

[The Road To Zimbabwe](#)

The Letters Editor

P.M. Rudd is urging his fellow Leaders to continue to vigorously “stimulate.” His ignorance in the field of economics is appalling and abysmal.

Murray Rothbard, in his book titled “Man, Economy and the State”, pages 861 - 862 assesses the possibility of deferring the arrival of the depression in the following terms.

Why do booms, historically, continue for several years? What delays the reversion process?

The answer is that as the boom begins to peter out from an injection of credit expansion, the banks inject a further dose. In short, the only way to avert the onset of the depression-adjustment process is to continue inflating money and credit.

For only continual doses of new money on the credit market will keep the boom going. and the new stages profitable. Furthermore, only ever increasing doses can step up the boom, can lower interest rates further, and expand the production structure, for as prices rise, more and more money will be needed to perform the same amount of work.

But it is clear that prolonging the boom by ever larger doses of credit expansion will have only one result: to make the the inevitable ensuing depression longer and more gruelling.

Not only Australia, but the world is in the road to a Zimbabwe like inflation.

Ronald Kitching

P.O. Box 9809

Frenchville QLD 4701

Australia

Phone 61 - 7 - 4926 4681

E-mail <ron.kitching@rahco.org>

RAHCO Web Site <www.rahco.com>