

Hi Everyone,

I sometimes have to wonder if Washington DC is really located in the United States, don't you?

And I'm not talking about the insane amounts of spending that's going on in our capital, or even about the patently unpayable debts and promises they're making to all of us and our foreign creditors. Although I think these things, too, result from whatever drugs they're on inside the beltway.

No, what I am referring to here is the way Washington manipulates its official statistics.

Consider the absurdly bizarre inflation figures Washington puts out each month.

Case in point: March's Consumer Price Index (CPI) data. The so-called "core" inflation rate rose a modest 0.1%. So every politician on the Hill plus all the dumb Wall Street analysts grabbed onto that figure to proclaim that inflation is "dead."

Inflation? "Not a problem" ... "tame" ... "easy to deal with" — those were some of the comments and headlines that came out after the figure was released.

Give me a break! No, give us all a break. Anyone with half a brain in their head can see that prices are going up all around them.

Here are just a few examples...

- The price of oil is up 14.9% since the first week of February
- Soybean prices are up 7.4%
- Cotton is up 20.1%
- Copper prices are up 13.1%
- Lumber prices are up a whopping 51.7%
- A gallon of unleaded gas is up 10.4% since February

Now, you tell me, is that 0.1% inflation? I don't think so! The average price appreciation of the above, which are pretty much staple items, is almost 20%.

That's even a bit higher than the action we've seen in the Commodity Research Bureau's Index (CRB Index) of 19 widely-traded natural resources and commodities. According to the index, prices of raw materials are up nearly 8.5% since the beginning of February.

And that's just recent figures. College tuitions are projected to increase into the double-digits in many cases for the 2010-2011 school year.

The cost of a first-class postage stamp increased 4.8% in 2009.

Moreover, where are the deals in hotel room rates ... or in airline fares? I don't see any.

My auto insurance rates are up about 12% in the past year.

Property taxes and a whole slew of other items are jumping like crazy all over the country.

Haven't you had it with the people in Washington (and on Wall Street) that buy into the "no inflation" scenario? I mean, are they living on another planet?

Meanwhile, the value of the U.S. dollars you get paid in ... you invest in ... you save in ... continue to lose purchasing power as Congress spends even more money that doesn't exist — until the Fed prints it up to cover their spending.

And that just means even more inflation is coming down the pike.

Thanks for reading,

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