



Home of the AmTryke



# THE BOCCANEER

## AMBUCS OF LONGVIEW

P. O. Box 3092 - Longview, Texas 75606-3092

We meet  
Each Thursday at Noon  
At Cace's Restaurant  
1501 East Marshall Avenue  
Longview, Texas  
You Are Welcome

July 10, 2014

EDITOR: Don Esch 903-291-0888

[www.longviewambucs.com](http://www.longviewambucs.com)

**Presiding:** President Doug Fouse  
**Prayer:** Forest Williams  
**Pledge:** Dan Herrington

### ROLL CALL

Members: 33                      Guests: 2

### GUESTS

<u>Guest</u>	<u>Guest of</u>
Tom Brown	Allen Lizza
Craig Chaipen	Steve Rogers

### DRAWINGS

**Attendance:** \$54 Dan Herrington  
**Convention:** \$131 Hewitt Wheless

### Club News:

Danny Lee gave reviewed the July 4<sup>th</sup> party. We had about 100 people show up for the meal and fireworks show. Our property is fabulous for the fireworks show!

John Durst scolded us in a professional manner, so that all members remember to sign-in when they arrive.

Dick Allen and Dennis Rand are excited about the ramp builds coming up. Dick reported that Billy H. dropped a cutting knife (that he uses to cut windshield rubber seals) on his right foot, and it pierced the leather boot and cut a tendon on his big toe. He had surgery today and will be moving slow for a few days.

Dick also invited all to the Big Hatter's social this evening at Tommy's Lake Cherokee, lot NS46 at 5:30 or 6. Plenty of food and drink is available.

Bob Graham reported that the mud run is progressing nicely. He asked for volunteers to help him Saturday morning at World Headquarters with some of the simpler obstacle construction for the mud run. An engineer will help us after noon with the proper design & construction of weight bearing obstacles. Several people have already signed up as participants, and booths have been rented at \$250 each to the Army, Navy, and Marines, and other businesses. Booth space is still available.

Admission fee for the spectators at the mud run is \$5 each.

Allen Lizza requested assistance with the placement at high traffic intersections of 20 yard signs advertising the mud run. If you own or know of a prime intersection, get with Allen.

Tommy Knight announced that the T Bone Walker music festival will be coming to Longview on 9/12 and 9/13, which is the same weekend as the fair. It will be at Maude Cobb and there will be several great bands there. He needs help manning a beer booth. We are guaranteed \$1K for this effort. Shifts are Friday 6pm to midnight and Saturday from noon to 6, and 6 to midnight.



**Jason Frey – our newest Bighat member!**

### July 16th

5:30 pm - Board Meeting  
Ambucs World Headquarters



ALSO, 6 pm District Meeting July 31<sup>st</sup> – everyone welcome.



**Speaker – Kimberly Spinks**

Kimberly is the Senior VP and Trust Investment Officer at Texas Bank & Trust. Kim spoke on the state of the U.S. economy.

The basic definition of economics is to meet virtually unlimited demand with limited resources. She compared it to the temperature gauge in a car.

An economy that is too hot overproduces goods and services, and pricing inflates, or creates bubbles. Bubbles eventually burst. If the gauge is cold, the economy is receding, or in recession. She said that we are not currently in a recession,

but we are growing our economy at about ½ of what it needs to be.

She also compared 4 components of our Gross Domestic Product (GDP) with the 4 cylinders of a car. Cylinder 1 is consumer spending, confidence, and employment. It is a whopping 70% of the GDP. Cylinder 2 is the business sector at 16%, cylinder 3 is government, and cylinder 4 is the net of imports/exports.

Mrs. Spinks discussed that federal government spending only represents 7% of total spending. State & local governments combined are always larger spenders than the Feds, and because property values have been steadily rising, this had produced a larger tax base and more spending by state and local municipalities.

The trade deficit is mostly due to oil imports. However, domestic oil production has increased since late 2013, and consequently oil imports have been dropping. Imports are a minus to GDP and exports are a plus. It is expected that GDP

growth will be just under 3% by the end of 2014.

Unemployment has dropped to 6.1%, and it is expected to drop further to 6% by year's end, with predictions that it will be 5.5% at the end of 2015.

She said that the U.S. economy is STILL the largest exporter of technical and engineering services in the world. We have the most highly trained and talented engineers in the world. Their expertise is sought out and admired throughout the world. Small entrepreneurial firms drive the exportation of these services.

Kimberly stated that the harsh winter of 2013 and 1<sup>st</sup> quarter of 2014 hurt the economy, because it slowed manufacture and distribution of goods and services. Many workers were weather bound at home and found it very difficult to travel to work, if at all. Additionally, delivery of goods and services was slowed because freight deliveries were slowed/stopped due to weather. She did state, however, that the 2<sup>nd</sup> quarter had improved not only with warmer weather, but with increased auto sales in April and May. Consumer confidence is at its highest level since 2008. Higher auto sales are indicative of consumer confidence and usually mean more new home purchases will be seen as well.

Kimberly stated that the equities market (stocks) was up 30% last year for mid and large cap, and up 43% for small cap. Emerging markets have remained neutral.

Concerning stocks, she said that the Standard & Poor (S&P) index is currently at 1961, which is a fair price in the U.S. equities market. The Price Earnings (P/E) ratio is favorable, and a pullback is not probable. The driver of a fairly priced S&P index is a fair earnings return. Therefore, she believes that U.S. stocks are a better investment choice currently because they are fairly priced and have a decent rate-of-return at 1.9%, comparable to or better than the bond market.

Concerning interest rates, while currently at historic lows, she believes they will go up in late 2015. When this occurs, good stock investments will be high tech companies, energy, and banks. When interest rates rise, it is wise to avoid utilities stock, because they are highly leveraged, meaning a high debt load. Higher interest rates for utilities will mean lower profitability.

Mrs. Spinks discussed that large companies have huge cash reserves on their books, and are reluctant to spend it, due to a general apprehension about the future of the U.S. economy. It was the opinion of some Ambucs members that the threat of higher taxes and more government regulations have caused a reluctance of corporate executives to spend money and invest in new factories and technologies.

