

## **Should we consider Bitcoin as new money?**

### **Bus./Industry**

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### **The creation of cryptocurrencies is the result of man's search for a more efficient currency.**

By Michael Pento for Cointelegraph\*, Oct 10, 2017 Cryptocurrencies are being billed as a new and improved form of money that has been offered to us courtesy of technological evolution. There is a big problem with this conclusion. That is, digital money is not money at all. And proving this truth serves to underscore why gold has been utilized as the best form of money for thousands of years. In the 2013 film titled "Her," lonely Theodore, played by Joaquin Phoenix, falls in love with Samantha, an operating system. Despite Samantha's lack of physical presence, the two have a somewhat normal relationship that includes vacations, socializing with friends, fights and even jealousy. But just as the audience starts buying into this unconventional pairing the plug is pulled on Samantha, and she disappears into a cyberspace vortex; leaving poor and lonely Theodore heartbroken. At the dawn of the twenty-first century, this is where we are as a society in a place where the digital and real world collide. Social media has supplanted socializing, texts have replaced phone calls, and artificial intelligence may soon outstrip actual intelligence. Robots may soon rule the world! In this fast-changing environment, it's easy to believe that cyber currencies should inevitably replace fiat money; and even that "barbarous relic" gold. After all, the motivation to find as many escapes from debt-based central bank confetti is indeed alluring. And herein lies the attraction of cryptocurrencies such as Bitcoin—it uses the revolutionary blockchain technology that is managed by the free market, not by a government. It is decentralized, anonymous, and has been hugely profitable. In fact, this year we have seen digital currency prices go higher not by percentages but by multiples. This has caused Bitcoin to achieve the "most crowded trade" status, measured by sentiment in the monthly global Bank of America Merrill Lynch Fund Managers survey; as its price has surged by 330 percent this year alone. But, JPMorgan's CEO Jamie Dimon isn't beguiled. He believes the online currency is just as fleeting as the Theodore's Samantha and will soon leave investors equally as heartbroken. He contends that bitcoin "is a fraud." "It's just not a real thing, and eventually it will be closed." But it's not just Jamie Dimon, who has a vested interest in protecting the banking system and the fiat currency that inhabits it, that is questioning Cryptos. Founder of the world's largest hedge fund Ray Dalio believes Bitcoin is a bubble. Dalio contends that unlike gold, "it's not an effective store-hold of wealth." Oaktree Capital Management's Howard Marx agrees, stating, "they are not real—nobody has been able to make sense to me of these currencies." Marx explains that one of the biggest pitfalls of bitcoin and its fellow cryptos is they are mostly used to buy other "imaginary" money or used it to invest in companies that create other new currencies. [hellip;] <https://born2invest.com/articles/consider-bitcoin-new-money/> Editor's Note: We have and will continue to publish articles relating to cryptocurrencies. However, we want to clarify that our only interest is to help readers by providing information that we believe might be of help in making investment decisions. We receive no income from any of the articles we publish on this subject and have no financial interest whatsoever in any separate or pooled cryptocurrencies.