

The Big Payback of Nonexistent Money

By [The Mogambo Guru](#)

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I admit that I was pretty sloshed when I started haranguing the other barfly trash sitting near me about how “It has been said that the big problem with the human brain is that it cannot understand parabolic curves, and it cannot comprehend the horrific folly of the Federal Reserve increasing money and credit parabolically, and the amount of money that the Congress is spending is parabolic, and the inflation in consumer prices will soon be parabolic, too, and which means to you barfly trash that a lousy drink in this filthy rat hole of a bar will cost \$500, which means that we ought to drink up now while the prices are still low!”

I was hoping that this would generate some healthy debate with somebody, whereupon I could say, “A very interesting notion! Why don’t you buy us a drink and we’ll talk about it?”

Unfortunately, the only person who wanted a debate was the bartender, who took umbrage at his filthy little rat hole of a bar being called a filthy little rat hole of a bar, so I said to him, “A very interesting notion! Why don’t you buy us a drink and we’ll talk about it?”

Well, the only thing he wanted to talk about was how I was going to get my Fat Mogambo Butt (FMB) up off that stool and get out and not come back, which I did, but not before telling him that another parabolic curve is provided by Darryl Robert Schoon at drschoon.com, who says, “What people do not understand is that bankers loan money which doesn’t exist and then receive compounding interest and repayment of previously non-existent funds in return.”

I could see him coming around the end of the bar towards me, so I thought it would slow him down if I said, “This means that more money is owed than exists, and the only way for you to pay off a loan and get those collection agencies to stop calling you and demanding their money is for somebody to borrow the money from a bank, increasing the total debt outstanding by more than you pay back after you, somehow, ended up with the money, which you won’t because you are throwing out a paying customer, you moron!”

I soon found out that bartenders are not very interested in parabolic curves or the crushing, parabolically-rising debt that is going to destroy us all, including his saloon, now that the fun of spending all that borrowed money becomes The Big Problem (TBP), having arrived in bits and pieces over the long run, as “Banker’s credit creates constantly compounding debt, and today so much debt has been created that the economy can no longer expand fast enough to service it or pay it back. Homeowners, workers, farmers, business people, corporations and governments are all indebted beyond their means to repay.”

So, if you can’t repay what you already owe, nobody will loan you any more money, which you don’t want to borrow anyway because you are not as stupid as you once were!

But, admittedly, borrowing money is so old-fashioned, and today's morons, like the Federal Reserve, just print their own, as I gather from Agora Financial's 5-Minute Forecast, which reported that "Communities around the country are printing 'scrip' at the highest rate since the Great Depression."

One of them is the piece of paper known as the "Plenty", which is "an alternative currency printed and exchanged exclusively in Pittsboro, N.C." where "stores accept it as a dollar alternative, like at the local feed store and produce co-op."

Well, The 5 notes that "The idea is nothing new" and scrips like the Ithaca HOUR and Western Mass' BerkShare have been around for years and "have millions worth in circulation."

In case you were wondering, this is not counterfeiting, which is the crime of creating fake legal tender dollars and for which you, theoretically, go to prison for committing. No, these are merely alternative currencies, which are allowed as long as they are obviously not US currency, which is a niggling little fact that took down the Liberty Dollar; their "rounds" looked so much like a real US coin that people tried to deposit them in the bank!

Silver rounds, which have intrinsic value, aside, I am naturally aghast at anybody being stupid enough to create paper currency, which does nothing except expand the money supply, which causes prices to rise, not because of the usual reasons, but because I am pretty sure that people will easily counterfeit these alternative currencies, making the money supply of scrip rise even more, and more, and more, until they are so numerous to be valueless, which is the problem with counterfeiting, which is why it is against the law.

And I assume that the persons who get stuck with all of the scrips will find that Gresham's Law ("bad money drives out good money") applies to them, too, and that will be the end of the experiment with scrip, except for all of the inevitable lawsuits and my volunteering to be called into court, not as a defendant in a "disturbing the peace" complaint after yelling at a stupid neighbor at 2 AM that because the Federal Reserve is creating so much money and credit, inflation in consumer prices will consume us all, and if he was not buying gold, silver and oil, then he was stupid, stupid, stupid, but this time as an expert witness testifying that someone is stupid, stupid, stupid.

It's so easy when you know how, that it makes you shout with glee, "Whee! This monetary stuff is easy!"