Weekly Overview

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Mission Statement

To help Kiwi businesspeople and householders make informed financial decisions by discussing the economy and its implications in a language they can understand.

The Weekly Overview is written by Tony Alexander. The views expressed are my own and do not purport to represent the views of the BNZ. To receive the Weekly Overview each Thursday night please click here.
http://feedback.bnz.co.nz/forms/lFdYSs5FGEq4kAjP95uzTA

Happy Farmers At Fieldays

This week National farm Fieldays are once again on at Mystery Creek just outside Hamilton and that means three days standing up for about six hours a day giving two presentations and chatting with the many farmers who come into the BNZ tent. What I have been able to glean so far from those many one on one chats is that farmers are not too concerned about the exchange rate, probably because it has fallen quite a bit against the greenback recently and because international dairy prices are high.

Few borrowers appear aggressively concerned about interest rates apart from wanting some indication as to the proportion of their debt they should get fixed, for what term, and when. Farmers tend to take a longer horison for such fixing than city folk who think an 18 month fixed rate is managing one's risk. Farmers tend toward the five year term if not seven, and I have been reminding all and sundry that this year deals mature for the many farmers who signed up ten year fixed rates back in 2003 when rates fell sharply on the back of a cut in the Federal Reserve's funds rate to just 1%. I am suggesting thinking about fixing 5 – 7 years for half one's debt and not trying to pick when fixed rates will rise (looking to fix just days before they do) because in this very uncertain world we cannot pick when the next big upward jump in fixed rates will come.

But while some farmers have asked about fixed versus floating, their queries have been outnumbered three to one by those who have asked instead about where to invest their money in order to get a decent return. Most of those asking appear to have funds on term deposit currently and want a higher yield but are not prepared to chase the sort of products which caught so many people out back in the 2000s when the chooks came home to roost for so many crooked and poorly run finance companies.

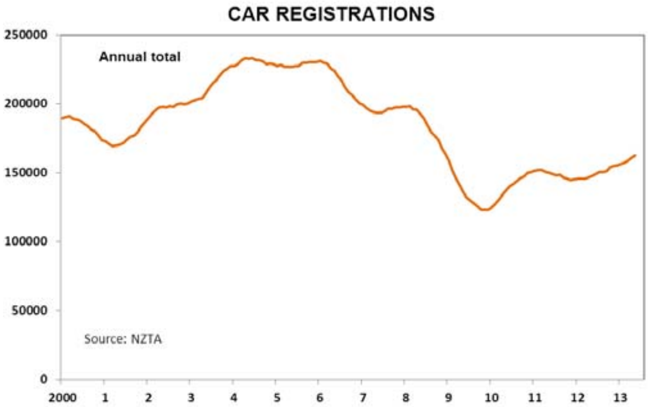
I am not offering advice but simply note that there is massive uncertainty still around the world and that sharemarkets, exchange rates, and fixed interest security prices will experience very high volatility in coming years. Volatility by definition means risk so in order to manage that risk while seeking better returns they should really speak with the sort of people like our private bankers who focus on such things.

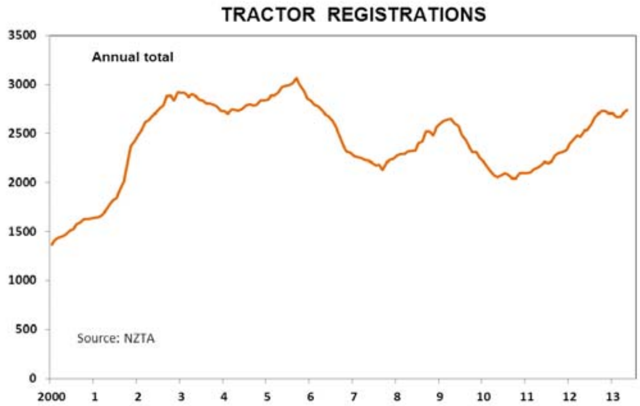
Apart from that the weather so far has been good and is predicted to remain so for Friday and anecdotes suggest there are some good levels of spending occurring. I bought some chaps for my chainsaw work.

The Week's Economic Data

Spending on cars trending upward

The number of cars registered around the country in May was 16.3% ahead of a year ago at 14,807. Car regos have been broadly rising since a year ago and that trend is continuing with no clear sign of an acceleration or deceleration at this stage. Truck regos were ahead 18.3% but these numbers can be highly volatile so it is best to look at the past three months where we find numbers ahead 31.6% from last year.





Growth is strong and likely to remain so given the growth in the construction sector and recovery in forestry on the back of strong demand from China. Rising farm investment as output is expanded to take advantage also of that Chinese demand – in spite of the high exchange rate – with movement toward more feeding out systems will also support commercial vehicle sales.

Speaking of farms, tractor registrations in the three months to May were ahead 11.5% from a year ago. Following growth for the entire 12 months of 8.3%. That implies some small lift in tractor purchases by farmers.

Household Spending Not Taking Off – Just Slowly Improving, Very Slowly

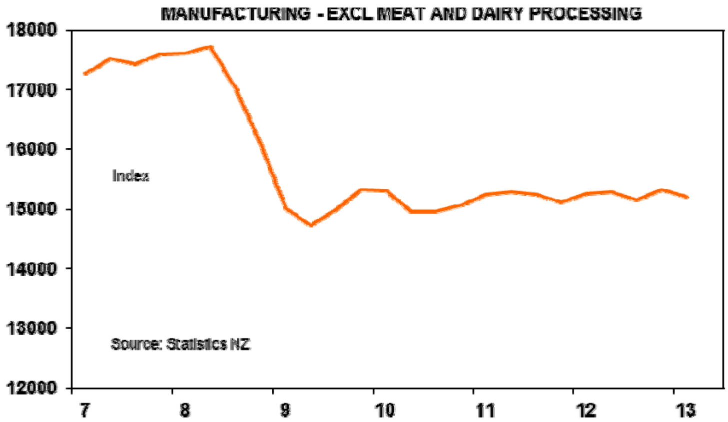
Core retail spending using debit and credit cards rose by 0.4% in May which is not too bad a result following the 1% rise in April. Over the three months to May core spending has risen at an annualised pace of only 2.1% however from 7.4% in the three months to February, which followed 0.4% growth in the three months to November. These large changes tell us that this series is quite volatile and a three month rolling average is not well enough capturing the true trend in consumer spending.

A better picture is gained by smoothing over 6 months where we get annualised growth of 4.4% from 4% in the six months to November and 2% a year ago. So spending growth has picked up well from last year but in recent months the lift in the pace of growth has been only minor. I conclude from that that people are still exercising some caution with regard to their retail spending and that accords with the anecdotes from retailers in recent months in our BNZ Confidence Survey.

This only mildly positive growth is also seen if we concentrate on the trend core growth series calculated by Statistics NZ which rose just 0.2% in May and 0.3% in April from growth rates of 0.4% or 0.5% between October and February. Additionally, note that growth in household non-housing debt was only 1.6% in the year to April.

Manufacturing Weak

Excluding the processing of meat and dairy products the seasonally adjusted volume of manufacturing output in the March quarter was down by 0.8% from the December quarter and 0.3% lower than a year earlier. If we smooth things by taking the entire four quarter period we get a change in this core manufacturing measure of 0.1% in the year to March from 1.1% growth a year earlier, 0.2% shrinkage a year before that, and 8.4% shrinkage in the year to March 2010. There was 6.1% shrinkage in the year to March 2009. So basically, activity fell sharply over 2008-10 and has not recovered.

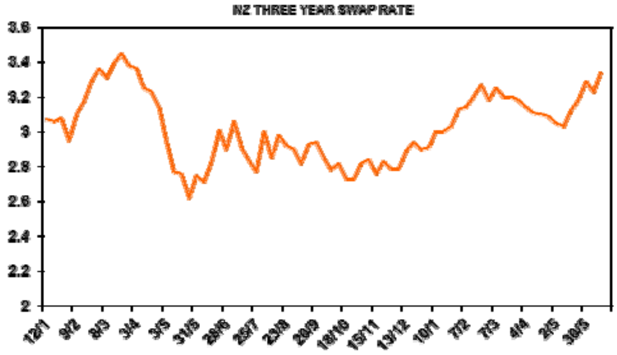


Interest Rates

No Policy Change, No Surprise

The Reserve Bank reviewed the 2.5% official cash rate this week and as had been universally expected left it unchanged. They made no alteration to their previous indication that the rate tightening cycle will start in the September quarter of next year though pointed out that rate rises will naturally be influenced by movements in the exchange rate. Given time spent at Fieldays I am afraid that is it as far as analysis of their comments goes this week. Sorry.

This week wholesale fixed borrowing costs (swap rates) have risen yet again with the three year swap rate of about 3.34% at its highest level in 14 months and up from 3.23% last week and 3.12% four weeks ago. Rate rises have come about in response to some increase in longer term fixing by NZ businesses, rises in US rates (ten year bond yield to 2.22% from 2.09% a week ago), and a growing stack of NZ indicators showing economic growth picking up.



FINANCIAL MARKETS DATA

	This week	Week ago	4 wks ago	3 months ago	Yr ago	10 yr average
Official Cash Rate	2.50%	2.50	2.50	2.50	2.50	5.4
90-day bank bill	2.66%	2.66	2.66	2.67	2.76	5.7
1 year swap	2.79%	2.78	2.75	2.78	2.58	5.8
3 year swap	3.34%	3.23	3.12	3.20	2.83	6.1
5 year swap	3.71%	3.57	3.45	3.57	3.18	6.3
7 year swap	3.99%	3.85	3.73	3.89	3.52	

Housing Market Update

There Are Four Housing Problems

- Affordability
- Bank exposures should prices fall
- NZD surge as monetary policy fights housing sector inflation
- Physical accommodation availability

Affordability

If the housing problem is home affordability then special generalised Auckland (or national) imposts such as minimum deposit rules will make things worse for the already cash/deposit-strapped group we want to be able to afford houses. One instead will need to take buyers out of the market which are not the ones we think deserve to buy affordable housing. That means something like a law banning second property purchases, banning purchases by foreigners, and forcing people to sell houses they own but are not occupying – perhaps because they are overseas. A capital gains tax (CGT) would have little impact as people would simply not sell existing holdings thus worsening listings. Plus we have seen LAQC and depreciation changes have no impact on investor willingness to buy property. And Australia has a CGT but affordability is also poor in the major cities. So CGT will not solve the affordability problem and neither will higher interest rates by definition. Affordability can only be improved by boosting cheap supply or stripping out non-desired buyers which sounds a bit too much like social engineering for Kiwis to tolerate. Only a radical cheap supply boost will improve affordability.

Bank Exposure To A Collapsing Housing Bubble

If the problem is rising house prices raising financial risks to banks should an economic shock of some sort cause big house declines, then the answer is directly minimising bank lending through strong rules. But history tells us we Kiwis will find ways around lending restrictions by using second mortgages and funding from sources not controlled by the RB. That is what developers did from the eraly-1990s as banks pulled back from risky lending.

Such sources might include new mortgage companies offering good returns to savers and lending at higher than bank interest rates to house buyers. Note that in contrast to first home buyers investors are sometimes cashed up or need little debt as a proportion of total holdings. Thus as the RB imposes new bank lending rules of various types soon the affordability problem will get worse unless they impose lending rules around bank funding of investors but not first home buyers. But investors will simply use other financial institutions not controlled by the RB - that is what history tells us will happen.

If the RB were to attack lending growth with higher interest rates that will make affordability worse and hit the export sector hard as the exchange rate would get pushed up.

Upward NZD Pressure As Interest Rates Rise to Fight Inflation From Housing

If the housing problem is the resulting jump in interest rates and the hit on exporters from a higher NZ dollar then it pays to note that rising house prices are to a great extent a red herring. House prices are not included in the official inflation measure targeted by the Reserve Bank – the Consumers Price Index. But house construction costs and things such as real estate and legal fees are.
http://www.stats.govt.nz/browse_for_stats/economic_indicators/CPI_inflation/home-ownership-in-the-cpi.aspx

Only if Reserve Bank actions suppress house construction cost inflation will a currency-boosting surge in interest rates be avoided come 2015-16. But the Reserve Bank has no weapon to crush the construction upturn beyond rising interest rates and hefty restrictions on lending. Yet with the country short of houses in Christchurch and Auckland the supressing of new house building is the last thing society needs or wants.

Therefore, whatever the Reserve Bank does regarding low deposit rules etc. will not affect the construction boom which will be capacity rather than finance constrained, therefore there is nothing they can do to stop the eventual rise in interest rates and therefore the NZD to suppress inflation already starting to come out of the house construction sector. Exporters – you may want to read these two paragraphs again to understand what they are telling you.

Physical Availability of Accommodation For Low Income Earners

If the problem is a shortage of accommodation for the most challenged parts of society, most policies will make things worse, not better. In a country where few entry-level houses nowadays get built, investors and young buyers are seeking better yielding and lower-priced properties in traditionally less desirable suburbs (gentrification). That means very low income earners are physically squeezed out. They end up in sleep-outs, garages, two or three families in one house, or in housing enclaves well removed from employment and training opportunities.

If interest rates rise the ability of people at the low end of the socio-economic spectrum to buy will decline. If construction is slowed to curb inflation by definition these people will be hit – unless the construction sector is controlled so only mainly low-priced houses can be built. If minimum deposit rules are imposed then first home buyers and investors will shift toward buying even cheaper, more accessible houses, thus pushing low socio-economic people out even more.

What To Do?

The optimal solution is a quick jump in house supply combined with reductions in building materials costs. How can we achieve that?

First initiate a large builder training programme targeting not just youth but low skilled migrants. Yes, the migrant gates would need to be opened. Just the signalling of strong intention to boost builder numbers would make investors think twice about their capital gain assumptions.

Second, ban councils from imposing any development fees and allow developers to install their own infrastructure.

Third, create an SOE whose sole purpose is to undercut existing building materials suppliers through bulk purchases from offshore, nodal warehousing and distribution from just three or four locations in the country, with a separate agency responsible for monitoring the quality of materials sourced.

Fourth, initiate a new large state house building programme relying largely on the to be created new carpenters etc. Constrain new state houses to more efficient building systems including containerised modular housing (this doesn't involve shipping containers), central and screwed in foundations, etc.

Fifth, ban house sales to non-residents (even new houses given the ease with which special developments could arise targeting solely folk offshore and soaking up construction sector resources).

Sixth, impose a tax on all houses owned by Kiwis offshore with the aim of encouraging them to sell them.

Seventh, put in place a capital gains tax on second properties and farmland and immediately payable stamp duty for all second house purchases.

Eighth, rezone all land within 10-20 kilometres of existing city boundaries as residential.

What are the chances of such radical policies (plus there are others) being imposed?
Low, zero, zero, mild, mild, zero, low, zero.

What will happen? Some land will be freed up but it will little affect section prices, construction will soar and rising costs will force higher interest rates and a higher NZD. The Reserve Bank will tighten high loan to value lending but the impact will be minimal and mainly encourage young buyers to raise more expensive finance elsewhere (a big business opportunity looms there) or to leave the country to make a purchase overseas.

For your guide, don't get hung up thinking that freeing up more land will actually make all that much difference to the current housing cycle. I spoke with a real estate agent today who noted that a project they had sold units in has just been canned because the developer cannot find anyone to build the complex. Or more accurately, he got some quotes but not many for the 32 unit development and the cost would have made it unprofitable given the prices which buyers had signed up and paid deposits for. Those deposits are now on their way back to the hopeful buyers.

This just goes to reinforce that even now with the number of dwelling consents still well below average construction resources are scarce and costs escalating.

REINZ Data Firm

The REINZ reported yesterday that in may there were 7,714 dwellings sold around New Zealand. This was a 7.5% rise from a year ago following a 25% rise in April. May last year was unusually strong therefore the slowing in the annual growth rate is not entirely indicative of activity growth easing off. In fact on average in May it took 35 days to sell a dwelling which was 2.9 days faster than average whereas sales in April were 1.9 days faster than usual and sales in March 3.1 days faster than usual. So the market is on the tight side but not outrageously so. Except maybe in Canterbury where sales in May occurred at a pace 6.2 days faster than average. Auckland was 3.8 days faster than average.

The median dwelling sales price rose 0.7% in May after rising 0.8% in April and now sit 8.7% higher than a year earlier from 6.4% growth one year ago.

Putting aside monthly changes as too volatile we can note that in the past three months dwelling sales prices in Auckland have risen 7.2% to sit 15% ahead of a year ago, Wellington 1.8% to be 5.7% higher, and Christchurch 1.3% to be 11% higher.

Compared with December of 2008 Auckland house prices have risen by 39%, Christchurch 26%, and Wellington 10%.

If I Were A Borrower What Would I Do?

If I had been holding off fixing in the vain hope of being able to pick when fixed rates would rise and jump out of floating just before they do then I would be looking at increasing my fixing right now. Pressure on interest rates is upward with the Reserve Bank's experiment with using minimum deposit rules to control housing likely to end in tears and a messy period of catch-up tightening given that the inflation risk comes from a shortage of building resources and not so much the simple repricing of the existing housing stock. Plus as US tapering gets underway (easing back from money printing) anything seems possible with regard to how rapidly US bond yields will rise. Hold on because there are plenty of people wondering if this year or next could look like 1994.

Offshore

Mixed as Ever – Reality Check in Japan

Last week the **Japanese** Prime Minister outlined parts of his “third arrow” – economic reform to accompany massive money printing and more fiscal looseness. But his plan was dismissed as containing grand goals with few specifics on how to achieve them and the absence of plans for reforms in areas which unless radically altered will ensure structural reforms will not succeed in boosting growth and stopping deflation. Goals include a 40% rise in income per capita in the next ten years and doubling farm incomes. Yeah right.

On the positive side the annualised pace of GDP growth during the March quarter was revised up to 4.1% from the initial estimate a few weeks ago of 3.5%. But such news has not settled down worries about policy effectiveness and at the time of writing this the Nikkei share index was down 773 points or almost 6% in one day. The index has now fallen by 20% from its peak three weeks ago.

The Bank of England in the **United Kingdom** this week left its cash rate unchanged at the 0.5% level it has sat at for four years now and also gave no indication of any intention to resume quantitative easing which finished some time ago at a total of £375bn. This decision would have been driven by a number of economic indicators improving recently including the likes of car sales which reached a six year high in May, and the services sector PMI which rose to 54.9 in May from 52.9 in April. Services are a vital part of the UK economy so improvement there has important positive growth implications.

The Manpower HR company this week released the results of their June quarter survey of September quarter hiring plans. NZ had a net 22% of businesses planning to boost hiring. In contrast the UK percentage was just 5%. So the UK labour market is still relatively weak.

The non-farm payrolls report for May in the **United States** came in slightly better than expected showing a rise of 175,000 from 149,000 in April. The unemployment rate edged up to 7.6% from 7.5% as more people entered the workforce. The result was not vastly strong but importantly shows that the US economy is weathering the effects of the fiscal sequestration.

Australia faces a general election on September 14 and that is likely to be one factor making people have a less than stellar view on the economy at the moment – uncertainty about what the new policy environment will look like. The election could actually happen as early as August 9 given speculation that the current massively unpopular PM Julia Gillard may be dumped within a couple of weeks to be replaced by former PM Kevin Rudd (who Ms Gillard rolled), and Mr Rudd could call an election for an earlier date. With so much uncertainty around we should expect some continuing generally downbeat commentary on the Aussie economy in coming months.

In fact as each week passes newspapers carry essentially the same comments by varying senior people regarding the resources development boom having passed, passing, or about to peak and that this will place extra pressure on other parts of the economy to take up the strain. As big projects end or get cancelled there are stories of falling rents and house prices in previous boom towns, people no longer moving to the boom locations, the AUD falling, the Reserve Bank needing to cut interest rates again, and occasionally some comments about China's growth slowing down.

It is definitely not all woe in Australia however with the falling currency raising some hopes for exports, signs of improvement in major city housing markets, and rising consumer confidence. The Westpac Melbourne Institute gauge of consumer sentiment improved to 102.2 in June from 97.5 in May. A reading above 100 means that optimists outnumber pessimists. Also, this afternoon we learnt that job numbers in Australia rose by 1,100 in May whereas a decline of 10,000 had been expected following a large 45,000 jump in employment in April. The unemployment rate in May was 5.5% from a revised 5.6% in April – a rise from about 5% a year ago.

As regards the **Eurozone** we have not learnt anything fantastically new about the state of things there. The general expectation is for GDP shrinkage of 0.5% - 1.0% this year then growth perhaps approaching 1% next year. But the Europeans have really mucked things up. For many decades they have relied upon a strongly growing world economy, movements together in hand-holding feel-good fashion promoted with Soviet-like propaganda, and bouts of Keynesian stimuli to underpin growth and avoid nasty economic restructuring which would drive strong growth in the long-term but disaffect some protected groups in the short-term.

As a recent swathe of books looking at why nations fail conclude it is excessive government attention on protecting particular groups which appears to be the main causes of economic decline. That is Europe all over – except for some select few. For the next couple of years Europe's story is likely to be one of an intense battle between those who know reform is needed and those who think such nasty German or American-like things can be put off with just a bit more togetherness or fiscal boosting – just a little bit more. In fact to show how far the French hierarchy are ignorant of the situation and blinded by their own faith in a failed project, the French President during the weekend declared that "…the crisis in the Eurozone is over."

Over the next two years the US economy will be rising, that will be pushing global interest rates up, and come 2015 – 16 many European countries will be facing a blow-out in their debt servicing costs and break-up of the Eurozone will once again be back on the table. It's going to be like watching a slow train wreck spread over a number of years. Meantime we Kiwis had better watch we don't get too up ourselves saying we're sweet because of all the strong demand for our primary products coming out of China. That demand will make us increasingly vulnerable to not just the Chinese economy but the desires of the Chinese authorities in areas such as military cooperation, voting in international bodies, visas and so on. What is our best option out of all of this? Strengthening relations with the United States, major primary exporters deliberately forsaking some easy Chinese sales to maintain strategic presences in a range of markets including the UK, Europe and Japan, renewing links with Japan more generally as a strategic counter-balance to our China dependency, and targeting non-primary exports at Europe where our insular culture will gel more easily than in China.

Illustrating the way in which **China** uses trade sanctions as a weapon when something happens in its relationship with a country which it feels is disrespectful was the decision this week by China to launch an investigation into European wine in China. The move came less than 24 hours after the European Trade

Commissioner announced tariffs up to 68% to apply to Chinese solar panels imported into the EU though with interim tariff levels of 11.8% until the middle of August. Why retaliate with an attack on wine? Because it is important to Spain, Italy and France who support hefty solar panel tariffs, but not important to Germany who argued strongly against the tariffs.

The move is another backward step for China as it tries to develop a role as a responsible global player, and one which is extremely risky as China is now interlinked with the rest of the world as it never has been before. Its ability to use such weapons risks exposing its own vulnerabilities. That is its vulnerability to additional trade sanctions and even restrictions on exports of raw materials it is heavily dependent upon.

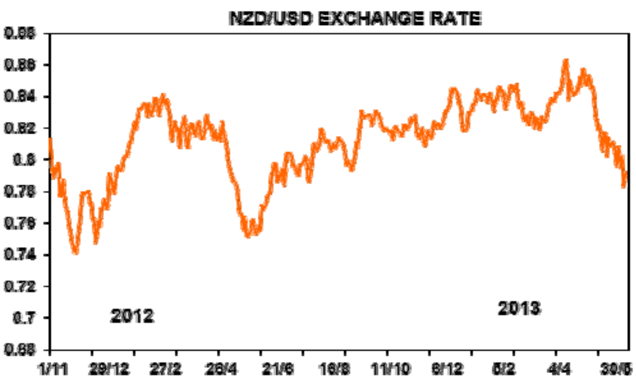
China actually produced some important news on the data front this week with the annual pace of growth in industrial production slowing to 9.2% in May from 9.3% in April. Inflation fell to 2.1% from 2.4%. Exports were only 1% higher in May than a year earlier. The expected growth outcome was 5.6%.

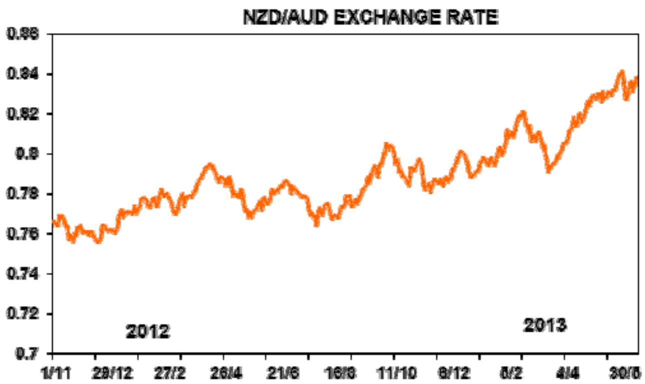
Exchange Rates

Exchange Rates	This Week	Week ago	4 wks ago	3 Mths ago	Yr ago	10 yr average
NZD/USD	0.792	0.795	0.827	0.825	0.776	0.67
NZD/AUD	0.838	0.834	0.827	0.799	0.782	0.85
NZD/JPY	74.8	78.9	84.3	79.2	61.7	69.6
NZD/GBP	0.505	0.516	0.539	0.554	0.499	0.388
NZD/EUR	0.593	0.608	0.638	0.633	0.621	0.52
NZDCNY	4.86	4.87	5.08	5.13	4.94	4.99
USD/JPY	94.44	99.25	101.93	96.00	79.51	105.7
GBP/USD	1.57	1.54	1.53	1.49	1.56	1.72
EUR/USD	1.34	1.31	1.30	1.30	1.25	1.28
AUD/USD	0.95	0.95	1.00	1.03	0.99	0.788
USD/RMB	6.14	6.1275	6.1417	6.2163	6.3716	7.56

A Good Week For Exporters

The Kiwi dollar has dipped further this week in response to two things. One is a surging USD on the back of slightly better than expected employment growth numbers for May. The good data increase the probability that the Federal Reserve will soon start tapering their money printing activities thus drying up the pace at which the supply of USDs grows. Yet whereas in the past few weeks good data have also encouraged a stronger USD but also a weaker sharemarket, this time around the US sharemarket has largely held its own (though it does look somewhat fragile) as the USD climbed. Perhaps this reflects that for the sharemarket at least money printing changes are becoming less of a focus and instead attention is largely on the implied improvement in company sales and profits from improving economic growth.

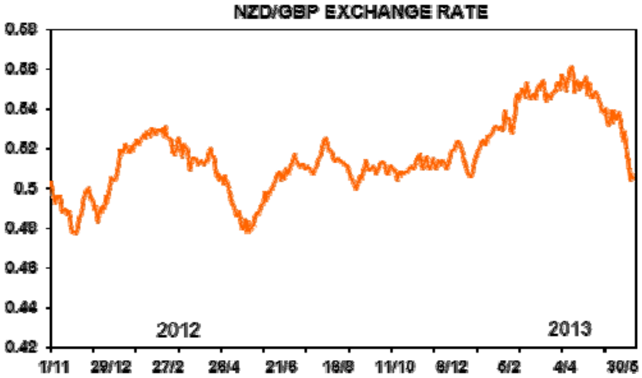


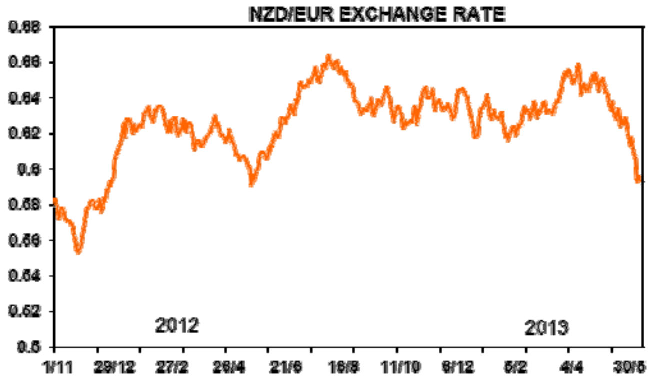


The second factor depressing the NZD this week was weaker than expected data in China leading to forecasts that for the first time ever the post-Mao leaders may not achieve their GDP growth target – set this year at 7.5%. Investors are tending to sell currencies most closely linked to China's economic performance such as the NZD and AUD, and buy currencies linked to the improving US economy – the Canadian dollar and Mexican Peso.

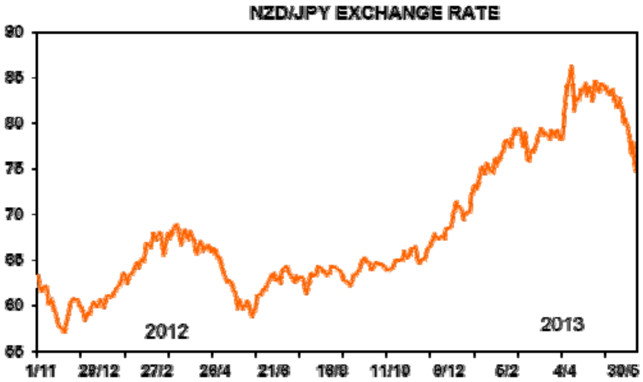
So where does the NZD go from here? For movement against the Japanese Yen you have to pick how successful the markets believe the new loosening and restructuring policies/experiments will be. This week the view is that the PM may struggle to achieve his goals. So the Yen has gone up with assistance from the Bank of Japan not announcing an acceleration in money printing.

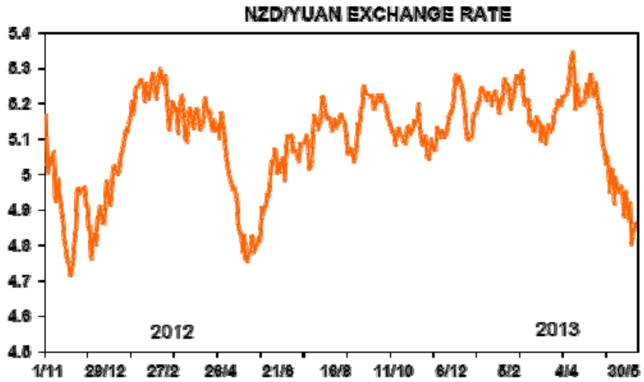
For movement against the Euro and Pound you need to take a view on when reality will kick in up there regarding the pausing of fiscal austerity problems merely involving kicking the can down the road for two years and worsening the fiscal trap. For the moment the markets appear not to be getting too unnerved about debt levels and debt servicing costs in 2-3 years but that will eventually change as national governments do not embrace and impose economic reforms which investors consider necessary if they are to continue to fund their over-spending ways.





For movement against the greenback you need to take a view on how tapering will occur. Good luck. No-one knows. In a week's time were the Kiwi five cents higher against the USD I would consider that just as plausible a response to current uncertainties as if it were five cents lower.





For movement against the Aussie dollar you need to take a view on the next string of Chinese economic data (bad means a lower AUD and higher NZD/AUD cross rate plus lower NZD/USD etc.), plus Aussie data and how it influences market expectations of another one to two 0.25% cuts in the currently 2.75% cash rate, plus perhaps a view on political developments in this general election year.

Good luck.

Key Forecasts

Dec. year		2011	2012	2013	2014
GDP	annual average chg	1.4	2.5%	2.5 – 3.0	3.5 – 4.0
CPI	on year ago	1.8	0.9	0.5 – 1.5	2.0 – 2.5
Official Cash rate	end year	2.5	2.5	2.5 – 2.75	2.75 – 4.25
Employment	on year ago	1.6	n/a	2.0 – 3.0	2.0 – 2.5
Unemployment Rate	end year	6.3	6.8	5.0 – 6.0	5.0 – 5.5

The Weekly Overview is written by Tony Alexander, Chief Economist at the Bank of New Zealand. The publication is sent to 28,000 subscribers each week and is one of a stable of regular releases which include the

- monthly Growing With China publication, http://tonyalexander.co.nz/topics/china/
- monthly Brain Gain NZ publication http://tonyalexander.co.nz/topics/brain-gain-nz/
- monthly BNZ Confidence Survey, http://tonyalexander.co.nz/topics/surveys/bnz-confidence-survey/
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- monthly BNZ-Nine Rewards Consumer Trends Survey http://tonyalexander.co.nz/topics/surveys/bnz-nine-rewards-consumer-trends-survey/
- Monthly column for the NZ Property Investor magazine, http://www.propertyinvestor.co.nz/
- Most of these publications plus research into impediments to NZ's economic growth are available on his website. www.tonyalexander.co.nz

Tony Alexander has been Chief Economist at the BNZ since 1994 and apart from publications and advising management spends considerable time on the road around New Zealand making presentations and speaking with the media. He travels to the UK and Europe twice a year to assess economic conditions and present at numerous functions, has five children, tramps, and his partner Dr Sarah Farquhar runs the early childhood education network www.childforum.com

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http://www.youtube.com/channel/UCG6YsWMK3gCDFbG_upZA9Pw?view_as=public

It's a Hard Life

No time. Too tired. It's a hard life speaking to farmers over a three day period with breaks only for buying fudge at one of the many fudge stands now at the Fieldays. There used to be just one or two. Now there are so many it is hard to choose, thus making things harder than before I guess. As a lover of chainsaws it's hard to avoid spending hours in the Stihl tent gazing at the beauty of their two and a half thousand dollar lovelies. I settled for some protective chaps after many years of being perhaps a bit too blasé.