

IOU One More Piece of Paper Money

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07/13/09 Tampa Bay, Florida

California has so degraded itself into a laughably Leftist socialist/commie-think nightmare that they have, as all socialist/commie-think countries always do, finally bankrupted itself. As Margaret Thatcher, erstwhile prime minister of England, once said, “The problem with socialism is that you eventually run out of other people’s money.” Hahaha! Exactly!

And now California has run out of money! Exactly!

Now, to demonstrate their complete worthlessness as thinking, rational beings, **California has decided that it will not cut expenses overmuch, but will pay for things not with money, but with IOUs!** Hahaha! IOUs! Hahahaha!

There is Something Beyond Surreal (SMS) about all this, and it’s that very farcical stupidity that explains why hyperventilating conspiracy theorists like me come up with the weird conspiracy theories that we do; it is just too damned weird to be real!

I mean, the fiat currency of the USA has been so abused by over-issuance that it has lost about 96% of its purchasing power since the loathsome Federal Reserve took over in 1913, and is now about to be reprised by California issuing another paper money! Hahaha! Paper money everywhere! The state with two fiat currencies! Hahaha!

This may have something to do with how California has seen a precipitous drop in tax revenues, which in turn may have something to do with the Labor Department releasing its Metropolitan Area Employment report which shows that **“In May, 112 metropolitan areas reported jobless rates of at least 10.0 percent,”** which I admit does not have much to do with California until we get to the part where El Centro, Calif., “recorded the highest unemployment rate, 26.8 percent,” and **“Among the 15 areas with job-less rates of at least 15.0 percent, 7 were located in California.”**

This is, as Margaret Thatcher said, because Californians have run out of money to support everyone who ever walked up with their hand out looking for a free lunch, and the wealthy people in California are leaving the state to keep from having everything they have taxed away. Bummer!

Actually, California is a beautiful place unfortunately populated by Leftist idiots, and as such is but a pale microcosm of the Whole Freaking Country (WFC), and as a result, as Bill Bonner here at *The Daily Reckoning* said, **“America’s position relative to the rest of the world is weak and in decline.** She is not a creditor; she is a debtor. She is not a low-cost competitor; she is a high-cost competitor. She no longer has a free and flexible economy; she has one freighted with central planners, regulators and busybodies.”

And California is not the only one hurting, as Byron King of *Outstanding Investments* writes that everybody has taken a whack to the wallet, as “There’s no disputing the extraordinary shock to household wealth in the US. From mid-2007 to March 2009, according to the Federal Reserve, household net worth plunged \$14 trillion, or 21.5%.”

A fifth! A fifth of everything we thought we had is gone!

In fact, most of the losses were recent, as “Just during the second half of 2008, household net worth plummeted nearly \$8 trillion – with an eye-popping \$4.9 trillion dip in the fourth quarter.”

Wow! No wonder people are being laid off! No wonder spending is down! No wonder we are screwed!