

From R J Millen.

For the Attention of James Daley

I am responding to a recent article in The Daily Telegraph, in the hope that I can add my weight to those who think that the abandonment of cash is both a dangerous and frankly, an absurd notion.

While it is abundantly clear to me that Governments, Banks and Technophiles in general are pressing to get rid of cash, the potential consequences of doing so make such a wish an unlikely dream, for the foreseeable future. A widely available portable, value linked exchange mechanism is an insurance policy that will continue to remain essential to civilised societies for generations to come, unless, of course, we wish to go back to bartering goods. Nevertheless, they continue to, inexorably, pursue this agenda. Many businesses, including buses and bars, now refuse to accept cash, which I have a feeling is, currently, illegal.

It is obvious that Governments are vulnerable to losing revenue to cash usage, by way of lost taxes. A case might also be made that it could interfere with economic management, because it allows choice as to whether, or not, to pay negative interest rates. Many Japanese people have resisted meeting this cost, by hoarding vast quantities of cash and insuring it for around twenty percent of the negative rate charge. Very inconvenient! Another major reason why cash should be retained is that we humans still crave some privacy. Without it "Big Brother" will be able to track every financial transaction that is ever made, however small, turning us even more into mindless robots, than we already are.

Banks would love to save cash handling costs. That is a "no brainer". However, as these are being paid for by their customers, through the medium of laughable deposit rates, their case is weak. Providing any sort of service to their account holders seems, completely, alien to them. They might believe that our funds are safe with them and that we do not need an alternative, but the general public are not stupid and only the comfort of Government guarantees keeps them on board.

Technophiles have managed to brain wash themselves as to the infallibility of scientific advances made in money transmission processes. The evidence does not support them. Computers, or their successors, may not crash so often, in the far future, but I would not bet my house on it. For the moment they fail, or are hacked, on a regular basis. Furthermore, technology will never be able to counter such natural disasters as earthquakes. A recent such event in, I believe, Puerto Rico, destroyed access to cash with the result that the US Federal Reserve had to fly in large quantities of paper money, to prevent starvation. A good job that it still existed.

While, for reasons of convenience, cash usage is falling, fraud on cards is rising fast. Of late, Banks seem less keen to reimburse losses. When this penny drops with the public, I suspect that the move away from cash will slow dramatically.

