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FOREWORD

Gradually, Then Suddenly

By Marty Bent

The fall of 2008 was a formative time for a lot of people around the world. The financial system was crumbling, there were worries that banks were going to run out of money, people were losing their jobs, and public officials were scrambling to figure out a way to hold everything together. Ultimately, the solution to ensure that the world didn't completely fall apart was for central banks and governments to embark on an unprecedented campaign of bailouts and money printing—socializing losses of Wall Street investment banks that stemmed from poor risk management. Emergency measures, which started with the Toxic Asset Relief Program (TARP) and quantitative easing, snowballed into a decade of monetary expansion and artificially low interest rates that led to a massive misallocation of capital and asset price inflation.

It is all a bit poetic when you think about it. The fall of 2008 can be interpreted in two ways: as a seasonal marker of the time of year when everything blew up, or a marker of greater significance that represents the complete and permanent departure from any semblance of sane monetary policy. The response to the Great Financial Crisis marked a point of no return. The powers that be could have made the hard decision to let the markets clear and wipe out all of the bad debts in the system, but instead, they chose to double down on the madness—creating a system of ever more perverse incentives that have only exacerbated the original problems underlying the crisis. The normalization of bailouts and money printing that began in 2008 sent the United States down a path of monetary ruin that

cannot be walked back or undone. The fiat system is too far gone to be fixed. As our good friend Parker likes to say, “There is simply too much debt and not enough dollars.”

Luckily for me, as fate would have it—just as the global financial system was melting down—I was a seventeen-year-old high school senior taking an economics class taught by a professor of the Austrian School who viewed the Great Financial Crisis as an incredible opportunity to illuminate our class about just how messed up the fiat system had become. Mr. Robson had us poring through the TARP bill to highlight all of the “pork” we could find in the form of handouts, unnecessary laws, and unrelated spending that got swept into the bill by politicians who saw TARP as an opportunity to get their special interests financed. *Never let a good crisis go to waste.*

As one might expect, everything about the response to the crisis left a very bad taste in my mouth. Beyond the TARP bill, Mr. Robson pointed out the insidious nature of the bailout process and had us asking questions like: Why did they let Bear Stearns and Lehman Brothers fail, but not Goldman Sachs or JP Morgan? Who is going to pay for this at the end of the day? Why do taxpayers have to pick up the \$700 billion bill when the big banks got us into this mess? What’s to prevent this from happening again in the future? All very heavy questions for a naive seventeen-year-old to ponder as he was simultaneously watching his father silently struggle through the crisis as someone who had built his career in the asset management business and had been negatively affected by the market implosion.

Needless to say, this was a formative period of my life. How could everything be so broken and corrupt?

Funnily enough, around the same time I was having my formerly naive worldview completely shattered while sitting at my desk in Mr. Robson’s class, Satoshi Nakamoto emerged out of the ether to let the world know that he had been “working on a new electronic cash system that’s fully peer-to-peer, with no trusted third parties.” The fully peer-to-peer electronic cash system with no trusted third parties was called bitcoin, and it changed the course of human history when it officially launched in January 2009.

I didn't come across bitcoin until I was a junior at DePaul three years later, and I don't even recall exactly how I initially got exposed to it. However, I do remember being immediately drawn to the idea of a form of money that existed beyond the control of governments. I certainly didn't have a full grasp of how bitcoin worked when I stumbled upon it, but I had an intuition that it was something I should take the time to understand. Back in that era of bitcoin, the resources to learn about the protocol and its implications were severely limited—from bitcointalk.org to Twitter, Reddit, a few poorly produced podcasts, some YouTube channels, and (thankfully) the Satoshi Nakamoto Institute. There was a lot of noise at the time, and it was truly hard to get a firm grasp on what was actually happening.

There were people saying that bitcoin would not work because the government would never allow it. Others would deride bitcoin for being too cumbersome and slow to fulfill the role of the world reserve currency. There was always a new, "shinier" object that had improved (supposedly) on bitcoin's original design to bring the market what it actually needed. The "distributed ledger technology" was the real innovation. Bitcoin was just a rough prototype—so said the critics.

It took me a long time to get my bearings in the world of bitcoin, altcoins, and "blockchain technology." After many years of deep research, contemplation, and traveling down the path set forth by many pied pipers—affinity scammers who emerged in the wake of bitcoin's success—I finally came to the conclusion that bitcoin was (and is) the only thing that matters in the world of "crypto." Bitcoin is a form of money that no one can print or control and that is of immense value to the entire world. While I do not regret the path I took to reach that conclusion, I also do not think it is a journey that everyone should similarly suffer. As it stands today in 2023, there has never been a better base of educational content for people to arrive at the realization that bitcoin is the best form of money humans have ever come into contact with, and in my humble opinion, there is no better "zero to one" primer that explains what bitcoin is, how it works, why it's important, and why it likely won't be usurped than Parker Lewis's *Gradually, Then Suddenly*.

This book addresses all of the questions I spent years trying to answer. Is bitcoin viable as money? Why bitcoin, not blockchain? How can we be sure it isn't a Ponzi scheme? Why can't bitcoin be copied? Why does bitcoin use so much energy? Why are blocks only produced every ten minutes? Can we really run a global economy using a form of money with a hard-capped supply? Parker methodically explores all of these questions and more with concise articulation that is unrivaled.

I'm excited for you. I really am. I am extremely fortunate to be able to call Parker a close friend and mentor. My journey from Mr. Robson's class to bitcoin came full circle years later when I read a research paper Parker wrote on the financial crisis, quantitative easing, and why the Fed was always going to have to print more money. It all fit into place. The paper articulated ideas I knew (or sensed) to be true but in a way that allowed me to see the problems of the broken fiat system more clearly than ever. Soon thereafter, Parker began writing about bitcoin as the solution. Through our friendship and his writing, Parker has helped me develop a better understanding of bitcoin, monetary economics, how to block out the noise that comes with "crypto," and how we are going to rebuild the economy under a bitcoin standard. We're at the early stages of a tectonic shift for humanity, and whether you realize it or not, bitcoin is at the center of that shift. While it may not feel like it, it is *morning* in America.

Bitcoin presents us with the opportunity to build a new monetary system in parallel to the incumbent system as it nears its death throes. We are incredibly fortunate that bitcoin was conceived when it was and that it has thrived ever since its launch. No longer does anyone have to depend on central planners to properly manage the money (and money supply). Bitcoin is an empowering tool that gives each of us a voice and a path to opt in to a more stable economic system. Everyone who adopts bitcoin—whether to save wealth or conduct commerce—is at the same time expressing both a vote of confidence in its monetary principles and a vote of no confidence in the fiat monetary system.

Bitcoin is a fully transparent open-source software project that enables anyone who is so willing to contribute—whether it be via improvement

proposals, code reviews, education, building infrastructure, or simply saving. Under fiat systems, everyone is subject to the whims of unelected academics who think they are smarter and “holier than thou.” It doesn’t have to be that way anymore. The bitcoin network returns sound money to the world. It is a beautiful thing that most people either take for granted or simply do not understand.

I have a feeling that by the time you are finished with this book, you will come to the same understanding. So, go forth and enjoy the eye-opening journey you’re about to take. It will be much smoother than the one I took to get to this point.