

## ***Australia's Economic Vandals***

Right now the Federal Government is at pains to tell everyone, including us the mug-punters to the International Monetary Fund, that it will not exceed its own (self-imposed) borrowing limits. How much? \$200 billion. And here's a worry: if you work in a bank's money market operation or if you are a politician, the millions turn into billions and it rolls off the tip of the tongue a bit too easily.

But every dollar that is borrowed, some time, has to be repaid: by you, by me and by the rest of the country.

Just after 5 o'clock tonight I did a bit of maths for Jason Morrison. It's so staggering its worth repeating.

First though, here's what Chairman Rudd has been saying about, what he calls, these temporary borrowings. Remember those words "temporary deficit". But the total Government debt could end up around \$200 billion.

So here's a very basic calculation (I used a home loan calculator to work it out – it's that simple):

\$200 billion is \$200 000 million. The current 10 year Government bond rate is 4.67 per cent. I worked the loan out over a period of 20 years.

Now here's where it gets scary ... really scary.

The repayments on \$200 billion come to more than one and a quarter billion dollars – every month – for 20 years. It works out that we, as taxpayers, will be repaying \$15.4 billion in interest and principal every year: \$733 for every man, woman and child **every year**.

The total interest bill over the 20 years is – get this – \$108 billion.

And remember, this is a Government that just 18 months ago had NO debt. **NO debt**. In fact it had enough money to create the Future Fund to pay the future liabilities of public servants' superannuation and it had enough to stick \$20 billion into the Building Australia Fund last year.

***Ross Greenwood, Money News***

~ ~ ~

A note was sent to me explaining that the six leading (top) members of the Government from Mr. Rudd down have a collective work experience of 181 years, but only 13 in the private sector.

If you take out of those 13 years the number that were spent as trade union lawyers (11 in total), of the 181 years only two years were spent in the private sector.

So the people who will rack up a net Federal debt of a minimum of \$188 billion, the highest in our history, have virtually no experience in business.

So out of 181 years:

- no years spent running their own business
- no years spent starting their own business
- no years spent as a director of a family business or a company
- no years as a director of a public company
- no years in a senior position in a public company
- no years in a senior position in a private company
- no years working in corporate finance
- no years in corporate or business restructuring
- no years working in or with a bank
- no years of experience in the capital markets
- no years in a stock-broking firm
- no years in negotiating debt facilities with banks
- no years running a small business
- no years at the World Bank, IMF or OECD
- no years in Treasury or Finance.

But these people have plunged Australia into unprecedented debt and now threaten to torpedo employee share schemes which they plainly don't understand.

Well, in a way, you can't blame them. It's clear that the electorate did not do their homework, because the Government is there by right.

They were given a thumping majority to lead the country. It's just that no one seemed to ask, most of all the press gallery in Canberra, in what direction?

***Alan Jones***