

Mass Inflation Ahead – Save Your Nickels!

by [James Wesley, Rawles](#)

The biggest advantage of nickels over pennies is that there is no date/composition confusion. At least for now, *a nickel is a nickel*. Even the newly-minted "large portrait" nickels have the same 75/25 cupronickel composition. But that is likely to change within just a couple of years. **The US Mint cannot go on minting nickels at a loss much longer.** My advice: start filling military surplus ammo cans with \$2 (40 coin) rolls of nickels. (The .30 caliber size can is the perfect width for rolls of nickels. Any larger containers would be difficult to move easily. Cardboard boxes are fragile, and lack a carry handle. But ammo cans are very sturdy, have an integral handle, and they are relatively cheap and plentiful. They are available at military surplus stores and gun shows.) The current difference between a nickel's base metal value and its face value is fairly small, but trust me, it will grow! Someday, when nickels are worth 4X to 8X their face value, your children will thank you for it. Consider it an investment in your children's future.

In December of 2006, the US congress passed [a law making it illegal to bulk export or melt down pennies and nickels](#). But once the old composition pennies and nickels have been driven out of circulation, that is likely to change. In fact, [a bill now before congress would remove pre-1983 pennies from the melting ban](#). In any case, once the base metal value exceeds face value by about 3X, an investor's market will develop, regardless of whether or not melting is re-legalized. **Count on it.**

What if Uncle Sam Decides to Drop a Zero?

As previously noted in SurvivalBlog, [inflation of the US dollar has been chronic, cumulative, and insidious](#). So much so that turns of phrase from old movies like "penny candy" and "its your nickel" (to describe the cost of a call on a pay phone) now seem quaint and outdated. When inflation goes on long enough, the number of digits required to express a price grows too large. (As has been seen with the Italian lira, the [Zimbabwean dollar](#), and countless other currencies. One whitewash solution to chronic inflation that several other nations have chosen is [dropping one, two, or even three zeros from their currency](#), in an overnight revaluation, with a mandatory paper currency exchange. The history of the past century has shown that when doing so, most governments re-issue only new *paper* currency, but leave the old coinage in circulation, *at the same face value*. (Because the sheer logistics of a coinage swap would be daunting.) Typically, this leaves the holders of coinage as the unexpected beneficiaries of a 10X, 100X, or even 1,000 gain of the value of their coins. Governments just assume that most citizens just have a couple of pocketfuls of coins at any given time. So if this were to happen while you are sitting on a pile of nickels, you will make a handsome profit. You could merely spend your saved nickels in the new currency regime.

How To Build Your Pile of Nickels

How can you amass a big pile-o-nickels? Obviously just saving the few that you normally receive as pocket change is insufficient. Here are some possibilities:

- 1.) If you live in a state with nickel slot machine gambling (such as Nevada or New Jersey), or near an Indian tribal casino with nickel slots, go to a casino frequently and buy \$50 in nickels at a time. Do your best to look like a gambler when doing so, by carrying a plastic change bucket with a few nickels in the bottom.
- 2.) Obtain nickels in rolls [from your friendly local bank teller](#). Most "retail" banks are already accustomed to handing over rolls of coins to private depositors because of collector demand for statehood commemorative quarters and the new presidential dollar coins. **Ask for \$20 or \$30 of nickels in rolls each time that you visit to do your normal banking deposits or withdrawals.** It is best to ask for new "wrapped" (fresh Federal Reserve Bank issue) rolls. This way, you might have the chance of getting rolls with valuable minting errors – such as "double die" strikes. These are usually noticed and publicized a few months after the fact, and can be quite valuable. You will also be assured that you are getting full 40 coin rolls. (Getting shorted with 38 or 39 coin rolls is possible with hand-rolled coins.) If the tellers ask why you want so many, you can honestly tell them: "I'm working on a collection for my children." (You need not tell them *how large* a collection it is!)
- 3.) If you live in or near an urban area and you operate a business, you can effectively "buy" rolled coinage from your [commercial bank](#). (They generally will not do any business with anyone unless they have an account.) It might be worth your while to *on paper* start a side business with "Vending Service" in its name, and have business cards and stationary printed up in that name. Have that "[DBA](#)" business entity name added to your commercial bank account. At a high-volume commercial bank you could conceivably buy hundreds or even thousands of dollars worth of nickels on the pretense of stocking change for a vending business. Depending on your relationship with the bank, they may waive any fees if you ask for a few rolls of coins. Be advised, however, that if you ask for any significant quantity at one time, they will probably charge you a premium. (Down in the small print of your account contract, there is probably wording something like this: "Coin Issued – Per Roll: .03 Currency Issued – Per \$100: .08" Before you cry "foul," be aware that the Federal Reserve actually *charges* your bank a small premium when they obtain wrapped rolls of coins. (Most folks have held to the convenient fiction that a paper dollar was the same as a dollar in change. Obviously, it isn't.) In effect, your commercial banker will just be passing along this cost to you. Unless they charge you a **heavy** fee, don't worry about it. Ten years from now, when a \$2 roll of nickel is worth \$16, you'll be laughing about how you obtained \$4,000 face value in nickels at just a small fraction over their face value.
- 4.) If you know someone that has a machine vending business, offer to buy all of their excess nickels once every month or two, by offering a small premium.
- 5.) If you operate a "mom and pop" retail business with a walk-in clientele, put up a small sign next to your cash register that reads: **"WANTED: Rolls of nickels for my collection. I pay \$2.25 per 40 coin (\$2) roll, regardless of year!"** Once the nickel

shortage develops (as it inevitably will), you should raise you premium gradually, to keep a steady stream of coin rolls coming in.

After this is posted, I'm sure that I'm going to get plenty of ridicule, accusing me of "hoarding." So be it. Let me preemptively state that I realize that money tied up in coins will not benefit from the interest that a bank deposit would earn. But foregoing interest is not a major concern. Why? Because I think that it is a fairly safe bet that commodity price inflation will outstrip the prevailing interest rates for at least the next five years. In five years, the circulating nickel as we now know it, will be *history*, and it will be treated with nearly the same reverence that we now give to pre-'65 silver coinage.

We saw what happened when clad copper dimes, quarters and half dollars were introduced in 1965. We should learn from history. Something comparable will very likely soon to happen with nickels. You, as a SurvivalBlog.com reader, are now armed with that knowledge. You can and should benefit from it, **before** Uncle Sugar performs his next sleight of hand trick and starts passing off silver-plated zinc tokens as "nickels."

August 10, 2009

James Wesley, Rawles is a former U.S. Army Intelligence officer and a noted author and lecturer on survival and preparedness topics. He is the author of [Patriots: A Novel of Survival in the Coming Collapse](#) and is the editor of [SurvivalBlog.com](#) – the popular daily web journal for prepared individuals living in uncertain times.

Copyright © 2009 [Survival Blog](#)

August 10, 2009

James Wesley, Rawles is a former U.S. Army Intelligence officer and a noted author and lecturer on survival and preparedness topics. He is the author of [Patriots: A Novel of Survival in the Coming Collapse](#) and is the editor of [SurvivalBlog.com](#) – the popular daily web journal for prepared individuals living in uncertain times.

Copyright © 2009 [Survival Blog](#)