

# Navigating the world of virtual money

by MARK PAVILONS

D.H. Lawrence once said that money is our "vast creative madness."

There was a time when a fool and his money were soon parted, but now it happens to everybody, Adlai Stevenson admitted.

I can go on and on about the charms and evils of money. There was a time when cold, hard cash was king, but today, you rarely see the stuff changing hands.

It may be hard to imagine the world without money, but we are transitioning to a totally cashless society.

Money is just a medium of exchange - it makes it easier to buy and sell things. For example, it's simpler to swipe our cards at the self-serve checkouts than to carry a goat into the store to trade for a new sword as our ancestors once did.

Money also made things a lot easier for people. They knew exactly how many pieces of silver they needed to buy a chicken and how many ingots they got for a bushel of wheat. Large numbers, clearly printed on the coins and then later bills, made commerce easy.

I remember the good, old days, when cashiers had to do mental math to make change. Today, they punch in a few icons on the keyboard and typically hit the payment button. If paying by card, they don't have to wrestle with change or bills or coins.

While I like the crinkly bills I once carried in my wallet, it's been some time since I've had a \$50 or \$100 in my possession. I get rid of loonies and toonies as soon as I get them.

When we think of money, we picture bank notes and coins. It's the Bank of Canada's job to design and produce the country's bank notes and the job of the Royal Canadian Mint to produce coins - modern works of art really.

Over the years, I've saved many \$1, \$2 and \$5 bills, simply to mount and frame and admire. As of last year, the \$1 and \$2 are no longer accepted as currency by retailers.

I always liked the artistry and sense of national pride depicted in our bank notes. I've amassed a small but colourful collection that not only includes Canadian notes but some from around the world. I found a Bahamian \$3 bill and an American \$2 bill, and love them because they're oddities. I have a collection of pre-war German "depression" bills, some that had face values of 1 billion Marks.

My mom told me stories that before the war she remembered literally taking a wheelbarrow full of cash to the grocery store just for essentials.

They're massive, colourful notes, but worthless today. But if these bills could talk! Today, we not only make purchases electronically, but most of our bills are paid automatically or online. I used to enjoy visiting the bank on pay days, simply to chat and shoot the breeze with tellers. For years, they kept telling me to try online banking. Well, I did, and now I seldom venture into the bank itself. A shame really.

Today's electronic banking is kind of weird. We tap our card on a POS machine, the information zips through the air in tiny bytes of information. That action triggers a command for your bank to send a certain amount from your account to the seller's account. And that account may be at a different bank or half-way around the world.

The system works because banks and payment systems have the controls in place to get it right every time. Every electronic

transaction is recorded, and Payments Canada ensures the correct amount of money travels through our payments system.

Institutions such as the Bank for International Settlements define digital currency as "monetary value stored on an electronic device issued upon a receipt of funds and accepted as a means of payment by entities other than the issuer."

There's no question today's system is fast, convenient and stress free.

I went kicking and screaming into the new world of e-everything. But I still don't have a virtual card on my phone ? I prefer the real, deal, plastic card.

The whole thing is still a bit strange, considering all of our money doesn't really exist. It's just tons of dots, dashes, maybe binary codes. No real, hard cash exists, or sits in a vault somewhere with our name on it. All intangible, "pretend currency." Money has no essence.

That's why it's a bit funny that in most TV shows and movies, they display briefcases filled with \$100 bills. Yeah, try to spend it, or deposit it in your bank account and see what happens!

I still have trouble grasping the concept of cryptocurrency like Bitcoin. Banks prefer to call them "cryptoassets" and transactions take place between anonymous addresses and are recorded on a "distributed ledger." There is no trusted third party to manage the system or gather user information.

Cryptoassets aren't widely accepted as a medium of exchange. Try to find a supermarket that lets you buy groceries with Bitcoin.

Cryptoassets aren't generally a reliable store of value. For example, the price of Bitcoin jumped from just over \$1,000 (U.S.) at the start of 2017 to more than \$18,000 in December of that year. Then it fell by three-quarters over 2018.

Because cryptoassets aren't associated with national currencies, such as the Canadian or U.S. dollar, vendors that accept them need to constantly adjust their prices.

It's all beyond me.

What isn't beyond my grasp is what I owe and when I get a nasty message on a handheld device, recommending I try again.

Whether it's invisible and flying through the airwaves, or weighing down your pocket or purse, money is among our worst creations.

My son recently observed that if we remove money from the human equation, wouldn't that result in world peace, equality and eliminate greed?

They don't use money in the space, Captain Kirk once told his lunch date.

Forrest Gump was lucky because of investments made on his behalf in some "fruit company." So, he simply enjoys riding his mower, cutting grass for free. One less thing to worry about, he said.

Until we can all enjoy life like Forrest, we're chained, handcuffed, weighed down and burdened by the invisible all-mighty dollar.

"If it takes money to be happy, your search for happiness will never end," Bob Marley once said. Ain't it the truth?