

ENGLISH: SPEECH

Kevin Rudd played by Pakeeran

Rudd: My fellow Australians,

Today I stand before you to inform you that my stimulus packages, mainly in the form of cash bonuses, are the best way to tackle the massive economic crisis we are facing right now.

Our main mission is to restore a sense of comfort into your minds. The best way to tackle this problem is to stimulate the economy. And we have chosen to rely on cash bonuses to do this. Mr. Obama as well as several newspapers and magazines have commended me on my fast and proactive action. Our first stimulus package might not have been the CURE for the problem we face.

Darren: you got that right!

Rudd: But what ALL of us must understand is that this 'disease' does not have a single cure. What we have done so far is to help Australians and provide you all with a boost. One vital measure to figure out the effectiveness of the stimulus package is from retail sales figures. We can see that people have purchased/hired many more items due to our package. The field most affected by the economic downturn is the retail sector and the fact the people are buying more things from such places equates to more jobs being created in that field. Overall, I estimate that over 200, 000 jobs can be saved over a period of time. These rather pleasing and motivating results evoked me to give out another cash bonus and it too has had a similar impact. The graphs here show that.

Darren: If I can please get a word in here...let me start by saying that the cash bonuses are a waste of government funds. There are better ways of spending the money, while not putting the whole economy into deficits. The key in this crisis is to let everyone keep their jobs. As you said yourself your aims are jobs, jobs, and jobs. If we give money to the public to use, they will spend that money on a mortgage which is not what we want, and they will not be doing any good in stimulus. It will be a natural reaction to look after yourself rather than to help boost the economy. You may feel good now that you have received 900 dollars, but this money has been snatched off your very hands by the Rudd government in the first place. Mr. Rudd has this money, spent some of it here and there, handed it back and sent the budget into a deficit. You say that the stimulus packages have had an impact. But you also spent millions and millions of dollars here. I could buy a donut machine and that will make a change. Therefore, the impact this idea will have is very inefficient.

Rudd: If this is your chief argument, then this 'debate' is going to be shorter than I thought. MOST people are in fact spending a large portion of the money we gave them, proven from the fact that the retail sales have increased. By spending, they are looking after themselves even more than when they are saving. However, even if we assume, like you said, that people do choose to save this money, it will still not necessarily dent the usefulness of my package.

Let's take a simple example: Say I give Tom \$900 as part of my stimulus package. Say he decides to save \$750 of that and with some of the remaining money he decides to uncharacteristically buy a cake and coffee at a shop. Say if more people like Tom decide to spend a fraction of the money they received for the same purpose. Then the demand for that shop would increase and they would need to hire someone to cope with this increased demand, hence job opportunities are created. Say Mary gets hired here, and now with the extra cash she is earning she decides to uncharacteristically buy a toy off another shop for her son.

Now, if more people do this, the demand for that shop increases, and they would have to resort to hiring more employees. This trend would follow to have a chain reaction and a multiplier effect. Although this might seem far stretched, in the long run, it is indeed effective in the, as proven from the graphs.

Darren: So your meaning here is that only money from your stimulus package will circulate through the economy? I'll let the audience think about THAT one. I am not saying that cash bonuses are totally irrational. All I am saying to you is that there are better ways. It is better to give the money directly to the employers. The whole point of the stimulus packages is to stop the shrinking of the economy. By giving the money to the employers, it encourages them to keep their staff and to not cut down in their business. This means that people keep their jobs and the impact of the crisis is reduced much more.

Rudd: Now who is being the idealist? Giving money to all the employers means the money given has to be substantial, which we simply cannot afford right now. If we do not give enough, then there will not be such a strong positive correlation between money given to employees and jobs kept. And employees will not benefit much.

Darren: Then tax cuts are the way to go. Many countries have adapted to this and it is without doubt an extremely crucial way to resolve this issue. These are much more useful as they give the money gradually. This will eventually be able to pump more money into the economy overall. Whereas the stimulus package gives a nice payoff of \$900, these cuts will not seem so significant but in the long term they will pay off. Remember that the government's budget comes from tax payers anyway, and you Mr. Rudd are just regurgitating the money payed to you back to the tax payers. Tax cuts are also much more flexible. Instead of giving the entire workforce \$900 each, tax cuts can be adjusted for all the different income earners. This means a high cut for low income earners and little or no relief for high income earners.

Rudd: First and foremost, like the opposition has so vividly explained, tax cuts are the most popular decision. But my job as the prime minister of Australia is to ensure the welfare and prosperity of this great country, and at times that means I have to make unpopular decisions for your own good. Tax cuts do not provide the immediate impact that cash bonuses do and its degree of effectiveness is also limited. Another thing to note is that I have in fact resorted to some level of tax cuts for certain business BUT to apply this same trend to all Australians is not effective. Also, I would like to educate you that we are not giving money to EVERYONE...only to the low and middle income earners, who are most affected by this crisis.

Darren: An even better idea is to invest this money in infrastructure. It is also an effective way to prevent job loss. Even those that have lost their jobs can now come and contribute to this, given the relevant qualifications. This will not only provide positions for builders, this will also leave better roads and buildings for later development. Australia in general will improve and benefit massively as a result of this.

Rudd: All right, let's see it this way: when someone is suffering a heart attack, the doctors don't initially perform open-heart surgery. They first give CPR. Then only the other medical procedures and assistance are provided. The bonuses are like CPR as they provide an immediate relief and allow us to sustain the economy by ensuring that it doesn't get worse before we try to make the economy prosper, via infrastructure and tax cuts.

Infrastructures are not instant as many processes and procedures MUST be followed before they can be permitted- by that time, we might enter deep into recession. So the first thing is first, and that is to ensure that we do not get worse and the best way to ensure that is via cash bonuses.

Darren: well then Mr Rudd, we will see very soon just how good the intensive care unit is for the patient who is our economy.