An Internet of Value: Liberty's Next Frontier

By: J. Christopher Giancarlo
Former Chairman, US Commodity Futures Trading Commission

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Thank you very much for that kind introduction, and thank you to the Economic Roundtable of the Ohio Valley for the invitation to be with you today.

It is genuinely an honor to stand in front of this podium. For forty-four years now, this Roundtable has brought the leading economic and public-policy minds of our time to this stretch of the Ohio Valley — several dozen distinguished speakers before me.

That is a remarkable record for a nonpartisan, nonprofit organization run out of a college economics department. It says something important about this community: that Marietta and the Mid-Ohio Valley have never been content to let the big conversations about money, markets, and public policy happen only in Washington or New York. You have insisted on having them here.

I'm grateful to be added, even briefly, to that list, and I want to thank Marietta College and everyone who has sustained this institution for over four decades.

I also want to say that there is something fitting about discussing the future of money in this particular corner of the Ohio Valley. Marietta is the first permanent settlement of the Northwest Territory — founded in 1788 by Rufus Putnam and forty-eight pioneers of the Ohio Company, many of them Revolutionary War veterans, who came here to build something genuinely new at the edge of the map, governed by the freshly written Northwest Ordinance.

This town has always been a place where people arrived with more courage than certainty, prepared to build durable institutions from scratch.

That is, in miniature, exactly the challenge in front of us with the technology I want to discuss today.

I want to begin with a memory. A few years back, not long after I stepped down as Chairman of the Commodity Futures Trading Commission, my wife and I spent a week at a lake in the Adirondacks. One morning I sat by the water reading the news on my phone, when an alert went off notifying me that the motor oil in my car was low. It struck me how completely the internet had already remade the world around me — how it had upended music and television, retail and travel, communication and friendship itself.

And then it hit me: the internet wasn't finished. It had given us an Internet of Information — the news on my phone. It had given us an Internet of Things — the sensor in my car alerting my phone and me that my car needed servicing.

And now, unmistakably, it was morphing into a new phase: an Internet of Value. A network, at last, for moving not just words and data, but banking, finance and money itself — and property, and ownership, and everything else we consider valuable — as effortlessly as we now send a text message.

That third Internet wave is what I want to talk with you about today. Because I believe it is the most consequential technological transformation of our financial lives since the invention of the bank note. And I believe — with everything I have learned across five years as a financial regulator and many more as a lawyer, an entrepreneur, and, yes, as "CryptoDad" — that this Internet of Value stands at a genuine fork in the road.

Down one path lies something extraordinary: a financial system finally open to everyone, unlimited by geography, social class, or the goodwill of gatekeepers — a system that hands ordinary people a degree of financial autonomy no generation before us has possessed.

Down the other path lies something we should fear: a financial system in which every transaction can be traced, every wallet monitored, every dollar programmed to work only if the state — or a handful of technology platforms — approves of how you spend it.

Both paths are open right now. Which one we take is not predetermined by the technology. It will be determined by us — by the choices we make in this decade.

That is what I want to spend the next half hour exploring with you.

I. What Money Actually Is — and Why It's Been Broken

Let's start with first principles, because you cannot understand what's at stake without understanding what money actually is.

Money, at bottom, is trust. It is a shared fiction — a societal agreement that a token, whether a coin, a paper note, or a number in a database, represents value we can all rely on. It has worked that way since the first trader realized that a chicken could not always be exchanged for a clay pot, and that some third thing — a bead, a shell, a coin — was needed to bridge the gap.

Over centuries, money evolved along two branches. There was token-based money — coins, cash — which is portable and private but clumsy across long distances. And there developed account-based money — the ledger entries at your bank — solving the distance problem but at a price: identification, verification, delay, and fees at every step.

The first tokens of value were probably shells or beads.

They evolved into things with some inherent worth — salt, which by legend paid Roman soldiers, and coins struck from silver and gold. Eventually those tokens became things with no intrinsic value at all — paper, and now polymer — whose worth exists purely because we all agree to honor it.

Physical tokens, whatever their form, share one limitation: they are local. A dollar bill works beautifully across a counter but poorly across an ocean.

So in 1609, the city of Amsterdam founded the Amsterdam Exchange Bank, where merchants deposited coin and settled their debts simply by transferring balances on the bank's ledger. Half a century later, a bank in Stockholm went a step further and issued Europe's first banknotes.

Between them, those innovations launched the age of bank money, and today most of the money in the global economy is exactly that: not a token you hold, but a liability recorded on someone else's ledger.

That shift solved the problem of distance. But it created a new one: to move account-based money, someone — a bank, a card network, a wire service — must first verify who you are, confirm you have the funds, and confirm the other party received them. That verification is not free, and it is not fast, and it is not universal. It is, by its very design, exclusionary.

That second branch, account-based money, is the system nearly all of us live inside today.

And for all its progress since the exchange bank of seventeenth-century Amsterdam, it remains, by design, exclusive, slow, and expensive.

In this country alone, a meaningful share of households still lack a bank account and must rely on cash.

Globally, roughly 1.3 billion adults are still locked out of the formal financial system, many of them because they lack the identity documentation that today's account-based, surveillance-conditioned system demands of them.

Sending a few hundred dollars home to family overseas can cost you more than six cents on every dollar. Clearing a check can take days. And American merchants and their customers pay roughly two hundred billion dollars a year in card fees alone, simply for the privilege of moving their own money through card networks and payment processors.

That is the system the Internet of Value proposes to change. Cryptocurrency and the distributed ledgers that make it possible allow value to move the way information already does — instantly, globally, peer to peer, without a permission slip from an intermediary.

For the first time in human history, money can transcend time, space, and social class.

That is not hyperbole. That is engineering.

II. The Promise: Access and Autonomy

So let me make the optimistic case first, because I believe it deeply.

Imagine a world where you do not need permission from a bank or financial institution to hold and move your own money. Where a small merchant in a village with no bank branch for a hundred miles can nonetheless receive payment instantly, in a stable currency, at negligible cost. Where a family sending remittances to loved ones overseas no longer loses six cents or more of every dollar to intermediaries.

Where a young person anywhere on this planet — regardless of birth, wealth, or postal code — has access to the same open financial infrastructure as an institutional trader on Wall Street.

This is not speculative fiction. Stablecoins alone already move tens of trillions of dollars a year on chain — more, by raw volume, than Visa's entire global payment network — and they do it around the clock, settling in minutes rather than days.

Decentralized finance is building lending, trading, and insurance markets that operate purely on open code, without a bank or broker standing in the middle collecting a toll. New “killer apps” of this technology — from prediction markets that harness the wisdom of crowds to the tokenization of everyday assets like real estate and automobile titles — are only in their infancy.

This is the “square” defeating the “tower,” to borrow a framework from the historian Niall Ferguson: the network, decentralized and peer-to-peer, unwinding the hierarchy that has long stood between ordinary people and their own value.

It reverses a Big Tech model many of us have grown weary of — the model in which you are not the customer of the platform, but the product being sold.

In its place, this new architecture offers a model in which individuals own their own assets, their own data, and their own economic destiny, and no longer have to rent their financial identity to a handful of gatekeepers.

Consider decentralized prediction markets, which aggregate the honest judgment of thousands of participants into what may be one of the most reliable early-warning systems for the truth that we have ever built.

Consider programmable money itself — smart contracts that can be instructed, today, to make a payment years from now, automatically, without lawyers or trustees or executors standing in the middle, taking their cut and their time.

I have watched this promise up close.

As Chairman of the CFTC, I gave the green light to the first fully regulated derivatives market for Bitcoin in America — a small decision at the time, but one that told the world that this innovation deserved a place at the table of legitimate finance, not exile to its margins.

Today, I work with young entrepreneurs building decentralized applications with the same freewheeling, inventive energy that built Silicon Valley itself, entrepreneurs who represent the same spirit of creative risk-taking that has always been the true source of new jobs and economic growth in this country.

Given the chance, they are the ones pointing the way toward a financial system that is more dynamic, more inclusive, and better suited to the needs of tomorrow than the one we inherited.

That is one future available to us. It is the one I want. But it is not guaranteed.

III. The Peril: Surveillance and Control

Now let me make the case for concern and caution — because the very features that make this technology liberating also make it capable of enabling the most invasive surveillance apparatus human civilization has ever known.

Here is the uncomfortable truth. As the world transitions to digital money, our societies have never adequately reconsidered the financial surveillance regime already built into the analog system — a regime, born of the Bank Secrecy Act and its successors, that has little to do with secrecy and much more to do with surveillance allowing governments to trace and monitor the private financial transactions of ordinary, law-abiding citizens without probable cause and without a judicial warrant.

As I describe in my new book, "***The New Adventures of CryptoDad***," government financial surveillance has been drawn ever tighter, especially in the past few decades, quietly moving free societies closer to the practices of closed ones than most American citizens would ever ***knowingly*** accept.

Now layer that surveillance architecture atop the emerging Internet of Value — and worse, layer it on top of the vast pools of behavioral data already harvested by social media and technology platforms: your location history, your search activity, the metadata of everyone you communicate with.

Suddenly a financial ledger is not just a record of what you bought. It is a window into your health, your politics, your relationships, your associations, your faith and your movements — a "honeypot" of information that grows more attractive to abuse the larger it becomes.

We have already seen what happens when this power is misused, and I want to be direct with you about it because I lived through parts of it as a regulator.

Over the last dozen years, we witnessed “Operation Choke Point” — launched under one administration, then revived under another in what the industry came to call “Operation Choke Point 2.0” — in which federal bank regulators quietly pressured banks to sever ties with entire categories of lawful businesses the government simply disfavored.

Hundreds of bank accounts were closed with little notice and less explanation. That same playbook was turned against the digital asset industry a few years ago.

But not just the crypto industry. Here in southeast Ohio, executives in the natural gas industry were debanked – both industrially and personally - without explanation simply because of the Biden Administration found their work distasteful.

As I recount in my new book, debanking nearly triggered the collapse of several banks and cut off legitimate companies and their founders from the basic financial services the rest of us take for granted — not because they broke the law, but because of who they were and what they did for a living.

It was shameful and, frankly, unacceptable in a free democratic society.

Yet, it is what “debanking” looks like when governments already control the rails of traditional, account-based money. Now imagine those same control instincts, but applied to a currency itself — a digital dollar, a stablecoin, a central bank digital currency — engineered so that a transaction can be frozen, blocked, or simply refused to disfavored people, heterodox ideas or unpopular speech, automatically, at the network level, without a phone call or a court order.

That is not a hypothetical. It is a design choice being actively considered in capitals around the world right now from Beijing to Brussels, and here at home in Congress and in the design of stablecoins — and it is precisely why thoughtful people across the political spectrum, not just one party or the other, have raised the alarm about the privacy implications of central bank digital currencies.

Even our newest and most celebrated piece of digital-asset legislation: the 2025 federal stablecoin legislation called the GENIUS Act - carries this tension inside it.

Now, don’t get me wrong: the GENIUS Act is a genuine and overdue achievement — it finally gives the stablecoin industry the legal clarity it had been begging for since I sat before Congress as CFTC Chairman almost seven years ago.

The Genius Act is, in fact, *genius* in outsourcing to the great innovative capacity of America’s private sector the digital network modernization of the US Dollar.

Yet, in bringing stablecoins fully inside the Bank Secrecy Act's surveillance regime, it also requires issuers to build in the technical capability to block, freeze, and reject transactions, and to seize or burn tokens, whenever “served with a lawful order”, whatever that is.

That may well be a reasonable price for parity with bank money.

But let's not pretend it is costless to individual privacy, and let's not assume a future White House, whichever party controls it, will always exercise that blocking power wisely or narrowly. A capability built into a network's code does not go away because the political winds change.

And it is not only governments we must watch. The same “Internet of Value” that could liberate individuals from Big Tech's data-harvesting business model could just as easily be captured by that very model — a handful of dominant platforms simply adding tokens and wallets to the same centralized architecture that already knows more about most of us than our own families do.

So here is the sober truth I want to leave with you at the midpoint of this speech: this new Internet of Value could do to the movement of things of value what Wikipedia did to the distribution of knowledge — decentralize it, democratize it, put it in the hands of the many, while lowering costs, increasing speed and accuracy while removing rent collecting middlemen.

Or it could do the opposite — what social media has too often done to our attention and our data — centralize it, monetize it, and hand a small number of institutions, public and private alike, the means of overwhelming and quiet control over what we do with our own money and, thereby, with our own lives.

IV. A Word About the Bumps Ahead

Before I turn to what I think we must do about all this, let me add one note of realism, because I don't want to leave you with the impression that the path forward is a smooth one, whichever direction we take.

Every great technological transformation in financial history has been accompanied by fraud, speculative excess, and cycles of boom and bust — the railroad booms of nineteenth-century Britain and America come to mind, with their own frenzies, their own swindlers, and their own eventual reckonings.

The Internet of Value will be no different. There will be more failures. There may be another spectacular crash. There will be bad actors who give the entire field a black eye. The likelihood of another Sam Bankman Fried is greater, not less, because Congress failed to enact crypto legislation.

Yet, future scandals and more crypto booms and busts will not mean the skeptics were right all along, any more than the railroad panics of the 1870s meant that railroads themselves were a mistake and the rails had to be torn up.

It will simply mean that we are living through a profound technological transition, and profound transitions are never tidy.

The task for Washington policymakers, then, is not to wait for a perfectly safe, frictionless version of this technology to arrive before acting. It is to build the guardrails — clear rules for stablecoins, clear jurisdiction for digital commodities and securities, clear

standards for custody and disclosure and, most importantly, a timely rebalancing of law enforcement with individual privacy rights worthy of a free society — precisely so that when the inevitable bumps come, they are absorbed by a resilient system rather than allowed to metastasize into a crisis of confidence in the technology itself.

V. The Deeper Pattern: Tower and Square

I have come to think about where we are today in the Internet of Value through a historical lens — one that is far older than blockchain, older than the internet itself, older even than money.

It is the struggle between what Professor Ferguson terms the tower and the square. Between hierarchy and network. Between centralized power and decentralized networks and the diffuse, stubborn insistence of sovereign people that they be left to govern their own affairs.

We have been here before. Eight hundred years ago at Runnymede, on a quiet meadow beside the River Thames, English barons forced a king to accept that his power had limits — that a free society had a right to due process, to property, and, in time, to privacy from the arbitrary surveillance of the crown. That charter, the Magna Carta, became the seed of nearly every liberty we now take for granted, including the ones written into our own Bill of Rights.

We have been here before at Lexington and Concord, when a decentralized militia of Massachusetts farmers, summoned by a handful of midnight riders, first challenged the hierarchy of the mighty British empire. That decentralized American militia stood its ground and fired the shot heard round the world.

But it did not win the war alone. Final victory came years later at Yorktown, at the hands of a disciplined, organized hierarchy — George Washington's Continental Army, reinforced by French regulars.

What began as a challenge of decentralization ended, in a sense, in hierarchy. But it was a hierarchy steeped in the values of the decentralized network it had grown from: local government, separation of powers, and individual liberty written into its very foundation – liberty that has lasted for a quarter of a millennium.

I see the product of America’s historic decentralization here today in the Ohio River valley, at a 200 year-old college in the river front town of Marietta — a place founded by people who left behind everything familiar to build free institutions on new ground west of the Alleghanies, governed by an ordinance that outlawed involuntary servitude in the Northwest Territory before the US Constitution itself was even ratified.

We have been here before, too, at a smaller and less famous place called Cowpens, where American forces under Daniel Morgan deliberately combined decentralized and decentralized force to topple superior power.

Morgan let the irregular militia fall back by design, drawing disciplined British regulars into a trap, and then let organized Continental troops deliver the counterblow. It was neither pure network decentralization nor true centralized hierarchy that won that day. It was the marriage of both.

That, I suspect, is also the likeliest future for the Internet of Value: not a clean victory for decentralized over centralized finance, nor the reverse, but an uneasy, ongoing reciprocation between the two.

Every one of those moments teaches the same lesson: human liberty and freedom is never self-executing. It must be claimed, and re-claimed, and re-encoded into whatever new system of power – whether financial or political - a new age produces.

Centralization and decentralization will always be in tension — in politics as in technology — and this generation's version of that ancient contest is being fought right now, in computer code, in legislation, and in the choices of ordinary users deciding what wallet to trust and what network to build on.

The tower will not yield without a fight. It never has. But neither has the square.

VI. Why the Choice Is Ours to Make

I want to be candid about something else: I do not believe this technology forces us toward either outcome. The technology is neutral.

The engineers who built the first internet did not intend for a handful of firms to end up owning the world's attention and data — but that is what happened, because we did not insist, early enough, on a different set of principles.

We have the chance to do better this time, precisely because we can see the danger in advance.

That means several things have to happen, and I'll be specific.

First, our laws must finally distinguish between fighting genuine financial crime and treating every citizen as a suspect by default. The existing anti-money-laundering apparatus of AML and KYC catches only a tiny fraction of illicit finance while creating enormous honeypots of consumer data and burying ordinary Americans and small businesses in false positives and compliance costs.

We must reassert that financial privacy in a free society is a social good in its own right, worthy of sustaining; a social good upon which we must tread lightly, if at all.

We can and must build smarter and less intrusive tools of law enforcement — using the very technologies of data analysis and cryptographic verification this new financial architecture makes possible — that protect against crime without requiring blanket surveillance of the innocent.

Second, any digital currency — sovereign or private — must be built so that no single actor, public or private, can unilaterally surveil, freeze, block, or reprogram a citizen's lawful transactions without the due process our Constitution already demands for any other seizure of property.

Financial privacy is not a loophole to be closed. It is a cornerstone of democracy — and financial surveillance should not be the price of participation in modern economic life.

Third, policymakers must have the courage to let this innovation happen at home rather than pushing it offshore through hostility and legal ambiguity.

Suppression in one jurisdiction does not stop a global technology. It simply moves the innovation, the jobs, the oversight and the leadership to whichever nation has the courage and wisdom to welcome it.

I said as much to the world's financial regulators years ago in Basel: digital asset innovation is like a roaring wind. You can hide from it, you can be blown over by it, or you can hitch a sail and ride it forward. We Americans prefer to ride the wind.

I'd add a fourth point, aimed squarely at my former colleagues in government: resist the reflex to force this new technology into the shape of the old.

It is tempting for any regulator, faced with something genuinely new, to reach for the familiar playbook — find an intermediary, register it, regulate it, deputize it to report on everyone else. That approach is pronounced in the analog world of exchanges, clearinghouses, and broker-dealers.

But a technology that has the capability to disintermediate outmoded intermediaries cannot be sensibly regulated by insisting that new intermediaries be found and deputized in service to regulators.

We need regulatory agencies with the humility to develop genuinely new, activities-based approaches, rather than the reflexive insistence on making every new market look like the ones we already know how to run.

VII. Conclusion

Let me close where I began, with that morning by the lake, watching the third wave of the internet take shape on the small screen in my hand.

I don't know with certainty how this story ends. No one does.

What I know is that the tools now in the hands of ordinary people — cryptography, tokenization, distributed ledgers — have handed this generation a degree of potential financial autonomy that no generation before us has possessed.

Whether we use that autonomy to build a more open, more inclusive, more humane financial system, or whether we allow it to be captured and turned into the most efficient instrument of control ever devised, is not a question technology will answer for us.

It is a question of will. Of courage. Of the same stubborn, inconvenient insistence on liberty that produced Magna Carta, and Lexington, and Cowpens and Marietta Ohio, and, in time, produced a Constitution that still, as our nation marks its 250th year, protects our right to be secure in our persons, our houses, our papers, and — I would add — our wallets, whether leather or digital.

We are, all of us, an aspirational people.

Whatever shore our families came from — Europe or Africa, the Asian subcontinent or the Western Hemisphere itself — so many of our ancestors crossed an ocean or a border in search of a life equal to their talents and their aspirations, free of a distant hierarchy's dictates.

That has always required courage, and sometimes a certain rugged, inconvenient individualism.

It requires exactly that today. The tools now sitting in an ordinary person's pocket — a smartphone, a digital wallet, a blockchain address — give more people, especially the young, a greater capacity to build their own economic future than any generation in human history has possessed.

That is a gift. It is also, like every gift of real consequence, a responsibility. Because those same tools, aimed the other way, could just as easily become the most efficient instrument of economic control ever built.

The Internet of Value is our generation's square. It is ours to build. It is ours to defend. And it is ours to hand forward, worthy of the free people for whom it is being made.

It seems fitting to say that here in the Mid-Ohio Valley, so close to Marietta — a place founded by people who left behind everything familiar to build free institutions on new ground. Marietta has always understood that liberty has to be built somewhere in particular, by particular people, before it can be handed forward to everyone else. I can think of no better audience with whom to leave that charge.

Thank you again to the Economic Roundtable of the Ohio Valley, to Marietta College, and to all of you for your time and your attention this afternoon. I'd be glad to take your questions.

Thank you.