

What happens when everyone is given free money

Posted At : September 21, 2012 11:37 AM | Posted By : Michael Smith

Related Categories: 2012

Fun story. Perhaps if "QE to Infinity" doesn't work the Fed will go with this plan

May all your dreams come true

Bill awoke to the sound of cars racing down his street. "Damn kids" he muttered before seeing that it was 5:30 AM. He knew he would have 15 more minutes to sleep before the alarm clock told him it was time to start another day.

He tried to sleep, but just pondered his financial situation for the nth time. He had about \$half a million set aside for retirement, but wasn't sure if it was enough to carry him through the rest of his life. He was tired of working at the machine shop. The odor permeated his entire life - clothes, skin, everything! He really wanted a boat to go fishing. There was an affordable model at the marine shop that would let him fish the bay and surrounding rivers, but he really wanted the million dollar plus "Adventurer." He could spend weeks out on the high seas and forget about reality. He knew it would take winning the lottery or the Publisher's Clearinghouse sweepstakes to consider such a dream. He never played, so he knew that wouldn't happen.

Just as the 5:45 alarm sounded, he heard the doorbell ringing. "Who could that be at this hour?" he wondered as he made his way to the door. Another car raced by, but he was focused on the doorbell. He got to the front door and turned on the porch light. Looking through the cheap peep site in his door, he saw a handful of people in suits. They looked official, so he opened the door.

Just then, a camera flash blinded him momentarily and he heard the pop of a champagne bottle. As his eyesight regained its footing, he saw one person hand him a larger than life, foam-board check for \$10,000,000 with his name in the "Pay to" location. They gave him a plastic cup filled with champagne and congratulated him on winning the Publisher's Clearinghouse FOMC Sweepstakes. As quickly as it unfolded, it ended and the crew of suits headed back to their van.

Bill didn't know what to do. He was dumbfounded. He took a sip of champagne from his plastic cup and winced. "You'd think they would buy something other than rotgut" he muttered beneath his breath. He looked at his check and realized this was the answer to his dreams. He could now quit working and live a life that he dreamed about. He was going to get that "Adventurer" boat and enjoy it as long as he could!

Just then, he was brought back to the present when he heard a car swerve in front of his place. A car was racing down the street and almost hit the group of suits from Publisher's Clearinghouse. They had another bottle of champagne and another foam-board check and were heading to the neighbor across the street.

He watched as they rang the bell and waited a minute or so. As the door opened, they flashed a camera, popped the cork, and handed his neighbor a check. In a few minutes, it was over and they were heading back to their van. Still in his bathrobe, Bill walked down to the van to ask them what was happening. As one of the suits pulled out the next oversized check, he explained **that the Federal Reserve decided that everyone in America should be rich, so they contracted with Publisher's Clearinghouse to give every household in America \$10,000,000.** Today was the first day of the campaign and they had thousands of teams across the country giving this money away. "Isn't America great?" the suit asked Bill.

Bill heard another car racing by and looked up the block. He saw many of his neighbors standing on their doorsteps with slack jawed looks, holding the foam-board checks in one hand and the cheap plastic cups in the other. Reality hit him quickly.

He knew that these checks would quickly lose real value once it was obvious that so much new money was being circulated. He had to act fast. He calmly walked back to the house and quickly put on his best suit of clothes. They were clean, but still smelled of weld splatter. Then, he loaded his check in the car and headed for the bank.

Drivers were behaving erratically. Everyone was speeding and driving recklessly. He decided to do the same so he wouldn't get beat to the bank. As he turned the corner to the bank, he saw a long line of folks with the foam-board checks. They were too big to fit in the ATM so folks just had to wait for the bank to open.

Bill decided that rather than wait in line, he'd go to the Marine Shop. He knew the owner sometimes came in really early and that way he could buy the "Adventurer". He was sure the owner would be delighted enough to cash the check and give him a normal sized check for the difference.

As he arrived at the Marine Shop, he saw 2 other people anxiously waiting at the door with their foam-board checks. Apparently, they had the same plan as he did. As Bill walked to the store entrance to talk to the other customers and wait, the Marine Shop owner pulled into the parking lot. As the owner got out of his car, one of the 2 screamed that he wanted to "buy the 'Adventurer' and he had cash." The other guy offered to buy it for \$1.5 million. The bidding war was on and quickly ended at \$10 million. The owner saw the oversized checks and knew something was different. He just smiled as he opened the doors for business.

Bill could see other cars coming into the parking lot and people rushing to the store with their oversized foam-board checks. Once inside, people were madly bidding on any boat in the inventory. He watched as a small, outboard powered, fresh water fishing boat was bid up to \$10,000,000.

Then, it hit him. Everything just changed. His scrimping and saving for decades to amass \$half a million was reduced to insignificant peanuts in the matter of a few moments. When he awoke, he was ahead of the game and ready to retire. Now, he was essentially on the same financial footing as everyone else.

As quickly as the dream occurred, it turned into a nightmare. He decided to take the check home and save it for an uncertain future ... because that is what he had always done.

Grover

from comment on <http://www.peakprosperity.com/blog/79694/trouble-printing-money>