Bitcoin

From RationalWiki

> the best part about bitcoins is that you get to watch libertarians slowly discover why financial regulations exist to begin with
>
> —@porn_horse[1]

Thousands of servers churning all day long so that people can play an online currency trading simulation.

Bitcoin (code: **BTC**, **XBT**[2]) is an Internet-based decentralized cryptocurrency and payment network. It uses strong cryptography to prevent users from duplicating money. Bitcoin's notional independence from the control of governmental entities tends to appeal to libertarians, minarchists, anarcho-capitalists, laissez-faire capitalists, technophiles[3] and criminals. At the same time, it also does not enjoy the security, protection and dispute resolution which those large bodies tend to provide, making it a volatile and often insecure asset.

Bitcoin was first proposed by a person known only by the apparent pseudonym of "Satoshi Nakamoto" in late 2008, having started work on it in 2007.[4][5] Satoshi's identity has been a continuing source of intrigue.[6][7]

The currency is designed to employ *lots* of computers to process and record transactions. The solution to this is "mining," in which Bitcoin users run software to do all the necessary work.[8] Every time someone successfully proves they performed this work, they receive bitcoins in return. This provides an incentive to keep the currency running, but also attracts a lot of prospectors and speculators looking for easy money, and scammers who consider them suitably exploitable suckers.[9]

The use case of the currency is purchasing illicit goods (*e.g.*, drugs and stolen data on darknet markets^W) and darknet scams (*e.g.*, murder-for-hire)[10][11] and extortion (*e.g.*, "ransomware", for which it is the currency of choice[12]).[13] It is becoming the preferred currency for internal use by online criminals.[14][15] Although Bitcoin is widely used on the darknet, it has a key flaw; it's the most transparent currency in existence.[16][17]

In 2014, the cryptocurrency began a sharp decline after a principal exchange, Mt. Gox, shut down following three months of blatant market manipulation.[18][19] It was later revealed that an undiscovered "leak" in the company's bitcoin wallet had rendered them insolvent in 2012, and virtually penniless by 2014.[20] Essentially, Bitcoin's astronomical rise was the direct result of meaningless trades with fake money.[21]

Someone is wrong on
The Internet

Log in:

- Anarchopedia
- Apologetics Press
- Freethought Blogs
- GoodGopher
- Hunter Avallone
- Infogalactic
- Liberal Logic 101
- List of Gamergate claims
- Peter Sinclair
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The dismal science
Economics

Competing Theme Parks

$ Capitalism
$ Communism
$ Socialism

Rides And Rollercoasters

- Christian economics
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- Amartya Sen
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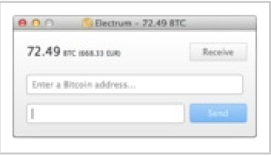
Contents

Economics

> Years earlier, Bitcoin had promised that it would spread its benefits to all its users, but by 2014 large chunks of the Bitcoin economy were owned by a few people who had been wealthy enough before Bitcoin came along to invest in this new system. Most of the new coins being released each day were collected by a few large mining syndicates. If this was the new world, it didn't seem all that different from the old one—at least not yet.
>
> —Nathaniel Popper[22]

The notable bit about Bitcoin is that it is intended to be entirely decentralised. The *blockchain*, the cryptographically-authenticated public ledger of every Bitcoin transaction ever, is reconciled by agreement of over 50% of all miners—an attempt at a practical solution to the Byzantine Generals' Problem^W in computer science.[23]

There is no central bank backing Bitcoin; previous virtual currencies, such as E-Gold, Flooz, Beenz, Lindens, or WoW gold have always had an organization behind them. This lack of a monetary authority means that, were governments to try to do something about it, they would not have a central point of attack.[24] Bitcoin therefore presents a rare sandbox/universe-in-a-jar scenario for observing market interactions in a free banking^W system, as Austrian schoolers have always wanted — this time in the context of post-industrial economies.



The seasteading of numismatics. And it's going to get even funnier.

You can buy actual stuff with bitcoins! Mostly internet services, geek toys, phone sex,[25] illegal drugs[26] and, of course, pre-used Bitcoin mining hardware.[27] And actually useful things like beer and pizza.[28][29] To allow payment with a high-volatility currency like Bitcoin, it is common for merchants to price their goods in the local standard currency, but receive payment via Bitcoin converted at current market rates.[30] Even then receiving payments in Bitcoin can be a risk, as the price of Bitcoin may plummet faster and further than your profit margin, forcing you to choose between taking a loss, or hoarding Bitcoins hoping the price will rise.[31]

Bitcoin has no intrinsic value (i.e., has no use-value), similar to the US dollar,[32] and *could* be a general currency if 300 million people similarly behaved as though it was one, *i.e.*, would do work in exchange for it.[33] Its biggest problem as an exchange medium is that it is not widely accepted, and that trading is thus very thin indeed.

There is also the matter of built-in deflation: there is a strictly limited possible number of bitcoins, and the processing power to mine new ones goes up as more miners join.[34] Also, if your wallet file is deleted, your bitcoins are gone for good.

"Babbage" at *The Economist* took it seriously and found it quite interesting,[35] but has muted his praise over time.[36] Other economists have criticized the idea (to the point of calling it a scam), citing inherent design problems.[37][38][39][40][41] Paul Krugman initially refrained from poking fun at the concept, but considered it a reimplementation of the gold standard, with the economic problems that implies;[42] he's since judged it as effectively just another right-wing affinity fraud, in which big libertarians prey upon smaller ones.[43] Warren Buffett has called it a "mirage."[44] About 25% of the European Central Bank's report on "Virtual Currency Schemes" is about Bitcoin,[45] and both the European Banking Authority and US Consumer Financial Protection Bureau have warned about major consumer protection issues.[46][47]

The trouble with re-implementing the gold standard in the 21st century is that financial attacks, just like cryptographic attacks, don't get less effective with time—if you apply attacks evolved in a hundred years of Red Queen's race against regulation, then remove the regulation, the subeconomy in question is *utterly defenseless*. As one quant on Hacker News outlined:[48]

> Bitcoin takes the monetary system back essentially a hundred years. We know how to beat that system. In fact, we know how to nuke it for profit. Bitcoin is volatile, inherently deflationary and has no lender of last resort. Cornering and squeezing would work well - they use mass in a finite trading space. Modern predatory algos like bandsaw (testing markets by raising and suddenly dropping prices), sharktooth (electronically front-running orders), and band-burst (creating self-perpetuating volatile equilibria in a leverage-sensitive trading space, e.g. an inherently deflationary

one), would rapidly wreak havoc. There is also a part of me that figures regulators will turn a blind eye to Bitcoin shenanigans.

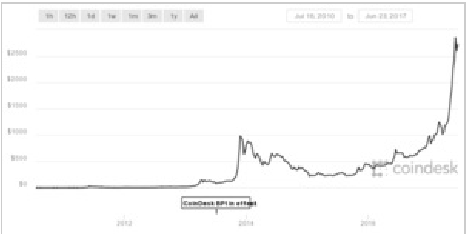
And we can now see this in practice: the $1200/BTC peak in late 2013 was caused by the market manipulation known as "painting the tape";[49] Mt. Gox in particular appears to have suffered chronic tape-painting.[50] Note that the "free market" completely failed to deal with fraud in this environment: all other exchanges were tracking Mt. Gox's blatantly skewed prices.

The 51% attack

> Instead of becoming a currency free of the controls of governments and banks, Bitcoin is now largely controlled by a small collection of interested parties who have heavily invested in securing the network. And ironically, greater acceptance of Bitcoin will likely come only with additional regulations.
>
> —*PC Gamer,*
>
> *How Bitcoin and cryptocurrencies are hurting gamers*[51]

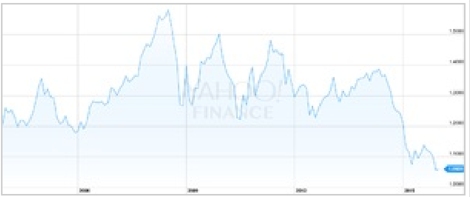
Jean-Paul Rodrigue's "phases of a bubble" chart, c. 2008.

Bitcoin relies on distributed consensus: the blockchain is what a majority of mining capacity says it is. Since mining is the "core of the Bitcoin protocol," there is the possibility of what is termed a "51% attack," where miners could consolidate into a cartel to exceed 50% of the mining power (yes, a *de facto* monopoly) and so could unilaterally ratify the entire blockchain to do things like double-spending confirmed transactions and preventing any new transactions or just ones they don't like from happening while they're in control (though they cannot take other people's coins).[52][53] But this was considered unlikely because Bitcoin enthusiasts were highly distributed individualists.



Bitcoin prices, July 2010 to June 2017.

This worked quite well early on. However, proof-of-work algorithms benefit from economies of scale,[W] which leads to centralization directly. So as mining became more difficult and demanded more specialized resources, single mining "pools" became a substantial fraction of Bitcoin's network hashrate. In June 2014, mining pool GHash reached 51%, leading to calls to use decentralized pooling options.[54] In 2015, nine mining pools control 75% of the hashpower.[55]


Euro-USD prices from Dec. 2003 Dec. 2015; note the difference in scale: tens of *cents* over periods of *years*, not *hundreds of dollars* over periods of *weeks* (and this chart includes a major banking crisis and an existential Euro-crisis).

Economically, it would be foolish for, *e.g.*, GHash to just kick over the board because they could—cornering the market in an insubstantial good is only worth it while people trust the value of the insubstantial good—but the actual problem is that the group with 51% of all mining capacity will be able to "undermine the rules of the currency itself."[56] GHash quickly backed down to under 50% and claims it wants to fix the deeper problem,[57] but the economic incentives of "selfish mining" remain.

Cornell researchers have identified many more subtle attacks one can make even with less than 50%,[58] and it is worth noting that GHash had previously conducted a "49% attack" (a "Finney attack"[59])—wherein a large miner double-spends coins, just not with certainty—against a gambling site.[60] They blamed this on a rogue employee, but this in itself shows that individuals can be motivated to trash a whole system for temporary personal gain. Again, real financial systems have government regulation for this specific threat.

Hardware

So who's doing the maths? The answer is the most powerful distributed computing project in the world.[61] While other distributed computing systems are investigating protein folding or sifting through radiotelescope data for signs of intelligent communication from the stars, Bitcoins are being generated by people running hashing algorithms to process transactions on a poorly-traded virtual currency.

But it's long past the point where you can do any decent amount of processing on a standard desktop system (or, as some less-than-ethical Bitcoiners have, sneaking processing code into JavaScript on web pages, or simply deploying a Trojan on someone's desktop box). Bitcoin miners quickly moved to the GPUs of video cards, then field-programmable gate arrays (FPGAs) specifically programmed for the algorithm, and now mining is done on ASIC chips specifically designed for Bitcoin mining based on said FPGAs. There are even companies selling Bitcoin mining rigs; their frequently-sketchy workmanship wouldn't endear them to IT pros or the FTC, but they're still better than some of the firetrap rigs that Bitcoiners have put together for themselves.[62] The many bizarre and frankly stupid cooling schemes are usually good for a laugh as well, including one Darwin Award applicant who poured a bucket of liquid nitrogen on the floor next to his rig to cool it.[63]

The irony of all this is that once hardware and power costs are factored in, it's hard to make a profit from Bitcoin mining. Many more-savvy Bitcoiners filch their power from someone else and don't factor in the equipment cost at all; poor understanding of economics is a recurring theme in the Bitcoin community.

Bitcoin is also an environmental disaster, using on the order of *1 gigawatt (GW)* (that's a billion watts) according to a 2013 and 2014 paper[64][65] Estimates would be about 7 GW by end of 2015 as the paper[64] shows approximately power use scales linearly with mining difficulty and mining difficulty in December 2015 is about 7 times the difficulty than when the paper is published (remember, mining each Bitcoin is more difficult than the previous one.) For comparison, the entire nation of Ireland runs about 3 GW average. The network cost per transaction (of any size) is around $20 of electricity.[66] (Thus, Bitcoin runs on libertarians externalising their costs to others.[67]) If only they'd based it on protein folding.[68] The actual processing done by the miners could be done by a Raspberry Pi; the only reason to waste gigajoules a day is to keep it distributed without trust between actors. It turns out trust is vastly more efficient.

Anonymity issues

Despite having a reputation for being used to pay for illegal goods and services anonymously, bitcoin is the most transparent currency in existence because it records everything in a blockchain. A blockchain is a gigantic database that records every transaction ever made for everyone to see — including your grandma;[69][16][17] paper money transactions do not suffer from this flaw. Individuals who wish to maintain anonymity must hide their IP with tools such as Tor and change their wallet's address every time a transaction is made (most clients do the latter automatically).[70]

Bitcoin Mixing

Bitcoin mixers^W are services used by clients to create a misdirection of the origin of said clients' bitcoins; in layman's terms, it cleans dirty money. The services aren't free; they charge for a small fee; 1.5% of the amount inputed for certain services (or a 100% for unlucky people).[71][72][73] Assuming it doesn't have that 100% fee, bitcoin mixers trade a clients' bitcoins with other people's at random — for better or for worse. Unfortunately, this includes trading a client's bitcoins with other people's tainted coins that could possibly be related to drug money or avocado erotica that are now connected to said client's wallet.[74] Bitcoin mixing in certain countries can count as breaking anti-structuring laws.^W[75]

Advocates

The cryptography is robust, so many highly vocal internet libertarians think this is all that is needed, because they don't understand people, know very little about economics, and apparently nothing of how reliable financial computing infrastructures are built—real banks tend to use mainframes in highly redundant configurations, not AWS virtual servers without backups—and generally show terrifying naïveté and incompetence. This then bites them in the arse when they discover that running a *Magic: The Gathering Online* card exchange site is insufficient experience to securely run a currency exchange,[76] or discover they have no backups.[77] Many were sufficiently naïve as to fall for, not just a Ponzi scheme, but a Ponzi scheme that had already been tried in *EVE Online*'s in-game currency.[78] There are also people who understand this level of computer science, but still keep their wallet.dat file in plain text on a Windows box, ready for reaping by malware and/or access via social engineering.[79][80][81][82][83] This is the sort of thing that gets bitcoins called "Dunning-Krugerrands."[84]

The decentralised nature attracts libertarian extremists (go read any Bitcoin forum for more wacko libertarianism than you ever thought possible). There are Bitcoin advocates who are not annoying Randroid fools, but the ones who are tend to drown out all the others. It is unsurprising, then, that some business writers have accused them of cultish behaviour;[56][85] some proponents are simply *aghast* that anyone might not consider it valuable for services rendered.[86]

One of the otherwise-saner advocates is Rick Falkvinge, founder of the Swedish Pirate Party, who has put all his savings into bitcoins.[87] Though, he also details its problems.[88] He is a big fan of Bitcoin not as a general currency, but as a pure medium of exchange, substituting for PayPal or credit cards and changing back into a more popular currency at each end—as the Visa/Mastercard/PayPal oligopoly's willingness to block recipients they, the American government or fundamentalists don't like, starts to become a practical problem.

Andrew Napolitano from Fox Business Network supports Bitcoin as well. In a move that may make many of his fans cry, Ron Paul *does not*.[89]

Banks and exchanges

There are multiple Bitcoin "banks," but most of this seems to revolve around doing things with bitcoins,[90] leading to accusations of cargo cult economics. And scams. There are lots of scammers in the Bitcoin community, who are punished by the *harshest* method imaginable: getting a "scammer" tag on the BitcoinTalk.org forum.

There is a Bitcoin exchange hack or collapse approximately every month; up to 2015, a third of exchanges had been hacked.[91] Leaving any money exposed on a Bitcoin exchange is, statistically, a terrible idea.

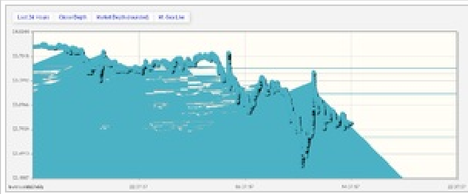
One Bitcoin exchange, Bitcoin-Central (now called Paymium), has achieved bank status in France.[92] Their aim is to supply an alternative to PayPal, and their central bank backing on balances only applies to accounts in euros rather than in bitcoins. On the other hand, other players in the Bitcoin field have had to suspend operations because US banks view companies involved with Bitcoin as too high risk to do business with,[93] or have had to suspend US dollar withdrawals for undisclosed reasons.[94]

China

Despite Western-oriented services being portrayed as synonymous with the Bitcoin "brand" — Mt. Gox was still responsible for 90% of all Bitcoin transactions by the end of 2012,[95] so this isn't entirely unwarranted — Chinese exchanges actually overtook it in output before its collapse.[96] This presents another serious problem for the cryptocurrency moving forward: attempts by the US government to impose regulations post-Gox pale in comparison to recent pressure by Beijing to crack down on the Chinese market.[97] One incentive is off-the-books currency exchange: buy hardware and electricity in yuan, make it into bitcoins and sell the bitcoins for dollars.

The scheme

> [This] Bitcoin crash is traumatic. I haven't seen this many libertarians cry since they found out Ayn Rand took Social Security for eight years.
>
> —Drew Fairweather[98]



The trouble with a thinly-traded currency: a typical one-day plummet in price, that happens whenever someone dumps some coins.

In order to prop up the initial system, Bitcoin mining was designed to bribe early users with exponentially better rewards than latecomers could get for the same effort. To join the network at all, new users must give ever-increasing amounts of wealth to previous bitcoiners who are sitting around doing nothing. This effectively makes Bitcoin a pump-and-dump scheme wherein these early adopters, who have more bitcoins than anyone else ever will, hype it up so they can offload their bitcoins onto fools who think they'll strike it rich as speculators. This means the system runs on opportunism, especially among people who like the idea of decentralized techno-money. This setup is defended as an acceptable trade-off and/or a fair reward for propping up the system.[99]

In the meantime, speculators and opportunists have remained Bitcoin's main users: according to one 2012 study, only 22% of existing bitcoins were in circulation at all, there were a total of 75 active users/businesses with any kind of volume, one (unidentified) user owned *a quarter* of all bitcoins in existence, and one large owner was trying to hide their wealth accumulation by moving it around in thousands of smaller transactions.[100] Meanwhile, businesses, from family stores to multimillion-dollar corporations, have jumped onto Bitcoin to seem forward-looking and get a cut of the Bitcoin action.[101] But go on, dive in and get rich.

More mundane problems

The real and overriding issue with Bitcoin is that it does practically nothing that isn't *already possible*, while also introducing flaws of its own:

- For the average person it's far more hassle than it's worth when the rest of the world takes traditional currencies (or "fiat" on Bitcoin communities, who use it as a snarl word[102]) and that there's nothing they can buy with Bitcoin that they can't buy with the money they already have. Responses to this range from wishful thinking that this will be irrelevant when Bitcoin takes over the world and then goes to the Moon, to assertions that people will choose Bitcoin despite its comparative lack of utility simply because they like the idea, to prognostications that when more small businesses start accepting Bitcoin — and why wouldn't they! — popularity will boom (It should be noted that this has been tried in Cleveland, with poor results[103]).
- Much is made of Bitcoin's efficiency for buying things online—but there's almost nothing you can buy with Bitcoin that you can't buy with the money you already have, and a credit or debit card already lets you buy things online with minimal hassle and with fraud protection. Escrow is touted as a solution for this, but there are almost no working examples. When Butterfly Labs stiffed people on Bitcoin mining equipment, Bitcoiners who paid with filthy fiat via PayPal were able to raise chargebacks and get their money refunded, which many did gleefully;[104] those who paid with Bitcoin had no recourse other than the courts.
- Almost all online retailers who supposedly accept Bitcoin actually charge whatever the price of the product would be in conventional currency at the current exchange rate, then cash in the bitcoins as soon as is feasible. This raises questions about how stable Bitcoin's "economy" is when a lot of its participants wouldn't be involved if they couldn't get conventional money out of it.
- Being a distributed computing project means that Bitcoin transactions are at the mercy of not only network latency (like credit or fund transfer transactions) but the time it takes for the transaction to be processed and stored around the network. The protocol design is for this to take approximately ten minutes (average; in practice it varies randomly between a minute and several hours)—barely usable for network orders, but problematic for point-of-sale use (The beer-selling example doesn't bother reconciling in real time, as the owner is treating the Bitcoin risk as a marketing expense). In 2015, transaction times over an hour are increasing in frequency.
- Bitcoin is already failing to scale. It is limited to a *worldwide total* of 7 transactions per second, due to the

design of the protocol,[105] and around 2.7 transactions per second in practice.[106] (Compare PayPal, which claims 115 transactions per second average;[107] Visa, which ran approximately 15,000 transactions per second in 2013, with a capacity of 47,000 transactions per second;[108] even Western Union alone averages 29 transactions per second.[109]) The blockchain passed 10 gigabytes in September 2013, 20 GB in August 2014, 30 GB in March 2015, 40 GB in August 2015, 50 GB in December 2015 and sits at 75 GB as of July 2016.[110] This is large enough to be problematic for individuals to download, and its growth rate is increasing. A stress test by some Reddit /r/bitcoin posters sent confirmation times to *eight hours* with very little effort or expense.[111]
- Bitcoin has no intrinsic value or backing of any kind. It is based on "greater fool" theory, the idea of finding a ~~sucker~~ investor who will pay more than you did. Supporters of Bitcoin claim that fiat currencies also have no intrinsic value or backing, but this is not true functionally: governments accept fiat currencies as payment for taxes such as property taxes and income taxes, and taxes must be payed in the fiat currency even on barter transactions not involving the fiat currency. Some supporters of Bitcoin use something like the labor theory of value to say that Bitcoin's intrinsic value is a function of the electricity and equipment used in mining.[112] This makes absolutely no sense — just using up electricity doesn't mean you're creating something valuable.

- For those who prefer a non-virtual virtual currency, some companies came up with physical bitcoins. One of the more popular was the Casascius coin, which was forced to change into empty non-virtual virtual coins after the US Financial Crimes Enforcement Network classified the coins as a form of "money transmitting".[113] Fraud has been another concern with physical bitcoins.[113]


Physical bitcoins

Whenever some of these objections are raised, the common Bitcoiner reply is to think about things from the merchant's point of view — that they pay less in fees (which isn't necessarily true), or that they might get chargebacks (which can be defended against, and generally don't happen to merchants who don't actually scam people or rip them off). This ignores that most people don't care, and the few that do see enough benefit and convenience from being able to get fraudulently taken money returned to them that it doesn't actually bother them.

In practice, the only thing Bitcoin does better than conventional currencies and existing payment systems is to let libertarians buy illicit goods without having to go to the bad part of town and talk to minorities.

Other distributed cryptocurrencies

File:Altcoins symbols.png
Altcoin symbols

A number of copycat cryptocurrencies ("altcoins") exist as a consequence of the Bitcoin experiment, only a few of which, such as Litecoin and Dogecoin, have achieved any notability. A few of these have significant distinctions from Bitcoin, such as Namecoin which is part of a decentralized ".bit" DNS project[114] and Freicoin which incorporates demurrage to discourage speculative hoarding, but most of them are simple forks of the Bitcoin code. Since the media attention on Bitcoin in early 2013[115] a glut of such "coins" has flooded the market, with increasingly silly names like BBQcoin, Memecoin, Junkcoin, Sexcoin, and Shitcoin.[116] And don't forget Coinye West.[117]

Dogecoin

Dogecoin[118] gained some popularity on cuteness value and use for tipping on Reddit.[119] Unlike most altcoins, Dogecoin is slightly inflationary rather than deflationary.[120] Despite having similar get-rich hopes, Dogecoin fans are also notably less dickish than Bitcoin fans, though that's not hard to achieve.

Ethereum

Ethereum is the trendy altcoin in 2016, which offers a platform for smart contracts. (Imagine Bitcoin as a spreadsheet, Ethereum as a spreadsheet with macros.) In practice it's traded like any other cryptocurrency, with pumps[121] and dumps[122] and so forth, one of the most prominent Ethereum smart contract is an "honest Ponzi"[123] and another, "The DAO", lost $50 million to security bugs in the smart contract code.[124]

In addition, like many altcoins, Ethereum was substantially premined before a big launch sale[125] and its creator, Vitalik Buterin, is partially cashing out now it's been pumped; he describes this as "sound financial planning."[126]

Before Ethereum, Vitalik Buterin had proposed to solve an NP-complete problem in polynomial time by using a quantum computer. Of course, he didn't have a quantum computer, because nobody does. Instead, he was going to simulate it on a classical computer. Sadly for his Fields Medal hopes, he couldn't convince people to fund this enterprise.[127] The particular NP-complete problem he wanted to solve was not any of the zillions of long-known NP-complete problems it would have been useful to have a solution to — he wanted to use it to mine Bitcoins more efficiently. For some reason, even Bitcoin programmers make fun of his computer science skills.[128]

Reception

Many Bitcoin advocates really don't like altcoins:[129] most of the value proposition of Bitcoin is the strictly limited quantity available, and they perceive altcoins as undermining their hodling <sic>, instead suggesting the way to resolve Bitcoin's scaling problems without altcoins is with hypothetical add-ons such as sidechains.[130] (Though sidechain developers themselves are not so optimistic.[131]) They dismiss altcoins as scams (though they don't regard the substantially-premined Bitcoin as one). However, there is no way for them to stop altcoins from being created.

Scamcoins

To be fair, quite a lot of altcoins since the 2013 boom were *blatant* scams: make a coin, premine it, promise far-fetched features in BitcoinTalk's altcoin forum,[132] get it onto an exchange, sell it for Bitcoins. USBCoin, for example, netted 150 BTC this way.[133] DafuqCoin compromised exchanges because nobody checked the code before running it.[134][135] And then there's Ponzicoin, which quite openly ran a series of Ponzi schemes for several months as a form of gambling before shutting down due to operator error.[136] BitcoinTalk dealt with these coins *firmly*: it limited advertisement signature image dimensions.

The moral of the story

In a gold rush, the money's in selling shovels. Cash up front, please.

(Unless you're Butterfly Labs, in which case the shovel-sellers are crooks too.[137])

See also

- Bitcointistan

External links

- Bitcoin.org (http://www.bitcoin.org/)
- BitcoinTalk forum, glorious home of the revolution (http://forum.bitcoin.org/)
- Buttcoin, criticism by vicious statists who hate freedom (http://buttcoinfoundation.org)
- Bitcoin currency statistics and charts (http://blockchain.info/stats)
- The Bitcoin Bubble and the Future of Currency (http://medium.com/money-banking/2b5ef79482cb), Felix Salmon (The ultimate primer on why Bitcoin, if not drastically retooled, will eventually fail — and how some of its features may be repurposed elsewhere.)
- Use your computer for something actually relevant. (http://folding.stanford.edu/)
- Advanced Bitcoin Simulator (http://bitsim.beepboopbitcoin.com/) and Bitcoin Mining Profit Calculator: Gaiden (http://bitcalc.beepboopbitcoin.com/), brilliant dark satires of Bitcoin, its community and its history.

References

1. https://twitter.com/porn_horse/status/435568115791826945
2. As per the ISO currency code standard, "BTC" is actually incorrect as a descriptor for Bitcoin. Currency codes are made up of an ISO country code (e.g. "GB" for the United Kingdom) and a third letter denoting the currency unit ("P", so "GBP" for the pound sterling). "BTC" therefore would imply a Bhutanese currency. "XBT" is unofficial, but is in line with the standard as non-currencies like gold and international currency units get an "X" prefix. Of course, as Bitcoiners are often both ignorant of how the world works and arrogant enough to think they can sweep the whole lot away, this often gets ignored and it's referred to as "BTC" anyway.
3. What is Bitcoin and how does it work? (http://www.youtube.com/watch?v=ZT26y_l-jtI), Mashable
4. The Gospel according to St. Satoshi (http://bitcoin.org/bitcoin.pdf) (the original Bitcoin paper)
5. http://satoshi.nakamotoinstitute.org/posts/bitcointalk/127/
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7. Alleged Bitcoin inventor says Newsweek story is dead wrong (http://arstechnica.com/business/2014/03/alleged-bitcoin-inventor-says-newsweek-story-is-dead-wrong/), *Ars Technica*
8. 7 things you need to know about Bitcoin (http://www.pcworld.com/article/2033715/7-things-you-need-to-know-about-bitcoin.html), *PCWorld*
9. Meet the Suckers (http://www.businessweek.com/articles/2013-04-10/meet-the-bitcoin-millionaires#p1), it's like dot-com investing all over again! (5/6 are still in the game.)
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