

What Can You Buy With 50 Billion Zimbabwe Dollars?

By [The Mogambo Guru](#)

01/15/09 **Tampa, Florida-** The inflationary horror of creating excess money and credit is well known, and is superbly illustrated by Zimbabwe, that most modern example of abject morons printing money as they desperately try to spend their way out of the inflationary mess caused by their previous excessive governmental spending, which was (as you have probably guessed by now!) paid for, and caused by, always printing more and more money! Hahahaha!

And, to be sure, the sheer range of corruption and stupidities of Zimbabwe's government go far, far beyond mere monetary ones, making a bad situation much, much worse.

I bring this up because Zimbabwe is in the news again so that people around the world, like you and me, can watch what always happens when a government creates too much money and credit, which is that the currency is destroyed, the economy is destroyed, the country is destroyed, the people are destroyed, and there is civil unrest as the people cry out with the Mocking Laughter Of The Mogambo (MLOTM) ringing ceaselessly in their ears as I point at them and laugh the aforementioned MLOTM and make insulting derogatory statements about them for doing such a monetary insanity.

The actual news from CNN.com was that the Zimbabwe dollar is now so worthless that "Zimbabwe's central bank will introduce a \$50 billion note", which is, as you probably surmised, a new record.

Now, according to my lesson plan, it is time to play a little group guessing game with which to while away a few happy, happy minutes, at the end of which I get official credit for having "provided an opportunity for 'quality time' in a bonding experience designed to enhance both learning and life modalities."

The question is, "What can you buy in Zimbabwe with a banknote for 50 billion Zimbabwe dollars?"

Immediately, a sea of hands are raised, and my heart soars at their happy, expectant faces, eager to participate and learn, and I am so proud of them that they had all read the same article I had, but since I have already provided the damned "quality time" thing, I instantly lose interest, and simply declare, "It's enough to buy just two loaves of bread! The biggest banknote in Zimbabwe is worth only enough to buy two lousy, stinking loaves of bread! Fifty billion Zimbabwe dollars for two loaves of bread!"

Of course, the Zimbabwe government and central bank say that this creation of new money is "a way of fighting cash shortages amid spiraling inflation", which makes you look up into the sky, as if expecting a flying saucer from outer space to suddenly appear and rescue you from this

planet of mental midgets, because this is stupidity that is so tragic, so bizarre, and so completely unbelievable that it is actually surreal!

Even more weirdly, the article went on to say, "As of Friday, one U.S. dollar was trading at around ZW\$25 billion", which means that one U.S. dollar should also buy one loaf of bread in America, but does not, because bread in America is running at least \$2 per loaf, which means something, but I instantly forget what in the hell I was thinking about because the next sentence is the essence of [hyperinflation](#) : "When the government issued a \$10 billion note just three weeks ago, it bought 20 loaves of bread. That note now can purchase less than half of one loaf." Yikes!

And speaking of dollars, this brings up America, where the news here at home just keeps getting worse and worse, as the Greenspan/Fed monetary inflation since 1987 and his insane monetary excesses starting in 1997 and the associated long inflationary booms in stocks, bonds, houses and size of governments now turns to the inevitable "bust" phase, just like all the other monetary booms in all of history.

And speaking of things literally here at home, the atmosphere at home is tense since nobody has any money to go out anymore, and we are all stuck here at home, watching TV and watching each other – them against me – everyone nursing old grudges and hatching plans to "get even" with me, even though they deny it when you accuse them of it, which makes you angry because it means that they think you are too stupid not to see the treachery in their eyes and the sneaky way they say, so sweetly, "Would you like me to bring you a cup of coffee, daddy?" like I'm going to fall for that old trick! Ha!

They are just being nice to me because they know that things are going to get a lot worse and they will need me more and more just as I need them less and less, which is apparent at goldseek.com, where they had two essays juxtaposed – which, together, tell it all.

First they had, "Growth of World Money Supply" by Mike Hewitt of DollarDaze.org, who has done a lot of work investigating money supplies around the world, and writes that "As of Oct 2008, there was the equivalent of US\$ 58.9 trillion in broad monetary aggregates" and while that number is so huge that it makes no sense to me at all, the money supply is still growing, and so inflation in prices is still growing, as "while the value of the money in the latter half of 2008 may have declined, the volume of virtually every currency increased" which means that money supplies are increasing, which means that more inflation in prices is still coming! Oops!

Then, right next to it was the essay "Death of the Dollar" by Howard Katz of thegoldbug.net, where he writes, "This is the moment of truth for the establishment. They are about to be destroyed, and they do not have a clue."

"Maybe not," I cleverly reply, "but if they had watched me buying gold, silver and oil with such a look of panic on my face, they would have at least been suspicious! Hahaha!"

At least they will be educated about economics when gold, silver and oil soar, thanks to the stupidity of abusing a fiat currency to create booms in stocks, bonds, houses and government size. Whee! This investing stuff is easy!

Until Next time,

The Mogambo Guru