



CONFERENCE REPORT

Bitcoin 2023

May 18-20 · Miami, Florida

A Weekend Of Sunshine On The Bitcoin Industry

There is seldom a dull moment in Bitcoin as the internet attempts to improve the very concept of money. The 14-year-old experiment known as Bitcoin had evolved from an obscure novelty on a niche corner of the internet to a multi-billion-dollar asset class. Bitcoin's market capitalization is only a fraction of gold's, but this hasn't stopped Bitcoin from taking the world by storm.

In the beginning, Bitcoin enthusiasts were completely internet based; there were only a few hundred people worldwide who knew it existed. Today, the story is very different. Now, one would be hard pressed to find anyone with an internet connection who hasn't heard of Bitcoin. This international phenomenon has spawned significant events, like Bitcoin 2023 in Miami, where people from around the world and across a wide array of industries met to discuss what's next for the top digital asset.

In The Shadow Of The Bull Market: BTC Still Dominates.

The Bitcoin industry has taken some hits over the last two years. Bear market cycles are often traumatic but not unexpected given the macroeconomic backdrop and black swans such as the collapse of FTX that roiled the industry. Sudden, overnight markdowns hit portfolios, causing panic to ripple through the market. The predictable uptrend is gone and the easy money has vanished. Bitcoin didn't appreciate in value as an inflation-safety trade during 2022, but the moment that banks started seeing real difficulties in 2023, prices soared from their November lows. A loss of trust in the traditional financial system sparked a flight to safety into the strongest blue-chip digital asset.

The numbers are larger, with more participants than ever before, but in many ways this cycle shares many similarities with previous cycles. There have been hardships, lessons in trust and risk perception for both casual retail holders and larger institutional investors. However, there's always more to the story beyond price and the news.

Adoption is still increasing, new investment is entering the space, and just like in every prior cycle, new buyers show up to position themselves for the next cycle. While the end of 2022 was in no way fun for anyone in Bitcoin, we've been here before, and we will be here again. What we can do as an industry is ignore the noise and build the tools that empower everyone to be able to safely transact and embrace the ethos of Bitcoin.



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In Miami, Still A Bull Market For The Fundamentals Of Bitcoin And Unwavering Interest In The Industry

Bitcoin remains a shining beacon of certainty in uncertain times. Federal Reserve policy is an unpredictable force that can drastically move markets with a single offhand comment from Jerome Powell. Despite this, Bitcoin steadily continues processing blocks at the same speed and distributing rewards to miners every ten minutes. This was always the vision for Bitcoin, an impartial payment network, born out of necessity out of the financial banking failures of 2008, it continues existing and functioning despite the turbulence of monetary policy.

Bitcoin has always been a decentralized digital network, created by people but never controlled by people. The inputs and outputs of the network are guided by a simple algorithm. The distribution of rewards are consistently sent every ten minutes to miners who put in their work to the network. We know how much Bitcoin exists today, tomorrow, and fifty years from now. The value premise of Bitcoin above all else is a level of transparent consistency unseen in other assets. This pales in comparison to Fed policy, which can change at the drop of a hat. Bitcoin was created for this very purpose, to bring a firm asset to a world of soft money.

Coming together to discuss and celebrate Bitcoin in Miami is quite an experience, given the whirlwind industry has faced over the last year. With this event taking place on the heels of the worst year for the equities market in half a century, the recent banking U.S. crisis, FTX's implosion, and a new monetary policy stance that Bitcoin has never existed within. Despite these drawbacks, we are still here building the bright future of this industry, stronger than ever and ready for the new challenges ahead of us. Bitcoin's price decided to finally shine again in May 2023 as we saw the banking crisis drive new capital into the safety of Bitcoin, which is now up about 60% YTD.

We want to bring you the highlights and quotes that stood out during Bitcoin 2023---the world's largest Bitcoin conference. There is much more content that we simply could not cover in this piece and we highly recommend checking out the recorded streams on Bitcoin Magazine's YouTube channel

The Numbers Tell A Story

There are other statistics to examine beyond price when analyzing decentralized global currency networks, and they often paint a much more optimistic picture. Bitcoin continues to grow and adoption is still trending upward. It is a good market for patient investors, innovators, and builders.

No matter what the price of bitcoin is, the foundational principles of Bitcoin remain consistent and the network continues to grow.

BTC Adoption Estimates

Source	2016	2017	2018	2019	2020	2021	2022
Glassnode Addresses Non-Zero	9,137,574	17,962,463	25,433,191	30,543,568	37,445,302	41,943,715	43,214,624
Glassnode Addresses > \$100	1,531,822	4,381,185	6,559,013	8,001,272	12,392,354	13,400,793	15,570,359
Glassnode Addresses > 0.1 BTC	1,536,901	2,485,848	2,538,688	2,821,265	3,124,363	3,296,102	4,202,842
Glassnode Entities Total	7,251,967	12,627,745	15,344,132	18,909,034	23,057,697	28,324,013	35,175,876
GWI Crypto User Survey							811,303,162
Statista Cryptoasset Users	5,000,000	18,000,000	35,000,000		101,000,000	295,000,000	402,000,000
Crypto.com Total BTC Users					71,000,000	176,000,000	219,000,000
Coinbase Total Users			26,000,000	32,000,000	43,000,000	89,000,000	108,000,000
NYDIG American Survey					46,000,000		
NYDIG American Survey Extrapolated					779,479,874	787,496,583	795,395,257
Arcane Lightning Users Access						10,000,000	80,000,000
World Population	7,464,022,049	7,547,858,925	7,631,091,040	7,713,468,100	7,794,798,739	7,874,965,825	7,953,952,567

Source: [Bitcoin Magazine Pro](#)

The participation numbers for Bitcoin 2023 show us that nearly every major industry in the world is eager to tap into Bitcoin. While the largest group of professionals that attended is in finance, others also see the value proposition of Bitcoin and are interested in plugging into this space.

BTC2023 Conference Participation by Industry, Percentage of Total:

- Agriculture, energy and mining: 6.8%
- Arts, media and entertainment: 6.8%
- Education, nonprofits and community organizations: 5.3%
- Financial and professional services: 33.2%
- Food, retail and personal services: 5.4%
- Government and public sector: 1.23%
- Healthcare and biotech: 2.6%
- Real estate, construction and manufacturing: 5.2%

The Bitcoin network is spreading worldwide as people from more countries than ever before made the journey to Miami to network and engage with the Bitcoin ecosystem.

Bitcoin 2023, International Participation:

- At Bitcoin 2022, there were individuals from 79 countries.
- At Bitcoin 2023, there were individuals from 98 countries.
- This represents a 24% increase in international diversity.

Source: [Bitcoin 2023](#)

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Summary

Each day of the Bitcoin 2023 conference featured various themes and narratives. Before we dive into the heavy-hitting events, we wanted to provide a bird's eye view of what each day was covering.

Industry Day

Bitcoin 2023's Industry Day was for discussing the corporate infrastructures surrounding Bitcoin. This day had an informal theme of "reflection and regulation" in the wake of the past 12 months. There were panels on exchange failures, public miners, as well as credit and lending markets, but also spirited discussions on regulators and our paths forward. Building out a favorable regulatory framework between the legacy system and Bitcoin was another major theme. Dave Ripley and Mike Belshe, for instance, spoke on an excellent panel about the recent banking troubles. Over on the Enterprise Stage, we had a series of startup pitches as part of the [Bitcoin 2023 Pitch Day competition](#), with [Geyser](#) winning for its Bitcoin crowdfunding platform. This was a day for people who interact with traditional banking and financial markets to meet with active builders within the Bitcoin industry.

Day 1

The opening general admission day for Bitcoin 2023 had a distinctly-political theme, as prominent politicians and policymakers spoke of the virtues of Bitcoin and the importance of the U.S. maintaining its role as a leader in Bitcoin innovation. Participants from both sides of the aisle agreed that Bitcoin is aligned with many of the ideals that the United States was founded on, including freedom of expression and personal property rights. Michael Saylor spoke about Bitcoin in the corporate arena. A lively debate on Bitcoin Ordinals between the "Taproot Wizards" and technical content creator Shinobi took center stage to detail the recent fee spike on Bitcoin. The day capped off with an exciting announcement from the infamous Jack Mallers as he took his company Strike global.

Day 2

The final day of the event seemed like the perfect fit for community members who have been around a while. Major themes included self custody, Bitcoin banking and El Salvador's future. Max Keiser and Stacy Herbert spoke on "super-hyperbitcoinization" and their plans in the global south, including a major mining announcement. Zoltan Pozsar and Arthur Hayes gave a brief but deeply-technical and informative talk on the current status of broad markets and the Federal Reserve. Bitcoin 2024 was announced to be moving to Nashville, Tennessee. And we saw the closing panel featuring Matt Odell, Adam Back, and Jack Mallers bring us home with their perspective on how to truly be bullish on Bitcoin as a technology and how to truly value a peerless asset like bitcoin.

Industry Day

THURSDAY 5/18/2023



The Fed vs. The Financial System

Dylan LeClair, *Bitcoin Magazine* - Moderator

Ram Ahluwalia, *Lumida* - Panelist

Caitlin Long, *Custodia Bank* - Panelist

Mark Connors, *3iQ Corp* - Panelist

Amid a backdrop of untamed inflation and numerous major banks collapsing, the Fed is clearly struggling with its mandate to control inflation. Mark Connors warned that, *“Powell is standing on a single pogo stick trying to keep things together, and March was an example of what could happen, and will happen again.”*

The panelists placed much of the blame for the current banking crisis and broader inflationary spiral at the feet of the Fed and on rampant government spending. Caitlin Long said that the banking crisis is a *“giant advertisement for Bitcoin.”*

All panelists see the current fractional banking system as under duress. Connors warned: *“The Federal Reserve system and our banking system is fragile, (and) it is getting more fragile over time. The inflation rate and the money printing can only go one way (up). They only have two options—keep adding to the money supply, or break the banking system and have a default.”*

Long explained the slippery slope the country finds itself on: *“The moment you do the math you realize the (FDIC) insurance fund doesn't have the cash to pay out losses. It can borrow from the Treasury, but then there is this, ‘pesky little thing’ called the debt ceiling. In a financial crisis, Congress will probably just jettison the debt ceiling, but there goes the value of the dollar.”*

Ahluwalia asked, *“How do we fix the banks? It's time to start thinking longer-term instead of playing whack-a-mole, where every other week there is a bank failure.”*

Fighting The Anti-Crypto Army

David Zell, *Bitcoin Policy Institute* - **Moderator**

Dana Syracuse, *Perkins Coie* - **Panelist**

Perianne Boring, *Chamber of Digital Commerce* - **Panelist**

Mina Khattak, *Worldpay from FIS* - **Panelist**



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This exciting panel discussion dove into the regulation of digital assets, focusing on the root issues behind regulatory scrutiny, rising tensions with regulators and paths forward. The opening question set the tone: Regulators are putting digital assets in their crosshairs, but why?

Perianne Boring and Mina Khattak shed light on the reasons behind regulators' increased scrutiny of digital assets. Boring acknowledged that negative headlines and setbacks in

the digital asset space have provided regulators with ammunition to intensify their crackdowns. She also highlighted the challenge regulators face in containing technological advancements once they are introduced, as people become interested and demand them.

Khattak spoke on how the lack of regulatory guidance has prompted many banks to reconsider how they approach servicing the crypto space. The market turbulence experienced in 2022 has played a role in shaping their revised strategies.

Boring mentioned the significant efforts underway in Congress to develop comprehensive legislation and establish a regulatory framework for digital assets in the United States. This highlighted the recognition of the need for structured regulations and sets the stage for future legislative action in this area.

The moderator then said: *“We’ve talked about the anti-crypto army, we’ve talked about some of the public policy challenges that Bitcoin faces. The most important question is how do we fight back—what do we do next?”*

Syracuse suggested adopting a collaborative approach rather than engaging in direct confrontation with the anti-crypto army. He acknowledged the existing friction between the crypto space and regulators and highlighted the importance of finding common ground.

Boring chose to champion the crucial role of education in combating anti-crypto sentiment, as many individuals and policymakers lack a proper understanding of the technology. She criticized Senator Elizabeth Warren for her opposition to crypto and innovation, considering her a significant adversary that has *“completely sold out”* and who is *“not a friend to innovation.”*

Khattak outlined three requirements to effectively fight back: expeditious actions from regulators, policies that foster rather than hinder the industry's growth, and education for policymakers to ensure the development of sustainable guidelines for the future of Bitcoin.

The panel ended with an announcement from Boring:

“Today, we are calling for a digital asset and blockchain tech solarium commission, calling on Congress to create it to bring in our policymakers, regulators but also us, the actual experts as well as academia, to work together on a comprehensive approach and recommendations for our governments on how to address this technology in the digital age with the goal of advancing and protecting national security.”

Bitcoin & The Banking Crisis

Nolan Bowerly, *Coindesk* - **Moderator**

Mike Belshe, *BitGo* - **Panelist**

Dave Ripley, *Kraken* - **Panelist**



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This panel between the CEOs of BitGo and Kraken proved to be one of the highlights of Industry Day. Both Kraken and BitGo cater to some of the space's largest institutional participants and both share a top-down macro view of the Bitcoin and traditional finance ecosystems.

They were asked: What's going on with the reputation of U.S. commercial banks? Belshe delved into the failures witnessed in the banking sector and their underlying causes. He stated that this year has been a turning point in terms of the banks' reputations, pointing out that the risk management practices within these institutions may not be as professional as many believed.

Belshe reflected on the primary role that banks are expected to fulfill, which is to act as depositories and lending institutions that support the circulation of money within communities and facilitate the growth of small businesses. He highlighted the concern that banks have shifted their focus towards profit-making rather than strictly adhering to these responsibilities.

What went wrong? Belshe cut right into the issue of how the banks have run into problems:

"They printed a lot of money, they didn't have enough loan demand. So instead they park it into these long term t-bills and then everybody knows eventually interest rates are going to go up. What's going to happen when this occurs? Somehow they got on the wrong side of this. So the reputation is really tainted."

On the diminishment of power of the U.S. regulatory state, he noted that people have options now: *"History of mankind: power and money go together."*

Belshe acknowledged the historical correlation between power and money. He went on to explain that what attracts people to the cryptocurrency space is the realization that power has shifted away from the people, which goes against their needs. He sees Bitcoin as an opportunity to restore the balance of power. He contrasts the traditional Wall Street model, where those who manage money do not produce anything tangible,

with the crypto sector, which is actively building new products and involving new participants. Belshe expressed that, on the whole, people are not satisfied with the current balance of power and seek a more equitable and transparent playing field:

“The idea of a contrasting business model is starting to become obvious,” said Bauerle. “Running a fractional-reserve system where it’s all maturity transformation of loans to people. They’re basically a subscription base of mortgage holders.”

Belshe highlighted the contrasting business model emerging in the banking industry versus in Bitcoin, questioning the necessity of regional banks for lending and whether it aligns with current needs, in an environment where you can go online and take out a loan or a mortgage from a bank in a different part of the country. He stressed the importance of keeping money safe and expressed concern about the breach of responsibility by banks when depositors provide unsecured loans. Belshe pointed out that the decline in interest rates has affected the yield on deposits and raised doubts about the responsible management of funds by banks. Recent events have further revealed the vulnerabilities in the traditional banking system, potentially undermining trust in their practices.

On the impact of reputation issues and contrasting business models on their business growth, Ripley explained that Kraken serves as a bridge between the legacy banking system and the new system represented by cryptocurrencies. He noted that the bank failures affected crypto investors and businesses that used these banks. As a result, some individuals, businesses and clients of Kraken made a transition from relying on traditional banks to embracing Bitcoin and stablecoins.

In response to the frustration of operating in an unpredictable regulatory environment, Belshe highlighted the significant transformation brought about by the disruption of traditional notions of money. He acknowledged that it is natural for such a paradigm shift to require extensive education and understanding. The current systems have been completely upended, presenting an opportunity to reimagine and rebuild them. He further expressed his opinion that regulators, legislators, and the existing Wall Street incumbents have not been particularly adept at constructing effective systems in this new landscape.

Both Ripley and Belshe were asked to give their predictions for the future.

Ripley expressed his concern about the challenging situation faced by the Federal Reserve and banks and the difficult balancing act they must perform. With the potential for both bank failures and inflation, he questioned how they will navigate through this.

Belshe offered a more optimistic perspective, urging a shift away from political debates surrounding the matter. He believes that the focus should be on the fundamental importance of money and human rights. Rather than taking sides based on specific technologies or power dynamics, Belshe advocated:

“I care about people having the right to receive money, save money and later spend it on whatever they want.”

What Happened: Exchanges And FTX

Stephan Livera, *Swan* - **Moderator**

Oliver Linch, *Bittrex* - **Panelist**

Lule Demmissie, *eToro* - **Panelist**

Alex Leishman, *River* - **Panelist**

The panelists were asked what they think happened with the cryptocurrency exchanges that have recently failed.

Leishman attributed the issues with exchanges to a math problem rather than the presence of altcoins. He suggested that the problem lies in exchanges operating like hedge funds, using peoples' funds and promising yields. Society was conditioned to expect earnings on their funds and considered it a safe practice.

Then they were asked if they thought the lack of self-custody increased the impact of the FTXs of the world.

Linch touted the importance of educating people about the unique and valuable aspects of Bitcoin, including self custodianship. To achieve mass adoption, exchanges and market participants must understand this and promote self custody.

Leishman agreed that self custody would prevent similar incidents like FTX from occurring. He acknowledged that some people still prefer custodial solutions and highlighted that FTX offered benefits like yield on assets that are not typically available with self custody. Leishman also warned against blindly trusting institutions, regulators and governments, drawing a parallel with the confiscation of people's gold in the 20th century.

Linch stated that not all regulations and regulators are equal. He believes that the most effective regulatory environments for crypto are those specifically tailored to the unique characteristics of the industry, rather than applying traditional finance frameworks. He also touched on the importance of providing optionality, education and choice to the Bitcoin community.

Demmissie expressed optimism about the potential of industry collaboration with forward-thinking regulators to find solutions. She drew parallels to past crises in other markets, such as the 1929 stock market crash, where regulation and self-regulatory organizations were established instead of shutting down the market entirely.

Day 1

FRIDAY 5 / 19 / 2023

States Of Change

Perianne Boring, *Chamber of Digital Commerce* - **Moderator**

Cynthia Lummis, *United States Senate* - **Panelist**

Senator Cynthia Lummis has been a longtime and ardent proponent of Bitcoin in Congress. Due to ongoing debt ceiling negotiations in Washington, D.C., she explained that she was the only panelist who was able to attend this session as planned. Lummis discussed how her upbringing on a ranch taught her the value of hard work and fiscal responsibility, which she doesn't see in Washington, D.C. She warned that raising the debt ceiling isn't just a financial issue, but a national security issue as interest payments on the debt begin to exceed spending on national defense.

The senator from Wyoming hailed Bitcoin for being independent of government control and tied to time-honored American values. Lummis called for protection, nurturing, and innovation of BTC in the United States. Like many other Bitcoin 2023 speakers, said we should remain a leader in developing technology around Bitcoin instead of pushing it away.

She noted that Bitcoin is differentiated from other cryptocurrencies and advocated for categorizing Bitcoin as a commodity rather than a security.

Lummis also criticized the proposed tax on Bitcoin mining by the Biden administration, saying that Bitcoin mining should continue to take place in the United States to safeguard both national and energy security. She pointed to a problematic bill that would define miners as brokers (requiring KYC), saying it illustrated that many legislators lack a basic understanding of Bitcoin and mining.

While Bitcoin sometimes finds itself in the crosshairs of environmentalists, the senator described how in Wyoming, the use of stranded energy from remote oil wells to mine Bitcoin helps to capture and remove carbon from the atmosphere. Lummis hailed Bitcoin's usefulness in terms of stabilizing energy grids and its potential for sequestering carbon.

She closed by praising Bitcoin for its trustless nature, its ability to transact across national boundaries and the fact that it empowers individuals to take control of their lives, property and families.

Thermodynamic Savings

Michael Saylor, *MicroStrategy* - **Speaker**

Bill Miller IV, *Miller Value Partners* - **Speaker**



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Michael Saylor is famously known as Bitcoin's largest corporate bull. His decision to fill his company's (MicroStrategy) balance sheet with one of the largest stashes of Bitcoin sent shockwaves through the financial world in 2020. He was joined on Stage by Bill Miller IV, a portfolio manager for Miller Value Partners. With Saylor being such an eloquent speaker, there was a trove of knowledge shared that simply spoke for itself.

The session began with Saylor's rules for success, leading into how and with whom he spends his time and energy:

"In a world where everyone is dissipating their energy, the most rational strategy is to conserve your energy. Bitcoin is the ultimate conservative thing."

Miller responded:

"Bitcoin does change though, if we think about the past year... not only has Bitcoin changed in certain ways in the potential optionality of it... but the broader environment has changed in the past year. Can you talk a little bit about those things?"

Saylor acknowledged that the past year has brought significant changes and clarity to the Bitcoin space. He described bitcoin as a commodity and asset without an issuer, highlighting its ethical, stable and virtuous nature. Bitcoin is sought after by those interested in national security for its potential in providing cybersecurity, and by those seeking financial security as the most secure financial asset in the world.

Despite being perceived negatively, he views the market events of 2022 as actually benefiting Bitcoin. These events have accelerated the mainstream investor's recognition of Bitcoin's special qualities and its ethical, technical and economic soundness. They have contributed to a greater understanding within the technology community that Bitcoin is the most secure database and network in the world.

Miller then asked:

"MicroStrategy has been the biggest proponent on the corporate front for Bitcoin. I attended MicroStrategy's conference the other week to learn more about what MicroStrategy is doing and how they are incorporating Bitcoin with regard to their client offerings. Can you talk a little about that?"

MicroStrategy, as the biggest proponent of Bitcoin in the corporate world, has made significant strides in incorporating Bitcoin into its client offerings. Recently,

MicroStrategy announced the integration of the Lightning Network into its product, enabling microtransactions with Bitcoin for all of its marketers and customers. Saylor noted:

“Instead of buying \$50 million of advertising, we’re going to let them buy \$50 million of Bitcoin and then give it away in microtransactions via the Lightning Network to 50 million of their customers to drive traffic to their website.”

Saylor also discussed encouraging other corporations like McDonald's and Coca-Cola to adopt Bitcoin rewards for their customers and to hold Bitcoin on their balance sheets. “The universal frequent flier mile is the satoshi,” he said.

“Help me think through what decentralization could mean from an investor’s perspective buying MicroStrategy stock today versus how someone may have thought about it four or five years ago,” Miller asked. “How is it different and how the options may have changed?”

The adoption of decentralization and Bitcoin by MicroStrategy has fundamentally changed the perspective and options for investors. With the incorporation of bitcoin into its balance sheet, MicroStrategy has transformed its liability into a valuable asset, benefiting shareholders. Additionally, this move has provided an easy entry point for institutional investors seeking exposure to bitcoin. The integration of decentralization has reshaped investor perceptions and opened new avenues for investment in MicroStrategy.

“Conventional treasury strategy on a balance sheet, your balance sheet is a liability and your P&L has to grow faster than the monetary inflation rate,” Saylor said.

“Why haven’t more companies done this?” asked Miller. “What do we need to do to get them to more seriously consider this?”

Saylor had three distinct points in response:

- Fair value accounting being pursued by the Financial Accounting Standards Board (FASB) for bitcoin sometime in the future.
- Regulators are hammering over and over again the theme that bitcoin is an asset without an issuer, it's a commodity. The emergence of bitcoin as the "king crypto commodity" will cause the acceleration of institutional investors and corporate adoption.
- Emergence of Layer 2 and Layer 3 protocols (e.g., Lightning), all of which are attracting a new class of technology investors.

Saylor anticipates greater acceptance of Bitcoin in the mainstream investment landscape, along with its utilization in advanced applications, paving the way for increased institutional and corporate engagement with Bitcoin.

The Great Ordinal Debate

Pete Rizzo, *Bitcoin Magazine* - **Moderator**

Eric Wall, *Taproot Wizards* - **Panelist**

Udi Wertheimer, *Taproot Wizards* - **Panelist**

Matt Corallo, *Spiral* - **Panelist**

Shinobi Monkey - **Panelist**

This panel was a debate on the ongoing discussion relating to Ordinals: Are they an attack on Bitcoin or just a new Bitcoin feature? This was a fiery exchange of ideas featuring wizards on stage against some dissenters who believe it to be a malicious attack. It was not lacking in technical detail and those who are keen on engaging with the nuts and bolts should consider watching the full session.

Several important points rose to the top:

- Bitcoin has lessons to learn from Ethereum regarding mining-extracted value (MEV).
- The issue doesn't appear to be Ordinals themselves, but the BRC-20 tokens and NFTs they're used to create, causing speculators to use more of the Bitcoin mempool, raising transaction fees.
- Bitcoiners need to spend more time on usability and the social aspects of the network. While great technical achievements of scaling and operation have been conquered, other networks attract talent and capital due to their operability. Lightning still requires a large deal of technical ability for participation and launching any kind of tokens on Bitcoin can be difficult.

Robert F. Kennedy Jr. Keynote

Robert F. Kennedy Jr. was “orange pill” when the Canadian government froze the bank accounts of peaceful protesters during the 2022 convoy protests. This illustrated that financial freedom and freedom of expression are becoming increasingly intertwined. Kennedy explained:

“When I witnessed this cataclysm, this devastating use of government repression, I realized for the first time how free money is as important to freedom as free expression.”

Kennedy warned that totalitarian regimes want complete control over our lives, and that technological advancements have expanded their ability to monitor and control us. He saw the United States and other democracies exploit the pandemic to strip away essential constitutional rights and freedoms and on stage at Bitcoin 2023, reminded those in power that, *“The constitution has no pandemic exception.”*

Kennedy believes that Bitcoin serves as an important bulwark against further government and corporate overreach, as it allows us to bypass government control of the monetary system.

Kennedy outlined a sensible and comprehensive plan for how he will treat Bitcoin if elected president, most notably declaring that, *“As president, I will make sure that your right to hold and use Bitcoin is inviolable.”*

Kennedy pledged to defend the right to self-custody bitcoin and other digital assets, and stated that the government does not have the right to demand access to private keys and passwords.

Kennedy opposes the Biden administration’s proposed 30% tax on energy used for Bitcoin mining, saying that this would be invasive to American consumers’ privacy. He wants to ensure the U.S. remains a global hub for cryptocurrency innovation and development, and recognizes that many talented developers and major companies are working on advancing Bitcoin.

He acknowledged the need for sensible regulation in the crypto industry, also recognizing that Bitcoin's unique qualities make it resistant to the problems that have plagued other digital assets. Kennedy also said that he would consider pardoning individuals like Ross Ulbricht if he determines that they were unjustly targeted by the government.

Bitcoin miners can improve on their environmentalism, he noted, but he was clear that the environmental argument should never be used as a pretext to suppress Bitcoin.

Kennedy also announced that he is now the first presidential candidate to accept donations via the Lightning Network. *“I am an ardent defender of civil liberties,” he said. “Bitcoin is both an exercise and a guarantee of those freedoms.”*

Tulsi Gabbard Keynote

Tulsi Gabbard's speech highlighted the lack of profound leadership and an atmosphere driven by fear in Congress. She criticized the Democratic National Committee for suppressing dissent and demanding compliance, warning about the consequences of not falling in line.

Gabbard also discussed the manipulation of media and news to undermine democracy, highlighting the collaboration between the Biden administration and big tech to influence information presented to voters. She expressed concerns about the implementation of a central bank digital currency (CBDC), stating that it would compromise economic autonomy and freedom. Gabbard criticized the lack of understanding and negative stance on Bitcoin among many politicians, attributing it to their desire for power and control, which Bitcoin threatens. The point of Gabbard's speech seemed to be in bringing forward the need to challenge the prevailing narratives and protect individual freedoms from oppressive forces.

"When you look at any conversation in Washington around Bitcoin, the first thing you recognize is most of them don't even know what they are talking about," she said. "Bitcoin is a word people use... what does it mean? Nobody really knows but they know enough to know that they shouldn't like it because it will undermine their ability to control us."

Jack Mallers, Strike Keynote Speech

At Bitcoin 2023, Jack Mallers spoke about El Salvador and the consequences it has endured because of monetary inflation over the years. He led the audience through a portion of his first trip to El Salvador where he traveled to a small local circular Bitcoin economy. This inspired him to help El Salvador to engage with Bitcoin more effectively.

"This was never about the price."

Mallers worked with the government of El Salvador and acquired a license to operate an E4 (Strike's global presence) headquarters in the country. Mallers' first announcement on stage then unveiled the establishment of this new headquarters and revealed that Strike was available to 3 billion more people in countries around the world.



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He also announced that Strike now supports Lightning addresses using Strike usernames. Mallers is taking Strike global to drive adoption and make sure that as many people as possible around the globe can transact effectively using Bitcoin. Rapid expansion of onramps and other services are coming to Strike as it seeks to expand.

Day 2

SATURDAY 5/20/2023

Super-Hyperbitcoinization

Joe Hall, *Cointelegraph* - **Moderator**

Max Keiser, *El Salvador* - **Speaker**

Stacy Herbert, *El Salvador* - **Speaker**

Max Keiser and Stacy Herbert are two of Bitcoin's longest-running evangelists, having entered Bitcoin in 2011, long before most. Today, they are leading the charge to move as much Bitcoin talent as possible to El Salvador where the local government is doing everything it can to advance Bitcoin. While this panel was very much a Bitcoin-in-El-Salvador rally, it did also provide some very digestible perspective.

Moderator Joe Hall began by asking, what is *"super-hyperbitcoinization"*?

Herbert began by describing super-hyperbitcoinization as being available only once:

"There's only one Bitcoin. There's only one (President Nayib) Bukele. There's only one El Salvador, the savior, the ark, the Bitcoin citadel."

Herbert and Keiser noted that they are excited about the movement of human capital and Bitcoin corporations into El Salvador to use the Bitcoin-friendly country as a home base for global expansion under a regulatory-friendly framework:

"The best and the brightest are moving to El Salvador," said Herbert. "Fold, Jack Mallers, what's left for the other countries that follow? What's left? All the best and brightest are with us!"

Keiser then brought the discussion back to the question at hand:

"People are realizing that super-hyperbitcoinization is the way to fight super-high hyperinflation. We're at the endgame of the 300-year experiment of central banks."

Hall noted that Keiser has been predicting this endgame for some time now.

“The inherent fraudulent models that run these big banks are under the weight of their own fraud and they’re all collapsing,” Keiser added. “Bitcoin was really invented as a central-bank killer.”

After an impromptu audience poll, Hall noted that people aren’t necessarily using Bitcoin on a daily basis.

Herbert argued that this doesn't matter and emphasized that simply being involved in Bitcoin is more important than daily transactions. Holding bitcoin is equivalent to using it and being a part of the Bitcoin ecosystem is an active form of participation. Herbert mentioned that people have always attempted to use Bitcoin for everyday purchases like coffee. Herbert further highlighted the connection between Bitcoin and El Salvador, characterizing President Bukele as the current embodiment of Bitcoin.

Hall asked if the world would be super-hyperbitcoinized while there is crypto.

*“No, because crypto is just reinventing fiat money, a CBDC is a s***coin,” Keiser said.*

The ongoing collapse of Lebanon's central bank was referenced, highlighting the scale of urgency and importance of owning bitcoin. The Lebanese who have owned bitcoin have survived, though it’s not as necessary to own Bitcoin in the U.S. because, as Keiser stated, *“we are the empire.”*

Keiser again pushed the international narrative, speaking of a *“growing divide in the world”*

“The number of people joining BRICS (Brazil, Russia, India, China and South Africa) is vastly faster than the number of people who want to join NATO (the North Atlantic Treaty Organization). We’re entering into a BRICS versus NATO, global-bifurcated financial world. The global south is skewing towards perfect money — that is Bitcoin.”

Together, Keiser and Herbert closed out the panel by announcing that they are building out an El Salvador energy infrastructure project used for Bitcoin mining. They are expecting to become a top-10 Bitcoin miner within the next nine months.

Zoltan Poszar And Arthur Hayes: New Monetary Order

Arthur Hayes - **Speaker**

Zoltan Pozsar - **Speaker**



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Arthur Hayes and Zoltan Poszar had a highly-technical discussion on the current macro landscape which impacts not only Bitcoin, but broader markets and the Fed. They dug into the recent bank issues and how digital currencies are perceived by central banks.

Poszar believes that smaller banks got into trouble because they were not experienced in managing interest-rate and duration risk while praising the proactive response of the Federal Reserve in preventing a crisis following recent bank runs.

Hayes questioned whether the Bank Term Funding Program (BTFP) has addressed the root problem, to which Poszar responded that it addresses only half of the problem

by providing support for large banks. He mentioned that there is a playbook to manage banking issues and believes that the overall banking system is, *"fine, so to speak."*

They also discussed the reaction of gold and bitcoin to the BTFP, suggesting that it is seen as highly inflationary. Poszar believes that quantitative easing (QE) will have to be restarted due to government funding needs, and the Fed might use it to keep a lid on treasury yields. Hayes suggested the possibility of soft yield curve control, which Poszar agrees is possible, mentioning that:

"Everything in finance is a hierarchy and you need to think of everything in terms of a spectrum."

Hayes asked if Poszar thinks other countries have a similar set of problems.

"The Bank of Japan is not raising interest rates but they loaded up on a bunch of foreign bonds," Poszar said. "These issues are hiding and lurking."

"These things are in the system depending on how much higher interest rates go ... who gets hurt to what extent by (the real estate problems), these problems are going to continue bubbling up," Poszar continued.

Poszar discussed the complexity of tackling inflation and the challenges faced by the current Fed, including a labor shortage and limited investment in oil and gas. When asked about Federal Reserve Chair Jerome Powell's awareness of the situation, Poszar indicated that he believes Powell will try hard to bring things down but has an impossible job:

"The things driving inflation are a bunch of nonlinear things. The pandemic was a nonlinear thing. The response to the pandemic was a nonlinear thing, we overdid it. The war and geopolitics is a nonlinear thing."

They also touched on these nonlinear factors driving inflation, such as the pandemic and geopolitical events. Hayes inquired about the view of Bitcoin at the Fed, and Poszar highlighted the different approaches between eastern and western central banks regarding CBDCs. In the west, CBDCs are seen as a digital alternative, while in the east, the focus is on wholesale, cross-border transactions and de-dollarization.

The Biggest Bulls

Matt Odell - **Moderator**

Jack Mallers, *Strike* - **Panelist**

Adam Back, *Blockstream* - **Panelist**

The conference concluded on an optimistic note, as some of Bitcoin's "biggest bulls" talked about why owning bitcoin is so important to them. Strike's Jack Mallers returned to the main stage and was joined by Blockstream's Adam Back and moderator Matt Odell.

Odell was bullish on Bitcoin's future because of the individuals involved in the Bitcoin community and stressed the importance of holding one's own keys to ensure ownership of bitcoin.

Back pointed to the growing number of wallets that now own at least 1 bitcoin, which recently surpassed one million, as a sign of growing Bitcoin adoption as more people aim to become "wholecoiners." Back initially asked himself, "*Why stop at one million? Let's get to ten million next,*" but then realized that this probably isn't possible, because as 9 million more people strive to become wholecoiners, it may push the price of bitcoin beyond the point that most people would be able to obtain a whole coin. Back reflected on the fact that, "*maybe we're at or very near to peak wholecoiners — the maximum number of people who will ever be able to accumulate a single bitcoin, which I thought was a pretty bullish metric.*"

Mallers praised the fact that between 80% and 95% of Strike users often immediately withdraw their bitcoin from the app, preferring to self custody their bitcoin.

Back also brought up the value of owning bitcoin with no traceable history, as it provides insurance against potential confiscation or pressure to hand over bitcoin since there is no financial trail.

Back also said that if you don't own any bitcoin, you are essentially short bitcoin, and he would be more nervous about this than the volatility of bitcoin itself. He said that whenever the price slumps, he feels calm because he maintains a *"portfolio mentality"* — he still owns the same quantity of bitcoin and is focused on the long term. They mentioned the shift from a fear of holding BTC to a portfolio mentality, where individuals become more calm and focused on the long-term perspective.

Back also said that when he has some fiat currency in his portfolio, he starts to feel more worried and moves it back into bitcoin because statistics show that if you miss the 12 biggest days of gains of the year in bitcoin, you would lose money year over year, so there is no sense in trying to time the market in his view, he would prefer to just hold for the long term.

Meanwhile, Mallers said that he isn't concerned by price swings because he doesn't think the world knows how to value something that is truly and definitively scarce like bitcoin. Mallers said that when it comes to other assets, demand finds supply, meaning that, *"If the price of gold is going up enough, it will go up to a price where people are willing to take the gold out of their mouths."*

He contrasted this to bitcoin, which is truly scarce in that there will only ever be 21 million bitcoin, no matter how much demand there is.

Mallers observed that there are only two definitively scarce things in life: time on this planet, and the 21 million bitcoin that will ever exist, so the only thing he can relate the value of bitcoin to is time itself, saying that the only thing that is more scarce or more valuable to him is his life:

*"For everything else in your life, there will be more supply if there is enough demand. There could be all the demand in the world but nobody can create more BTC—in the same way that you can't live forever. So I'm really, really f*cking bullish. I don't know how the world is going to price this."*

Closing Thoughts

The Bitcoin 2023 conference showcased the resilience of Bitcoin amidst a challenging macroeconomic environment. Serving as a hedge against reckless monetary policies, Bitcoin has proven its worth throughout 2023. The conference brought together essential participants who recognize the enduring strength of Bitcoin's fundamentals, with a focus on expanding its reach beyond the internet and into the hands of individuals worldwide. Regardless of one's role, there are ample opportunities to engage with this revolutionary currency network, which empowers individuals to navigate a world of financial instability. Bitcoin 2023 emphasized the enduring commitment of its community, as builders and innovators continue to develop the ecosystem. By taking a more pragmatic view of Bitcoin's global impact, the conference highlighted its true nature as a secure and decentralized payments and savings network that grows scarcer over time. As Bitcoin withstands the test of time, its network continues to thrive, presenting an unmatched opportunity for individuals to participate in this digital revolution.

We thank you for reading our conference summary and look forward to bringing it to you again in the future [from Nashville in 2024](#).

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