past few weeks have been reports of civil unrest directed at the governments

in Tunisia and Egypt. They got rid of their presidents / governments in exchange for what? A military dictatorship?

Seeing men on camels and horses running thru the crowds in Cairo reminded me of the sport/game of “goat running” played in Afghanistan

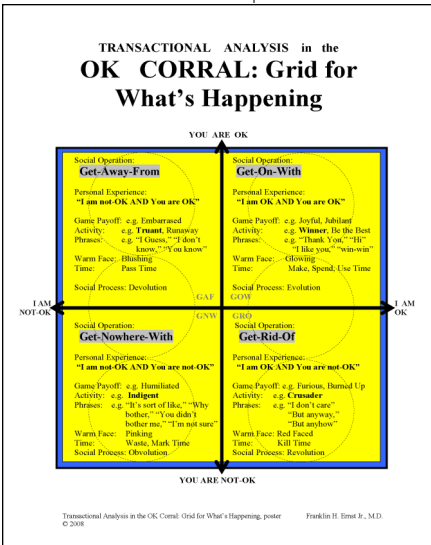
and other parts of central Asia.

New reports of “unrest” are emerging from Yemen, Bahrain and other countries in the region. The people are dealing with high rates of youthfull college educated unemployment, inflationary pressures driving up the cost of food and fuel, lack of basic (city) services, crony capitalism, and behind the scenes power struggles. Added to this are obvious and not so obvious heavy handed police tactics, wishful “business as usual,” and new union strikes among government transit workers wanting higher wages and “better conditions.”

The pictures seem to suggest a common thread, a common denominator: government (city, regional, national) have run amuck. And people have lumped it all together.

In Belarus, next to Russia, the people are dealing with similar issues. Except there it is the heavy boot of the KGB, for now that is, holding unrest in check. Individuals are being terrorized, intimidated into submission, and there are reports of people being disappeared.

RadioFreeEurope / RadioLiberty has many other similar reports at: <http://www.rferl.org/>



Bloated U.S. Budget

The proposed new U.S. Budget has recently appeared: in monetary terms and images. The rhetoric has intensified among the elect.

The U.S. people spoke during the recent elections in November 2011. The people want responsible, responsive government, and they want less of it. They do not want deficit spending. The people also want their perks: pensions, social security, medicare, health care, etc. The people want a "strong" national defense and yet they want the cheap stuff coming out of the Chinese-PRC factories. What a seemingly impossible set of conflicting "wants" to address. There is a lot of self-rekidding going around.

China's-PRC military is expanding in order to protect its expanding worldwide (mercantile) interests.



And the Chinese-PRC have stripped (are stripping) their country of resources; now they are moving beyond their borders. Why are U.S. intelligence "surprised" by new Chinese-PRC technology advancements. Heck, US and other businessmen just give it to the Chinese-PRC in exchange for access to their markets. "Let's Make a Deal; a deal deal."

Donald Trump says it right: "This is insanity."

I think the popular movement among the U.S. people have it right, too. Things are not right. "Things are going in the wrong direction." Maybe they should get out and push the partisans some more.

Be careful. Cleanup afterwards.



Rare Earths

General Electric Company recently cut a deal with the Chinese-PRC to build electric car batteries in China. These batteries depend on "rare earths" minerals.

By looking at "the Welch Periodic Chart of the Atoms" you will see that there are two types of rare earths: Type 4f, element numbers 58-71, and Type 5f, element numbers 90-103. These "rare earths" are not that rare. They are commonly found all over the world.

In an article posted at Investment Rarities Incorporated Ted Butler's Commentary of February 9, 2011 he points out: "Actually, these minerals are not all that rare, in the strictest sense of the word. Many are quite abundant in the earth's crust. What makes them rare is that they are gener-

ally not concentrated in ore bodies offering economically feasible extraction. The first rare earth mineral discovered around 1800, in a village in Sweden named Ytterby, and several REE's are named after that village. Up until about 1950, most rare earth production came from India and Brazil. In the 50's, South Africa was the big producer, then California took the lead from 1960 through the 1980's. Then, China came to be the dominant producer by far, and currently produces 97% of world production."

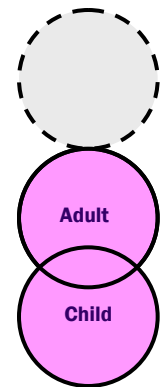
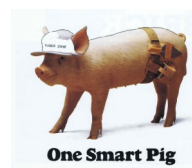
"Due to booming world demand, production has strained to keep pace. This was recently exacerbated by China's(PRC) new export restrictions, due to falling ore reserves and environ-

mental concerns. ..." See http://investmentrarities.com/ted_butler_comentary_02-09-11.shtml

Note, China-PRC has cornered this market. China-PRC has also made inroads into cornering the market in the production of wind mills for electric production. They are cornering the market in solar panel production, too, with the help and consultation of western "interests."

What about space and military applications?

"Houston, we have a problem."



In the case of the "Situational Personality" the personal PARENT has been replaced by the "Situational-Committee" PARENT.

"Personal judgment" is absent when the personal Parent is absent.



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"Mastery of the universe is proportional to the symbols man has by which to represent his universe."

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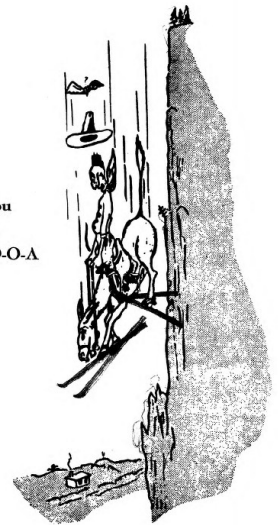
Ron Paul Predicts US Crash is Imminent

In a posting at ZeroHedge.com a headline reads "Ron Paul Says US Crash Will Be Comparable To That of Soviet Union, Claims QE2 Is "Total Failure" And FED Is A "Central Planning Cartel." Ron Paul is quoted as saying: "We have so much unemployment, it is so undercounted. The free market economists report that there is probably 22% of unemployment. They pumped \$4 trillion, they should have added a lot of jobs, but how much did it cost us, and that of course is the price inflation that will come. We are moving into another 30 year period where we are going to see a reversal of interest rates, and we are going to see a crashing of the bonds like we saw 30 years ago and it's going to last a long,

long time. The FED deserves the blame for the inflation, and for the unemployment." On the amount of damage done by the FED: "I think it's unimaginable, it could be so devastating, and could bring a strong, worldwide run on the dollar. We are in uncharted (waters) territories. I think we will see changes in our economy and our country almost equivalent to the change that occurred in the Soviet system. I think it will bring down our empire, we won't be able to afford our welfare state, and we won't be able to afford taking care of the world." ".... I'd like to get the

monopoly power away from this cartel that pretends that they know how to run the entire economy." See <http://www.zerohedge.com/print/308609>

Whoa-a-a You
 Son-of-a-Bitch
 WHOA-HO-O-O-A



Self-Rekidding

Self-rekidding describes a person who goes to considerable lengths to devise plausible reasoning structures in support of a belief. Some people will engage in debates, engage in heated arguments to defend a particular personal belief as being factual.

A fact is a phenomenon. It is a piece of information which can be matter-of-factly, dispassionately verified by others.

A belief is a personal view, often emotionally defended.

Beliefs, facts, thoughts, personal views, opinions. "I believe", "I feel", "I think", "I wonder if"; each of these

ways of viewing events is valuable, has its place in life. The self-governing of these in the presentation of oneself can be typified by the expression "Get a handle on your own self-rekidding." "Keep your circles from overlapping (too much)."

See "Self-Rekidding" by FH Ernst Jr., MD at www.ListeningActivity.com

