I remember an activity my class was assigned in elementary school, perhaps 5th or 6th grade. The activity took place over several days and we were asked to establish trade with our classmates to begin to get a sense of how trade and barter worked. On the first day, each student was assigned certain imaginary assets, such as chickens, livestock, crops, or some other material of value in an agrarian society. With this as our baseline worth, we were to seek out trade with others in the class to broaden our holdings and, thus, our imagined wealth.

Like most of the students, I traded with others without much of a plan, mostly trying to get by without losing much. At the end of the project, several days later, we were each to report on our current holdings. Most of us had built our wealth a little, but I remember one student, “Bruce,” whose report was staggering to all of us. He had established holdings far beyond what the rest of us thought possible. And as we discussed this activity, we could see that he had crafted a plan to trade with each of us individually with an eye on getting others what they wanted while seeking an eclectic collection of these imaginary things for himself. None of us reported being in any way intimidated or cheated by him, Bruce was just that good at trading.

As this project specifically did not include any form of currency other than imaginary hard goods, there was no formal assignment of value to any given asset. Each asset was worth only what it could achieve in trade. So, in a way, I think this class had its initial experience with what would become, in time, cryptocurrency.

From what little I knew before and from what I’ve learned from Stu’s work on this topic, it would seem that cryptocurrency, even with the addition of the stable coin concept, is mostly a system of barter in which assets, just like those in the school project, have no intrinsic value and have tangible worth only in terms of what they can traded for.

Now one could make the same statement about the U.S. dollar, as its value is based on the full faith and credit of the U.S. government- an entity without tangible value. But the U.S. dollar, as is true of any national currency, is controlled and governed by systems established by force of law. And it’s telling that the value of cryptocurrency as described in the materials Stu has provided is still described in terms of U.S. dollars. As such, it seems that cryptocurrency is valued as a commodity, much like precious metals, but without the tangible material involved. And it’s valued and, thus, traded in in the market in terms of futures, again as a commodity. As such, I suspect it’s highly volatile and probably best left to those with a high tolerance for risk. Probably a good thing for Bruce to get involved in, probably not for me.

David White

September, 2025