

Inflation

The letters editor,

The U.S. Federal reserve is calmly printing \$US600 Billion of new paper money. The chairman Ben Bernanke says that this will stimulate the US economy. Being the world's reserve currency the world economy is thus inferred.

Clear thinkers understand that this is inflation. This crime dilutes existing hard capital.

English historian, Alan Bullock, wrote in his book titled Hitler: A Study in Tyranny:

"The collapse of the currency not only meant the end of trade, bankrupt businesses, food shortage in the big cities and unemployment: it had the effect, which is the unique quality of economic catastrophe, of reaching down to and touching every single member of the community in a way which no political event can. The savings of the middle classes and the working classes were wiped out at a single blow with a ruthlessness which no revolution could ever equal; at the same time the purchasing power of wages was reduced to nothing."

Further; the arch-inflationist J.M Keynes observed in his Essays in Persuasion:

"The best way to destroy the capitalist system is to debauch the currency. By a continuing process of inflation governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens."

The U. S. Federal Reserve could learn much from 1923's Germany and one of the few useful comments Keynes delivered.

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