

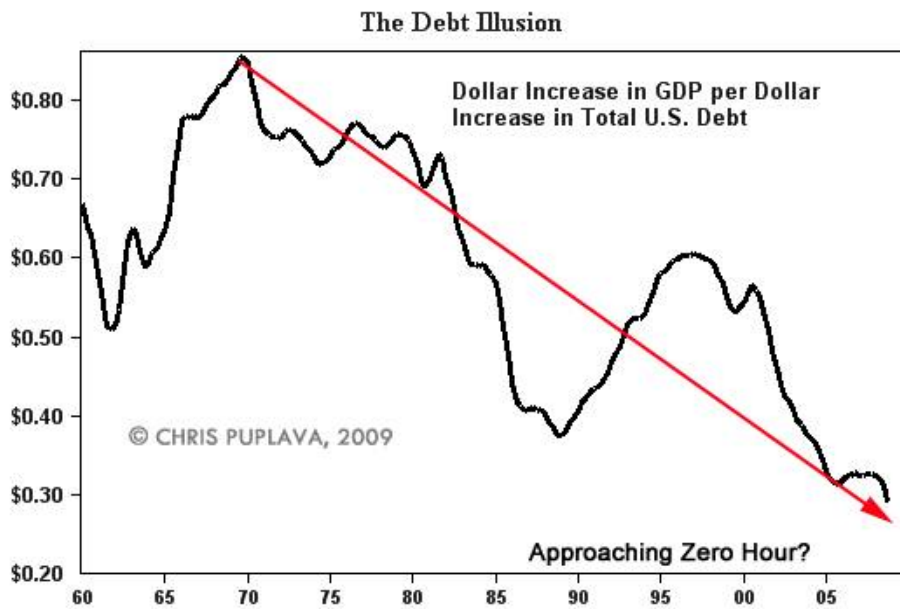
# BORROWING TO RELIEVE OUR INDEBTEDNESS

## WEB BUZZ 2009.10.05

Debt has become unaffordable. We as private individuals and businesses have finally hit the proverbial brick wall. Note the chart below - since 1970, each dollar of borrowing has produced less and less increase in GDP. It turned around somewhat during the tech revolution of the 1990s. I guess we should thank Al Gore for inventing the internet. However, since that time, the bang for the buck has been less.

At the present time, private debt is being liquidated and in its place has come the ever ready savior the U.S. Treasury, which is spending money like a drunken sailor. Will their spending reverse the downward trend? No, it won't. It will prolong the misery and, if continued too long, could bankrupt the country.

We ask again that very simple question - where does it say that spending more money by borrowing will help a country that is already heavily in debt? My friends, the inmates are running the prison.



Adapted from FinancialSense.com