

Look Toward Cryptocurrency's Future

It seems nearly everyone is talking about Bitcoin and Dogecoin, as well as the thousands of other cryptocurrencies, these days.

Cryptocurrency is seen as a tool for financial freedom and privacy, as a way to hide profits from crime, and as a way to gamble and get rich (or go broke) quick.

Depending on how it's used, it can be all those things and more.

The prices of cryptocurrencies, as measured against government fiat currency like the U.S. dollar, rise and fall, often based on nothing more than a comment from Elon Musk.

Some worry that Bitcoin and other cryptocurrencies aren't based on anything. Why do they imagine this is different than modern government money? The only reason a dollar has any value is because people imagine it does, based on the U.S. government's promise to keep stealing from productive people far into the future.

Governments generally fear cryptocurrency and most want to regulate it. They frame this as "protection" for the people, but if that's part of the story, it's a small part. Mostly they want to tax it and stop it from freeing you from their control of the money supply. If you have alternative money, their inflationary schemes don't work as well for them and their cronies.

They see this as a problem; I see it as freedom.

I don't believe governments will ever be able to control all cryptocurrency. They will keep trying and will have some limited successes, which they'll publicize to try to scare you away from it.

If you want to try it, please diversify. Don't put all your eggs in one basket. Not only should you get several different cryptocurrencies, but get some physical gold and silver, too, and even some of those U.S. dollars. Realize, though, the dollars will continue to lose value due to the Federal Reserve's irresponsibility.

Recently there was some concern that Bitcoin is a climate disaster in the making, taking too much energy to create and trade. This ignores the environmental impact of creating and using dollars, or even silver and gold and barter, too.

Everything has a cost. Accept this reality and make your choice.

I don't know what's in the short-term future for cryptocurrency. In the long term, I think it will replace government fiat money. Money of some kind will continue to be useful for

trade. You should be able to decide what money you use.