

[Bitcoin is Simply Better Money](#)

It's now clear to masses of people, both in tech & finance, and beyond, that bitcoin is an interesting technological development with lasting value. But what is that value? What is bitcoin's biggest promise?

Soon after the original bitcoin whitepaper ([pdf](#)) was published, the [earliest adopters](#) viewed bitcoin as a theoretically near-ideal money, which remained the prevailing view for several years. In the past twelve months or so, people have become increasingly enamored with the various "Bitcoin 2.0" ideas, including things like distributed markets and smart-contract engines. These are indeed powerful ideas uniquely enabled by bitcoin, but I think many in the bitcoin community are coming back around to bitcoin's more simple promise as ideal money for the electronic era.

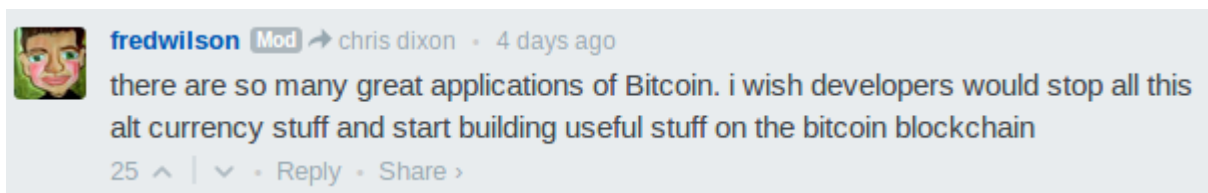
I recently watched Wences Casares' "Getting to a Billion Bitcoin Users" talk from Bitcoin2014:

This is a must-watch for anyone following bitcoin, or anyone attempting to understand bitcoin. In just 31 minutes, Casares eloquently defines the great experiment, breakthrough, and potential that bitcoin represents. Beginning with an overview of 100,000 years of human exchange, Casares aptly addresses many concepts in bitcoin and money, ranging from [money as memory](#), bitcoin's role against gold, reserve currencies, store of value, exchange rate volatility, getting to 1-billion bitcoin users, and alt-coins.

The key takeaway is that

"[bitcoin] may very likely be the best form of money that we've ever seen in the history of civilization."

Indeed, Casares isn't the only thought-leader reiterating the core of bitcoin's promise amidst the current hype of alt coins and app coins. [Fred Wilson](#) recently [commented](#):



Hear hear. Now how do we get this to happen? How do we get to Casares' billion bitcoin users?

Gradually.

It's not going to be glamorous (like [Ethereum](#) or the hype surrounding various alt tokens). What it's going to be is a slow penetration into the core mechanics of commerce, exchange, and payment.

I've said for a while that two of the most important things to happen recently are [Bitpay's payroll API](#), and [Overstock's plans](#) for supply-chain penetration. Both of these efforts close the loop. Merchants need to accept bitcoin from consumers, but consumers also need to be paid in bitcoin. And similarly, merchants need to be able to pay suppliers and employees in bitcoin. The core demand for bitcoin as money is what drives the entire concept and all the other follow-on

[applications](#) that may result.

In order for that next era of bitcoin commerce to begin; i.e., moving beyond Casares' "Store of Value" phase, bitcoin needs liquid, sophisticated, regulated, US-based exchange infrastructure. Businesses need to be able to hedge the current bitcoin/fiat exchange rate volatility in order to use bitcoin as money. Many in the bitcoin space realize this, and there are now several well-funded exchanges with great teams solving this problem ([itBit](#), [SecondMarket](#), etc). This inevitably allows bitcoin to seep deeper into core commercial uses.

While ambitious, exciting, theoretical blockchain-based projects are grabbing attention, the next year or two is about building the core infrastructure for bitcoin that truly enables its broad use as the ideal money that it is.