

The Star : As big as a bullock-cart wheel

Written by Administrator

Monday, 14 September 2009 17:04 -

EVER been in a long queue at a supermarket check-out and the person invariably a woman in front is rummaging into her purse for one or two sen to make the exact payment? Here you are in a hurry, you just want to pay for your can of cola and a packet of chips, and that person is holding everyone up. Well, this dreaded situation will soon be a thing of the past when the Government's plan to round up all bills paid at the counter to the nearest five sen comes into effect on April's Fools Day next year.

The reasoning behind this move is sound; many of us no longer appreciate the value of the one-sen coin, and find it a nuisance. Rounding up the bill to the nearest five sen will effectively do away with the need for one-sen coins; and when there is finally no demand, Bank Negara will no longer mint the coin. It is a roundabout way of demonetising a denomination of a currency. Bank Negara has put into circulation 4.4 billion pieces of one-sen coins over the years but finds that only 1% is being re-circulated. This means that 99% of those coins are not in use. In most cases, I believe the one-sen coin gets lost. People tend to drop these and don't bother to look for them. This also means there is some RM4.3mil lost to the monetary system. On top of that, Bank Negara says it cost 4.3 sen to mint a one-sen coin. So the actual loss is well over RM18mil. Now, that's a lot of money! It is a waste that this amount of money is just allowed to float in limbo, and some people have been known to take advantage of situations like this.

In the 1970s, an accountant in a bank in Britain realised that many people do not keep account of the total salary they receive each month. He transferred all the one pennies in their pay cheques into his own account. He accumulated hundreds of thousands of pounds and his thieving was not discovered for years. His ploy was used as a storyline in the 1983 blockbuster movie *Superman III*, with comedian Richard Pryor playing the accountant. He was caught out by Superman. Do you know how many sen there are in your account? I don't. Then, there is the more recent scam operated by online fraudsters in the United States. They deposit one cent into random bank accounts to discover which ones to penetrate. Details of the scam were published by *Air Force Link*, the Internet news service of the US Air Force, which launched an investigation after an airman found that US\$600 (RM2,280) had been withdrawn from his account. The scammers had pinged account numbers in all automated clearing house systems until they hit an active account. So, we should not deride the value of one sen. Just as we are thinking about doing away with the smallest denomination, the US is redesigning its one-cent coin for the first time in 50 years. But it is also in the US, that tourist spots like the Empire State Building and the Statute of Liberty have mechanical machines that allow one to flatten and stretch the one-cent coin into various shapes. I guess this is good use of a coin that is of little use in the practical sense. However, there are those who disagree with rounding up as a means to slowly do away with one-sen coins. They fear that retailers would take advantage of the situation to increase prices. To be fair, the Government's plan will see some paying at maximum two sen more, but at other times they may be paying two sen less. Bills ending with one or two sen are to be rounded down to zero while those which end with three or four are to be rounded up to five; those that end with six or seven sen are to be rounded down to five, and those with eight or nine rounded up to 10 sen. However, there are still those to whom the one-sen coin has value. Sentimental value, that is. We have read in *The Star*, of old timers reminiscing over what they could buy with one sen. I remember my late father telling us that when he was in his teens a train ride to

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Batu Gajah from Ipoh cost only one cent (as the coin was referred to then), and a packet of mixed rice only two cents. It was also while listening to him reminisce that I heard, for the first time, the term "as big as a bullock-cart wheel" or, in Hokkien, *Goo Chia Len*. According to him, this phrase applied especially to people from Penang, because they were very careful with their pennies. In fact, when I first started writing the article on the Government's plan on rounding up prices two weeks ago, many of my Penang colleagues asked when they would need to line up at the bank to exchange their one-sen coins. They thought that the Government was demonetising the coin immediately. No, it's not. But I feel the Government should go the full nine yards and set a specific date to finally do away with the one-sen coin so retailers would be forced to deal with REAL money, and in real terms. The Government should urge everyone to donate their one-sen coins to charity, which should also save the banks from being swamped by consumers wanting to exchange their one-sen coins. Now, that will make sense.