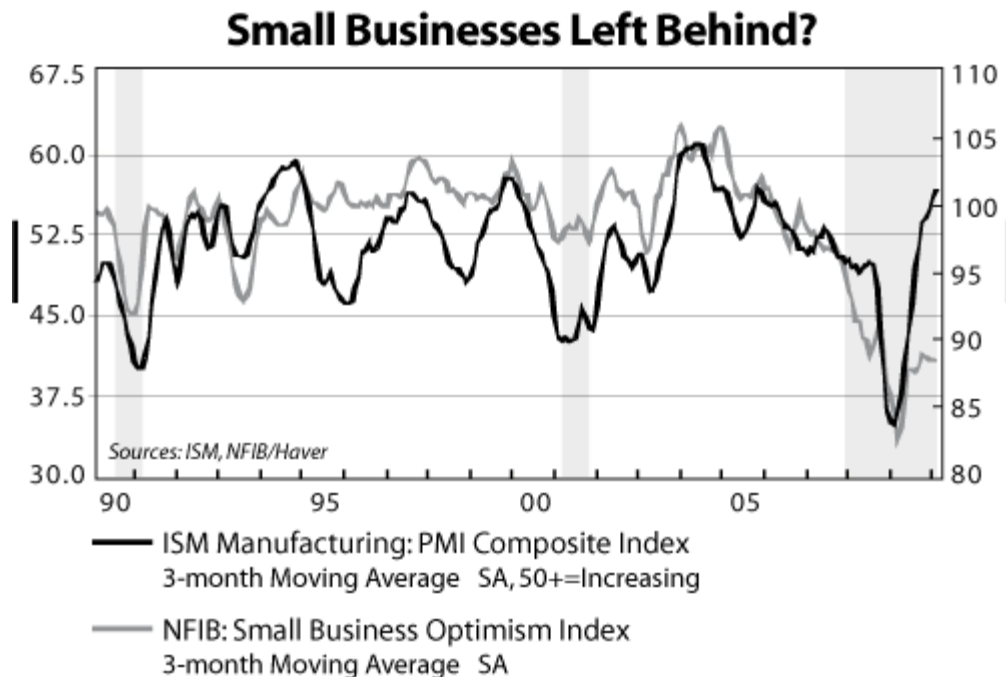


MAIN STREET STILL IN RECESSION II

WEB BUZZ 2010.04.26

Last week we were on a business trip and had the opportunity to witness firsthand what is going on in the small business sector of our economy. Our report is: absolutely nothing! Main Street remains mired in a little-to-no profit business mode, while Wall Street and big business, as reported in last week's Web Buzz, are doing quite well again, thank you very much.

A client of ours in the wholesale business owns a firm that has been in his family for 100 years. For the first time in history, they have had to lay off employees and for over a year have not made a dime. Please note the chart below revealing the difference in what is taking place - big vs. small business.



Adapted from The Richebächer Letter

Thus the beat goes on. Our economy, rather than being one of opportunity for all, has become one that is coddled and promoted by Washington through Wall Street, while others are left with what the bird left on the pump handle. Just

where have things gone wrong? It is imperative that we quit pumping up through public policy those who are ineffective and taxing the group that makes the country work.

Financial markets are beginning to look like a change in direction may be at hand. Psychology seems to be ever so slightly, but surely, changing. For example, the other day about one-half of the economists queried thought deflation was a real possibility - this is up from almost zero just months ago.