

INFLATION! By Kevin Vink

The buzz lately in economic news has been that inflation is starting to creep back into society. The question is, is it? And what can or what will the Federal Reserve do to curb it.



Inflation is defined as an increase in the costs of goods and services that in turn decrease the buying power of money over time. The CPI or Consumer Price Index measures it. Every month some 400 part-time workers in 86 regions of the US fan out and collect the going rate for some 80,000 items, which is then collated to form that month's CPI. It is important to note that the CPI does not include food or energy costs. At last check, inflation has grown 1.7% over the last twelve months to a rate of 2.29%.

The Fed has the unenviable task of being the inflation watchdog. For a while it was whispered that we were in a deflationary environment in which there was too much money in the economy and prices for goods and services were falling to dangerous lows. This obviously can be good for consumers but disastrous for business. Most feel this has been proven to not be the case and now the fear is that prices will escalate making the value of your dollars less and less.

Really, the only sure way to insure against inflation is to go back to the "Gold Standard." Under the Gold Standard the government only issues enough currency that they can back by the amount of gold it owns. The US abandoned this strategy back in 1971 and today there is nowhere in the world that paper currency can be redeemed for gold.

The Fed's weapon of choice against inflation today is manipulation of short-term interest rates and the buying and selling of US Treasury bonds. If they start to raise interest rates, which it is widely expected the Fed will do at their next meeting on June 30th, and also sell Treasury bonds; the supply of money in the economy will tighten up and keep consumer prices in check.

Unemployment is still high here in the US, with factories still not ramping up production, and slow wage growth for employees, so my opinion is not to expect inflation to grow much faster. Alan Greenspan, who has done an admirable job with our changing economy, has just been nominated for another term as head of the Fed. One other key factor is that we are in an election year so it is in President Bush's best interest to keep inflation at bay and our struggling economy improving especially with our distractions in the Middle East.



FLAG DAY Continued

delivered a 1914 Flag Day address in which he repeated words he said the flag had spoken to him that morning: *"I am what you make me; nothing more. I swing before your eyes as a bright gleam of color, a symbol of yourself."*



Inspired by these three decades of state and local celebrations, Flag Day - the anniversary of the Flag Resolution of 1777 - was officially *established* by the Proclamation of President Woodrow Wilson on May 30th, 1916. While Flag Day was celebrated in various communities for years after Wilson's proclamation, it was not until August 3rd, 1949, that President Truman signed an Act of Congress designating **June 14th** of each year as **National Flag Day**.

Unfortunately most of today's students do not have the privilege of celebrating the date with assemblies where patriotic songs and activities are celebrated in their schools. So my suggestion is to have your family and friends gather together to eat, play, and take a few moments to proudly display and talk about a tradition that started from the determination and enthusiasm of a public school teacher to celebrate a symbol that stirs deep emotion in all who see it.

Our Staff

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RAMS

The Rivertown Rams start their 2nd season on June 19 with their first game. The Rams will play at Northview High School at 7:30 pm. HNMC is proud to sponsor the Rams and we look forward to an exciting year. Watch for the Rams schedule in our next newsletter and also for home dates on the calendar. We look forward to seeing you at a game.



RAMS

- June 19
- June 26
- July 10

WINNERS

HNMC would like to thank you for your response to our Mother's Day contest. We chose two mothers to honor because of the love and admiration expressed from their daughters. The first, Doris Stafford submitted by Amy Marcus. Her gratitude and appreciation for the blessing of a dedicated mother was evident in her letter. The second was Ann Hofstee submitted by Cora Kuiper. Cora describes Ann as "caring, sharing, generous, hospitable, and much, much more." We think Cora summed up how we feel about mothers " I love my mother! Nothing more. Nothing less. Nothing else." *Congratulations Moms!*



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Ever wonder how our celebration and recognition of Flag Day originated? I believe it is a great time to think about why we celebrate the symbol that unites many, angers some, and is the envy of most.

In 1885, a school teacher, BJ Cigrand in the Fredonia Wisconsin Public School District 6 wanted his pupils to observe a special day dedicated just for our nation's flag. June 14, 1885 was the 108th anniversary of the official adoption of the Stars and Stripes, so this seemed to be the appropriate day. Cigrand enthusiastically became the advocate through newspaper and magazine articles and public addresses in the following years to have June 14 as 'Flag Birthday' which became 'Flag Day'.

The idea started to catch on in schools in the following years from New York, Philadelphia, and Chicago as well as gaining the attention of various Societies of the Sons of the Revolution. Several mayors and governors started following the various school superintendents who had adopted resolutions to have their schools observe 'Flag Day' and to have special ceremonies for their students.

It took almost 20 years for the federal government to take notice of something becoming a common practice for students in public schools. Franklin K. Lane, Secretary of the Interior,

June 2004

SUN	MON	TUE	WED	THU	FRI	SAT
		1	2	3 Call a Friend Day	4	5
6 D-Day	7	8	9	10	11	12
13	14 Flag Day	15	16	17	18	19 RAMS 1st Game
NATIONAL FLAG WEEK 6-14 TO 6-19						
20 Father's Day	21 1st Day Summer	22	23	24	25	26 RAMS Game
27	28	29	30 Fed Meets	Robin's Birthday June 14		

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