

Just a few thoughts re negative aspects of Bitcoin/Cryptocurrency..

- 1) The reason for its popularity is its very instability, which can be/is orchestrated, eg by (inflationary) 'pump and dump', and, controlled by self-interested money-siphoning minorities. **(The current 'Trump Effect' being a good example. Mind you, the same can be said for poorly-regulated stock-markets...?)**
- 2) This instability is in contrast to conventional economies which strive to be stable, *with much finer tuning*, as/when required. *The inherent weak point of Capitalism is making money from money*, rather than from goods and services, plus, materially productive, and sound, investments. Bc/Crypto is a case in point. Strong stability controls make for a stable currency, and also, a more equitably administered one.
- 3) Conventional currency is 'diluted' when diverted to outside interests, especially when used to purchase Bc/Crypto, and, is then beyond any national economic/banking control.
- 4) Stable currencies do not mix well with tax evasion, black economy, and money laundering, and/or fostering financial instability/volatility, all characteristics of new virtual currencies..?
- 5) Conversion of Bc/Crypto to stable currencies is very difficult, because of legalities, checks and balances, money laundering, et al, and, its storage and safekeeping is always in the hands of self-interested 3rd parties, so, always a risk for the unwary. **Also, a trap for anyone with a gambling proclivity, fooling themselves that they are smart investors, rather than just gambling addicts...**
- 6) Countering conventional economic depreciation, by 'investing' in Bc/Crypto, is a specious argument, as all currencies, black, white, crypto, have a necessarily relative value, and thus, are measured against each other....plus, if cashing in Bc/Crypto is problematic anyway, nothing gained, much lost..?
- 7) When the power goes off, there is no Bc/Crypto access, plus, maybe no Bc/Crypto, when the the power eventually comes back on....? 'Maybe' would also be conditional as to losses when the power goes off, locally, internationally, or even globally. (Pencil, paper, and carrier pigeons notwithstanding.....)
- 8) With stable currencies, there is stable storage/banking, and, your money remains, whether the power is on or off...plus, is always accessible..! Thus, cash-in-hand will always be an important component of stable currency.
- 9) Conventional money management extends well back in history, long before virtual currency was developed, and, can still readily adapt to function optimally when the power goes off. Thus, *in spite of* siphoning, roting, embezzling, counterfeiting, inflating, deflating, and now, even haphazardly virtualizing; *MONEY*, as formal, collectively recognised, relatively valued currency, still survives, as it has done for millenia, *as a medium of exchange* that promises to pay, cash in the pocket, deposits at the bank, et al.
- 10) Note that EFTPOS, et al, is actually form of virtual currency, which no sensible person would ever want to be 'crypto-ized'...?? Plus, to reiterate, conventional/fiat hard cash will never be eliminated, note.....
- 11) Conventional banking can actually learn new ways of maintaining stability, and accessibility, from the era of Bc/Crypto, especially in regard to inflationary pitfalls of making money from money....so, in reality, Bc/Crypto is really just another passing financial phase...?
- 12) Excessive energy use, for 'mining', makes crypto-currency an energy parasite, and thus, an environmental hazard. Plus, the whole arcane aspect of blockchains, et al, which is so energy dependent, does not automatically justify, or legitimise, its continued 'relevance' and 'use'.

So, thoughts from someone who dislikes pieces of paper, likes a quiet life, and, is glad of a conventional bank account, plus, not much interest really, re general money topics.... However, still happy to be a Devil's Advocate re such topics, on occasion....

A Parable For Our Times: <https://www.express.co.uk/finance/personalfinance/2073109/my-biggest-investment-mistake-this>