

## Inflation, Debt and Saviours

The Letters Editor -

Eighteen months ago the Rudd government took charge with NO government debt.

The alleged onus for the debt is to “stimulate” the economy.

It was totally unnecessary to “stimulate”, that is, to create even more inflation. After years of inflation what the bust does, it adjusts economic activity to reality.

This is impartially accomplished through the competitive entrepreneurial activity of the actors in the economy. The value the capital intensive goods adjusts to the real competitive capital available.

What the years of inflation has done is mislead entrepreneurs into making mal-investments. Mal-investments that can only be continued if the inflation becomes an ever increasing factor, as in Mr. Mugabe’s Zimbabwe.

Ross Greenwood has estimated that the repayments on the \$200 Billion that the Rudd government says are “temporary” borrowings, come to more than one and a quarter Billion dollars - every month - for 20 years. It works out, 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 alone will cost \$108 Billion.

Treasurer Swan and PM Rudd say they have “saved” the economy. Some saviours.

Now they plan to wreck what’s left of Australian Industry with their ETS plan.

### **Ronald Kitching**

P.O. Box 9809  
Frenchville QLD 4701  
Australia  
Phone 61 - 7 - 4926 4681  
Fax 61 - 7 - 4926 4681  
E-mail <ron.kitching@rahco.org>  
RAHCO Web Site <www.rahco.com>