

## FINAL WORD ↔ BY TIM ROWLAND

## Selling Trillion-Dollar Crazy

Let's acknowledge upfront that the trillion-dollar coin dodge is a stupid idea. An absurd idea. An intellectually base and inexcusable idea. And quite possibly illegal to boot.

Yet, the anarchist in me kind of likes it.

Maybe because it's such an *Alice Through the Looking Glass* concept that no arguments, either pro or con, have that solid ring of authority, the kind that make you feel fully confident in supporting one side or the other.

There are technical and procedural reasons why it won't happen. It's hard to imagine Congress or the Biden administration signing on to the idea. Presumably, the Fed would also be a reliable circuit breaker on this insanity. But a surprising number of Very Serious People seem to believe it would work: that the United States could mint a coin from a dab of platinum with a face value of \$1 trillion and use it to pay obligations without any problems at all.

The reason the idea is being kicked around at all is the political impasse over the debt ceiling. Democrats want more government while Republicans are fine with the big government we have now, but neither party is much into having current (voting) taxpayers pay for it. Hence, the debt, which is about to hit its legislated limit. One side argues that raising the debt ceiling is *ex post* enabling of excessive spending. Probably true. The other side argues that the proper time to worry about spending is when you're deciding to spend. Probably true as well.

Instead of duking this out in the halls of Congress, the coin would substitute chicanery for politics—not that you can tell much difference between the two.

Many have theorized about the effects such a coin—or, conversely, a default on

America's debt—would have on the global economy. At root, though, there is almost universal agreement that neither scenario is *ideal*.

More interesting than the financial debate over the coin, depressingly, is the snapshot—through the lens of economics and U.S. monetary policy—that it presents of the American condition.

One argument against the coin—yes, *against*—is the idea might just be crazy enough to work. And if it does, people could start to think that the entire monetary system is bogus.

Meanwhile, an argument *for* the coin is that we need to unshackle ourselves from the obligation of sober fiscal policy because half the country has done so already. Desperate times call for mass insanity, apparently.

Both of those arguments are darker and more worrisome than the coin idea itself.

We would like to think that an informed electorate would recoil at such a slapdash game of trillion-dollar monte and start asking uncomfortable questions like: “How do we know they will stop at \$1 trillion? Might they start minting trillion-dollar coins like Hershey mints Kisses?”

In these days of kraken-releasing and government tracking chips secreted in vaccines, conceptualizations of what the public will and won't believe—and whether that even matters anymore—are fogged in uncertainty.

Complicating things further, the citizenry has heard for 40 years now that deficit spending will be the death of us all. Just because it hasn't, yet, breeds complacency and envelope-pushing and a rather surreal situation in which a \$2 trillion spending bill is deemed “vastly scaled down.”

So, we continue to pile bricks on the bridge because, hey, it hasn't collapsed yet, has it?

Should a trillion-dollar coin be tendered,

half the population is not going to panic because they believe the U.S. Treasury is too big to fail. The other half, meanwhile, is in a constant state of panic—about everything—so one more wail added to the cacophony of shrieks seems unlikely to be noticed.

A trillion-dollar coin might erode public confidence, but so what? In the post-truth era, public confidence isn't worth the hyperbole it's printed on.

On top of all this is the (apparently) serious contention that reckless behavior on one side justifies reckless behavior on the other. This “devil made me do it” defense can be interpreted as a blank check on madness.

The voices promoting this line of thought are by and large the same ones that, not incorrectly, insisted that our institutions would guard us against tyrants. Now they want to test the strength of America's “full faith and credit.” Institutions depend on norms and continuity. So, they would unthread their own safety net?

What's the answer? For certain, it's not default nor a magic coin. As Jack Nicholson said in *As Good as It Gets*: “Sell crazy someplace else. We're all stocked up here.” **R**

