

The democrats won the House in the midterms, California suffered terrible wildfires for the third consecutive year, and the U.S. economy is humming with full employment, rising wages, and lower taxes.

Trump's brash style of taunts and incentives led to talks between North & South Korea. Kim Jong Un suspended nuclear and missile tests, freed American prisoners, and sent athletes to the winter games in PyeongChang. The issue of disarmament remains but this is the most progress we've made with the hermit kingdom in 65 years.

To say President Trump is inarticulate is an understatement. It's not a stretch to imagine his downfall resulting from the failure of an uninformed or uneducated electorate who appreciate style and fall for eloquent speeches of a typical politician but cannot recognize the basis of economic prosperity or success of foreign policy.

Obama's deal that provided Iran a direct path to obtaining nuclear weapons was cancelled. So far, European leaders have ignored the threat posed by recent Iranian [ballistic missiles](#) tests.

California has ~10% of the nations' population, [25%](#) of the homeless (~130,000), and 33% of the welfare recipients. This is the result of freebees handed out by liberal politicians who could not care less for state taxpayers. With no political opposition and no accountability democratic lawmakers cheered becoming a sanctuary state, debated banning plastic straws, and are wasting \$100B on a bullet train that nobody wants.

Stephen Hawking, the smartest man in the world, died in 2018. He held Sir Isaac Newton's old post at Cambridge University. President Bush and his wife, Barbara, died too. My family & I met the president a number of years ago at his home in Texas; I can say from our short time with him that he was a genuine, kind individual. Elon Musk launched his Tesla Roadster into orbit around the Sun on a [Falcon Heavy](#).

Brett Kavanaugh was sworn in to the Supreme Court after democratic senators embarrassed themselves with absurd, uncorroborated allegations of "rape trains" and insane protestors clawed at the courthouse door.

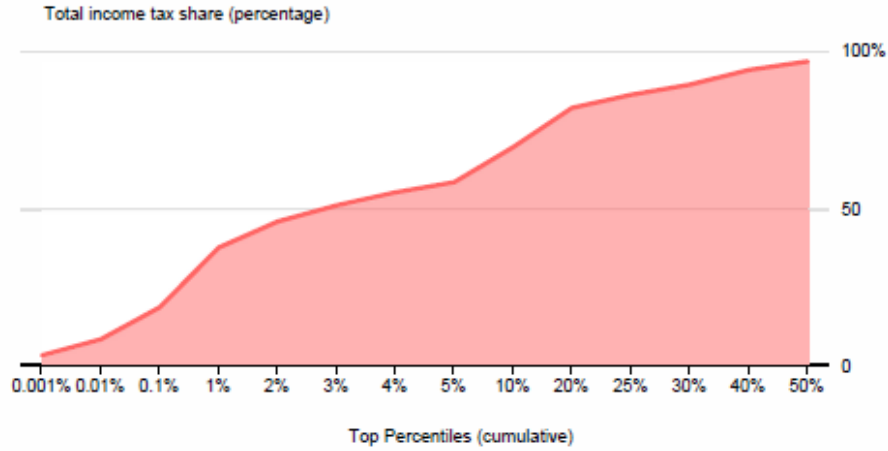
Trump withdrew from the Paris climate accord which would have cost the U.S. \$3T and millions of jobs over the next 20 years. As countless nations admonished him, a recent [study](#) showed that the U.S. [reduced](#) its carbon footprint by 0.5% in 2017. The world's largest producer of carbon dioxide was China, which at 27%, was twice that of the U.S. In 2009 Al Gore told us that the North Pole would be [ice free](#) by now. While I don't disagree with being a good steward of the environment to a point I think it is naïve and arrogant to believe that mankind's impact on climate is substantial when compared to the natural cycles of the planet. For example, in the past 5B years, with virtually no human presence, Earth has gone through 5 [ice ages](#) and 5 [greenhouse ages](#).

57% of democrats embrace young, new, charismatic Democratic Socialists whose stated goal is to "[end capitalism and radically change America](#)". The problem is that these Democratic Socialists see democracy simply as a bridge to the traditional method of social revolution: bloodshed, violence, and civil war. These politicians openly consider themselves [Jacobin's](#) (after the group who killed 40,000 during the French Revolution in the "Reign of Terror"). I can only assume that most supporters of Democratic Socialists are either uneducated about the goal of the party or have no idea that socialism killed [100M](#) civilians in the last hundred years.

An internal investigator found that Obama's FBI surveilled Trump and his associates prior to the 2016 election and [planted a spy](#) into his campaign. This stuff of banana republic dictatorships was quickly buried by mainstream media. Obama claims to be the only scandal free president in modern history when, in fact, his [corruption](#) ranged from attacking American's he opposed with the IRS to making secret side agreements with the Iran nuclear deal. Indeed, Obama's [scandals](#) are too numerous to list here.

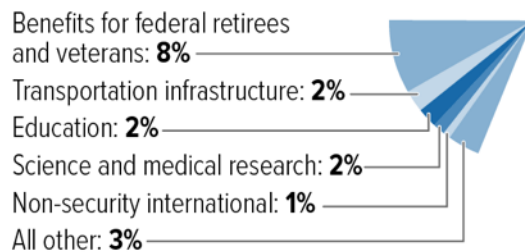
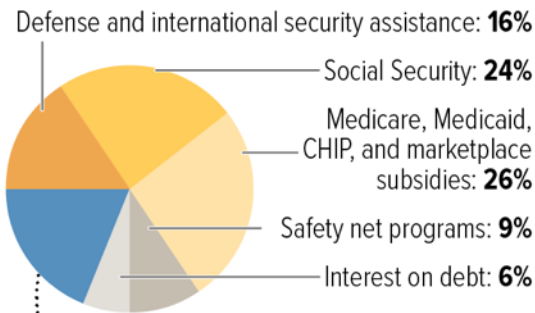
When the Tax Cuts and Jobs Act reduced corporate tax rates last December from 35% to 21% more than a dozen companies announced \$1,000 bonuses to more than 300,000 employees. Corporations are spending tens of billions of dollars on new production facilities, capacity upgrades, and workforce development. [Bloomberg News](#) recently reported that the top 3% of tax payers in the country pay 50% of the income taxes collected. The top 50% pay virtually all of the taxes (97%) while the bottom 50% pay almost nothing. And the top ~1,400 wealthiest individuals pay more than the bottom 70M people combined.

### Who Pays (and doesn't pay) Income Taxes



Source: IRS

### Most of Budget Goes Toward Defense, Social Security, and Major Health Programs



Source: 2016 figures from Office of Management and Budget, FY 2018 Historical Tables

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The administration slashed burdensome [regulations](#) which allowed the domestic economy to grow at a more natural, unconstrained rate. As a result, employment and wages have risen so quickly that the Federal Reserve has raised interest rates 8 times since Trump was elected just to keep inflation in check.

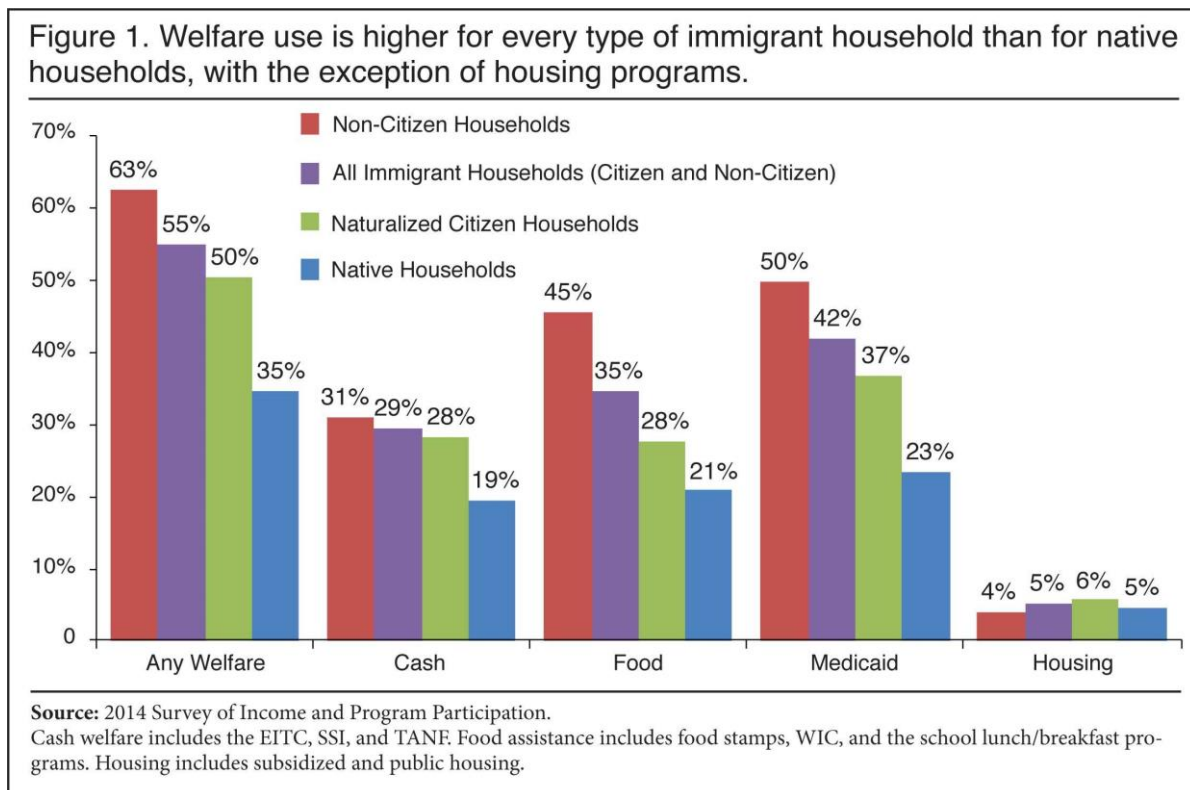
More good economic news:

- GDP grew at 4.2% in 2018 (the best in a decade )
- 4M new jobs have been created in the past 2 years
- Household income is at a 50-year high
- 68% of workers received a pay increase this year
- Consumer confidence is at an 18-year high
- More Americans are employed than ever before
- Unemployment is at a 50-year low with record lows for Women, Hispanics & Blacks
- \$450B has come back to the U.S. because of corporate tax cuts
- 4M less people are on food stamps

At this point the economy is so strong that unemployment has bottomed out at [3.7%](#) a number widely considered to be full employment. Millions who gave up looking for jobs under Obama and were categorized as “not unemployed” are being drawn back into the workforce.

With our technical and information based economy the immigrants who can contribute to the nation are smart, skilled, educated, ambitious, and want to live the American Dream by realizing wealth through our capitalist system. Conversely, illegal immigrants tend to have a high school education at best and draw on the taxes that our government redistributes from us citizens. For asylum seekers, applicants must “fear persecution because of religion, nationality, political opinion, or are in a particular social group”. Asylum is not for the poor or less fortunate who want in to our country. Given we’re the wealthiest nation in history, if we let those in who simply want a better standard of living, then basically all 7B people on the planet should be granted U.S. citizenship.

[Census bureau data](#) showed that 63% of immigrants use welfare (twice the number of U.S. citizens).



Our nation, built on capitalism, private property, and the rule of law allowed us to invent the light bulb, the telephone, the airplane, the microprocessor, and the internet to name a few. Did you know that the only nation to land a spacecraft on Mars is the U.S.? And, the only humans to set foot on the moon have been American.

As for us, Monica & I continue to live and work in the San Francisco Bay Area. Andrew lives in Sacramento where he's developing the next generation of microprocessors for Intel. He's considering going back to school for a Master's degree. Liam is a senior in high school and busy applying to universities on the West Coast. We had to cancel a trip to Vienna & Prague at the last minute recently when I crashed on my kiteboard and ended up the hospital. We rescheduled the trip for this spring; Monica has made it clear that I'm prohibited from getting injured again.

We always appreciate hearing from our family and friends; please keep in touch.

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<http://www.cottrel.com/xmas/xmas18.pdf>

*Merry Christmas and Happy New Year,  
from the Cottrell Family*

*"How fortunate for governments that the people they administer do not think" - Adolph Hitler*