



Let's lose loose change

By Daniel Akst

I hate change.

It's not that I lack adaptability. The change I hate is the stuff that piles up on the bedroom bureau, the kitchen counter and, worst of all, in my pockets during the day.

Enough already. At the very least, we need to abolish pennies. In my lifetime — and I'm not quite Methuselah — the penny has lost 88 percent of its value. But nobody in the '50s would have issued a one-eighth-cent coin. Why not get rid of them? And why not nickels and dimes as well?

Better yet, we need a faster, easier micro-payment system, ideally relying on the smartphones all of us either already have or will soon possess.

Sounds great, right? What's remarkable is how eager I am for this day to come, even though its arrival may well strip away whatever shreds of privacy we pretend to cherish.

Rest assured: Someday your smartphone will function as a wallet (not to mention a key card, a train ticket and who knows what else), letting you buy stuff just by waving your device. And when that happens, we'll have surrendered a large chunk of our freedom with our old-fashioned money.

If all payments are electronic, after all, how hard can it be for the government to shut anyone down or learn of every expenditure? Will private parties find it much more difficult? How about access to your data by insurers, private investigators or hackers? Today, prospective hires are asked for a drug test. Tomorrow, the demand may be for a spending record. It's amazing what you can tell about someone if you know every single thing they've purchased, along with when and where.

I know all this, yet I find myself impatient for the day anyway. Like Esau, who traded his patrimony for

a bowl of lentil soup, I and too many others seem willing to trade a legacy of freedom for the convenience of saving a little time and shedding a few coins.

It's the same online, of course, where our movements are tracked by countless web ventures and we put up with it because otherwise we'd have to pay for a lot more of what we use on the Internet.

It's only going to get worse. The planned initial public offering by Facebook, which hopes to raise up to \$5 billion by selling stock to the public, will create enormous pressure on the company to exploit user data more aggressively to ramp up profits.

Society will also be subject to technological pressure. Already Google offers Google Wallet, which works on suitably equipped mobile devices to enable small payments at a growing number of locales. Before long, most smartphones will contain the necessary chip. When that happens, we won't have to carry any more change. Eventually, the same will be true of paper money.

That will be convenient. But is it worth it? Over the years cryptography wizards like David Chaum have proposed systems for making digital cash impregnablely anonymous, yet irrefutably valid, so that transactions small and large can occur privately. These schemes never catch on in the marketplace. There are strong forces arrayed against them — credit-card companies, for instance — but the real problem may well be that people just don't appreciate the importance of anonymous purchasing.

There's something strange about our willingness to exchange so much privacy for an occasional cat food coupon, or free access to an online clubhouse like Facebook. Maybe we don't understand what we're giving away, or the power it could bestow on

Let's lose loose change

By Daniel Akst

(continued)

others. We've been lulled by a relatively benign government, and the gradualness of our evolution from cash. But that's the trouble with privacy: You don't even realize you have it until it's gone.

ABOUT THE WRITER

Daniel Akst, a columnist for Newsday, is the author of "We Have Met the Enemy: Self-Control in an Age of Excess" from Penguin Press.

©2012 Newsday, 2-8-12.

Distributed by MCT Information Services