

## DOES IT MAKE ANY CENTS ?

by: Jeff Flanick

**Direct comments to:** bwatsoncgim@gmail.com

“A Penny for Your Thoughts;” that was the original name for the title of this blog. But, then another idea came to mind that I liked just as well. So, I flipped a coin, a penny to be exact, to see which one to use—and the above title is what came up. So, you may ask: what is so important about a penny?

Well, President Trump has decided to decree our former copper friend—the penny—**D.O.A.** Now at first glance, this idea sounds like another victory for D.O.G.E. and the new administration’s mandate to slash spending and waste. It’s understood to cost about \$.037 cents to make a “penny coin” these days. To the casual observer, it seems plainly obvious to stop making coins that don’t really buy anything of value, right? Like with any manufactured product—who can stay in business making a product that *costs 73 % more* than its value, as soon as it’s produced? But clearly, this is a myopic view of the problem.

The *REAL* problem is the *tidal wave* of erosion against the U.S. dollar since the Federal Reserve surreptitiously came to power in 1913. The dollar has “*hemorrhaged*” approximately 95 percent of its purchasing power over the last 112 years. A jaw-dropping graph illustrating the *dollar’s demise* is **available at the link below** (Take a look at it when you can).

Keep in mind, 97.5% of the copper content in a penny *was removed* in 1982. In addition, the dollar lost so much value against real, tangible things like oil, wood, and metal, that even watered-down zinc-filled “copper-colored” pennies are too expensive to make. First, they took silver out of our coins, beginning in 1964. Next, Former President, Richard Nixon *removed the gold backing of the dollar from International trade* in 1971. Gold was near \$40 an ounce back then. It is currently approaching \$3,000 per ounce as I write this article. Gold, Silver, and Copper have not changed; the U.S. Dollar has changed—its “*devolved* !”

The cause of the *dollar’s demise* goes deeper than simple economics, though: the values of the people have changed. Everyone wants something for nothing. As one of the blogs I used to read says, “Who knew printing money was the secret to effortless wealth?” *GUESS WHAT?* It’s not! Remember, the Roman empire crumbled and fell as the debasement of its coinage accelerated. Nero removed silver (value) from Rome’s coins too.

The “*road to hell*” is paved with good intentions. Trump’s war against the penny is simply small change (*no pun intended!*). Inflation is the *REAL* monster under the bed of your savings. Inflation is a **monetary phenomenon** which is strictly *correlated to the printing of money, (caused by government overspending.)* The USA has been overspending like drunken sailors, and it’s only getting worse as the years proceed. The few cents saved on the production of pennies is a “*drop in the bucket*” when comparing to the USA’s *excessive over-spending* of the military, domestic, and foreign aid budgets. Frankly, that’s comparable to taking just a few tanker trucks of water out of the ocean—it’s hardly noticeable! Though well-intentioned, this “*misdirection of priorities*” is

the equivalent of a magician pulling a few pennies out from behind your ears to give back to you, while simultaneously, stealing your wallet from your back pocket.

So, with that said, when thinking pragmatically about this, if an item costs \$9.97; will the new price at \$9.95, or \$10.00 actually save us any money? Do you really think that's hard to answer? Sadly instead, these “*mystical cents*” will go from the middle-class, right to the business elites, via billions of ‘inconsequential’ transactions per year.

However, on a more serious note: could the **extinction** of the penny be *just one small step on the way toward the elimination of cash*? CBDC, the abbreviation for the “**Central Bank Digital Currency**,” will usher in a (*tyrannical* ?) system of digital control—“*cashless is the intent!*” So, why stop at the piggy bank’s best friend, the penny—could the nickel be next? I read recently, it takes over \$0.14 cents to make a nickel! Hmmm—makes you wonder, doesn’t it....?

Remember, there was a reason the Founding Fathers incorporated a gold and silver standard into the U.S. Constitution in Article 1, Section 10. Does anyone remember the saying: “Not Worth a Continental?” During the Revolutionary War, the use of “*unbacked paper money*” drove up prices, ruined the economy, and nearly caused the American Colonies to lose the war to the British—and that’s history!

Our heavenly Father has this to say concerning commerce: Deuteronomy 25:15-16, “You must maintain accurate and honest weights and measures, so that you may live long in the land that the LORD your God is giving you. For everyone who behaves dishonestly in regard to these things is detestable to the LORD your God.”

**DON'T FORGET:**

Take a moment, read the link and take note of how much the dollar has fallen in value.

<https://fred.stlouisfed.org/series/CUUR0000SA0R>