

[JTC: Surprisingly, Casey, who constantly reminds us of Aristotle's hard-asset criteria for money, evidently believes the real-world value of Bitcoin lies in its *service as an exchange mechanism*. Although I'd agree it will certainly serve as such for some time to come – possibly the rest of *my* life, for instance – I have qualms about its permanence. Curious that there's no discussion of alt-coins, pro or con.]

Bitcoin's Meteoric Rise and What Happens Next

By Doug Casey

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International Man: The Bitcoin price is soaring.

It recently exceeded its previous all-time high of around \$69,000, which was set in November 2021.

What are your thoughts?

Doug Casey: Right now, the world runs on the dollar standard. Almost all international trade is done with the US dollar. Still, it's increasingly apparent to everybody worldwide that the US dollar is the unbacked liability of a bankrupt government. So, the dollar's on its way out—but what will people go to—another fiat currency with the same problems or even more serious problems?

Who wants to trust another government piece of paper written from even less stable countries than the US? So, in the future, more trade is going to be conducted with something else.

I think there are two alternatives: one is gold, and the second is Bitcoin. **The problem with Bitcoin is that it's the new kid on the block.** Many people are unfamiliar with it and don't trust it because of its lack of history. But at the same time, there are 8 billion people in the world. Due to its mathematical formula, there can only be 21 million ever issued. And of that, 21 million, over 19.6 million have already been mined.

And of those, it's estimated that about 4 million of them have been irretrievably lost. Bitcoin is a unique and viable form of money—and the world is becoming more and more electronic. I think there's going to be much more demand for it.

I can see an argument for it going to several times or more what it's currently trading at.

International Man: How have your views on Bitcoin evolved over the years?

Doug Casey: Yes, very much. I was a relatively late adopter of Bitcoin, only getting into it in 2017.

Why was I so late? Well, I always looked at Bitcoin as an alternative to gold as money. So, I analyzed the situation with the characteristics of good money, which Aristotle laid out in the fourth century BC.

A good money has to be durable, divisible, convenient, consistent, and have use value in itself.

Bitcoin is durable as long as we have electricity and computers anyway. Durability is important. That's why we can't use wheat as money because it rots.

Bitcoin is divisible, infinitely divisible, because it's a mathematical concept. Lack of divisibility is why we don't use artwork as money. You can't make change for the Mona Lisa.

Today, everybody has a cell phone, which makes Bitcoin very convenient. Of course, we don't use things like lead as money because it takes too much to be of value. It's not convenient.

Bitcoin is consistent. That's why you can't use diamonds as money because or real estate as money because each piece is different from every other. But as an electronic mathematical concept, all Bitcoins are identical.

The problem I had with Bitcoin was its use as money past these first four criteria. **So, what is the use value of Bitcoin?**

It can't be employed in any way in the real world. It's just an electronic concept, until it occurred to me that its main use value is that it makes for a perfectly private money like cash and is a transfer mechanism.

You can send it anywhere in the world instantly and cheaply. And especially in today's world where exchange controls and regulations are a problem, this is a huge advantage. As long as we have money, its portability is actually a gigantic use value.

I mean, the argument for gold is that it can be used in lots of industrial applications. And the use value of Bitcoin is that it gives you instant portability and a lot of privacy if used properly.

International Man: As [Bitcoin rises](#), what are the implications for gold?

Doug Casey: It's funny that initially, a lot of people saw them as being antagonists to each other. It's not a question of either or. Rather, Bitcoin is acting as a gateway drug to get people interested in gold.

Gold bugs have always called government currencies, fiat currencies, but that term never had wide use among the public in general. But Bitcoiners now refer to the dollar as a fiat currency. It's given them an understanding of a concept they didn't understand before. So that, using Bitcoin as money has caused them to explore the nature of money and explore the problems with the dollar and other currencies.

Having done that, they see that gold is as good as Bitcoin, or gold and Bitcoin are friendly competitors. They're not antagonistic to each other at all. They both give you control over your own savings, your own financial future in a way that no government currency can. So, people are increasingly going to say, "I want to have both."

Very much as in Argentina, Milei is essentially phasing out the old peso telling people they can use whatever currency they'd like. People are using Bitcoin, gold as well as the US dollar, which is much better than the Argentine peso.

International Man: The ETFs are an important milestone for Bitcoin. They signify that Bitcoin is no longer fringe; it's an institutional-grade asset.

Bitcoin is now accessible to certain large pools of capital—like traditional retirement accounts—that would be otherwise unable to buy it because of investment charters and other restrictions.

The Bitcoin ETFs have been wildly successful so far.

What's your take?

Doug Casey: Well, it's not just ETFs, it's that the Bukele government in El Salvador has designated Bitcoin as an alternative legal currency. As I just mentioned, the same is true of Argentina, where Bitcoin is encouraged. But, the ETFs have legitimized Bitcoin among the establishment. Number two, it has made it easy for people to buy, sell, and accumulate Bitcoin the way they would any other publicly traded security.

Though the ETFs are not the best way to hold Bitcoin. But for the average guy who doesn't think in terms of the economic concepts of money, but just thinks of it as being an asset that might appreciate, these ETFs are a huge plus for storing Bitcoin.

International Man: What is the best way to profit from the Bitcoin megatrend?

Doug Casey: You definitely want to own some, and it's still early days for Bitcoin. It's only been around since 2009. **But the way to own it is a speculative vehicle.**

There's nothing wrong with using an ETF on Bitcoin. But for your personal savings for, so you have real security and privacy, you want to buy it and hold it on your own self-custody wallet. That's how you should do it for most of your Bitcoin.

Even with the Bitcoin price near its all-time high, I can only build an argument for it going much, much higher from here.

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[The Best of Doug Casey](#)

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