

Cash No Longer King?

Cryptocurrency Here to Stay

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This week it was announced that PayPal will allow subscribers to buy, hold, and sell cryptocurrency directly from their PayPal accounts. So we are going to spend a few minutes today looking into cryptocurrency, which some believe is the mark of the beast.

While Robinhood and others have been doing this for awhile, Paypal's move is a step forward for widespread cryptocurrency adoption. PayPal has roughly 350 million individual accounts, 26 million merchant accounts, and they processed about $\frac{1}{4}$ of a trillion dollars in payments just last quarter. You can now pay for your latte and just about everything you want using bitcoin or other approved cryptocurrencies. PayPal will complete a real time conversion of the cryptocurrency into the retailer's currency of choice, like USD.

These digital currencies are building momentum as an alternative storage of wealth that is more transparent. Unlike today's currencies and commodities, like dollars and gold, you know exactly how many total digital coins are out there and exactly when they are issued and who has them. For a while now, it seems governments have sat on the sidelines, while all these independent new cryptocurrencies build momentum.

This week, a *Forbes* article announced the launch of the digital Bermuda currency "sand dollar," the world's first central bank digital currency (CBDC). Earlier this year, the National Science Foundation, an independent agency of the U.S. government, awarded a research grant to a blockchain startup with the goal to create a new protocol that could lead to a USD cryptocurrency. This week we also heard from Federal Reserve Chairman Powell, who shared initial thoughts on a U.S. central bank digital currency. He basically said, "We are not going to rush into it because it is more

important to get it right." That is government-speak for, "We move at a snail's pace, and we don't need to be first because we always have regulation that we use to catch up."

Cryptocurrency adoption, and with it, government regulation, are rapidly expanding. Bitcoin is already taxed officially, per IRS guidelines, but only for those that disclose it. Similar to those once hidden, offshore bank accounts, the government will eventually get their share of your private crypto coins. Just this month, the US Attorney General published a framework to help law enforcement fight digital currencies used for illicit ends. Payment providers are criminally liable for money laundering if their services conceal the nature, location, source, or ownership of a financial transaction. No doubt, more regulation is coming soon, and with it the end of the very thing that makes an independent cryptocurrency so appealing to many: anonymity. Governments will, of course, position the change as necessary to prevent money laundering and to regulate the currencies, just like they do today. Their actions are required to protect citizens from manipulation, volatility, and crimes, like Ponzi schemes, which—to be fair—have plagued cryptocurrencies.

Soon all governments will create their own CBDCs, and with them, regulations to ensure they can properly tax you on all your holdings and transactions. They're not in a hurry because the underlying blockchain technology that drives all cryptocurrencies creates complete transparency. To them, cashless means fully digital, fully traceable, fully controlled. They can easily go back 10 years, calculate required back taxes and penalties, and then email you your bill.

Now, we were already heading down the cashless road when COVID-19 slammed the gas pedal down. With the WHO endorsement, cashless transactions in physical stores accelerated to eliminate the spread of the coronavirus through 'dirty money', covered in germs. In March-April this year (less than two months), cashless US retailers using square technology increased 23%. And with social distancing, more people abandoned physical stores and restaurants all together with a rapid increase in online cashless transactions and deliveries.

Nerd Alert: bear with my technobabble for just a minute here. The underlying blockchain technology supporting cryptocurrency is indeed revolutionary. It is built to ensure complete transparency to all transactions and eliminate the risk of theft. Beginning with a genesis block (interesting), each block thereafter in the chain of data contains a hash reference—a unique fingerprint of sorts—to the prior block. This ensures the information in each block cannot change undetected. In addition, the entire block of information is stored in multiple, open, distributed ledgers, each retaining an independent record to constantly validate and enforce information integrity, to ensure than nobody can change anything without everybody else agreeing—consensus that the change was authorized.

As we approach a cashless society, many are growing concerned about the prophetic reference in Revelation 13:16-17:

Revelation 13:16-17 And he causes all, both small and great, rich and poor, free and bond, to receive a mark in their right hand, or in their foreheads: and that no man might buy or sell, save he that had the mark, or the name of the beast, or the number of his name.

Should we in the church avoid these changes, these new technologies and electronic payments, to ensure we are not unknowingly marked? In Deuteronomy 6, Ezekiel 9, and Revelation 7, we see that God marks people in Scripture for protection, to set us apart, and to remind us who we belong to. He uses both physical marks and spiritual marks—marks that only He can see.

Is the mark of the beast a technology that we just inadvertently accept or stumble into? I don't think so. We don't know the specific methods that the beast power will use to identify those free to participate in commerce at the end time. But it's clear that it will involve compromising and contradicting God's commands—a mark that clearly separates believers from non-believers. We know that in a spiritual sense, the mark of the beast is Satan's attitude. And if we go back to the prior verse, we read that all those that dwell on earth shall worship the beast if their names are not written in the

book of life (Revelation 13:8). Verse 15 reaffirms that as many as would not worship the image of the beast will be killed. It appears that buying and selling will be the least of our worries at this time.

Time will tell how Revelation unfolds and we must be watchful to ensure we are indeed ready for Christ's return. Technology and change to a modern and improved way of doing things is not, in and of itself evil. It can be used for good and it can be used for evil. The idea of a soon-coming cashless society and how that might set the stage for a one world government is indeed frightful. But we're already down the cashless road and there's no going back.

I'm not suggesting we should be first in line to take an implanted chip, mind you. But we shouldn't overreact to the coming changes to man's tradition of cash, which is going the way of the squirrel pelt. Stuffing our mattresses with cash will not end well, as that cash becomes worthless over time, either through inflation or government change. Storing wealth in hard assets maybe has a little more longevity, but even that will one day be worthless.

Above all, we know we must remain faithfully focused on our allegiance to God, first and foremost. We must hunger and thirst for His righteousness. We must set our hearts on His treasures in heaven. And we must work diligently each day to seek first His kingdom and way of life.