

# Re: Bitcoin v0.1 released

"Hal Finney" Sun, 11 Jan 2009 10:22:14 -0800

Satoshi Nakamoto writes:

- > Announcing the first release of Bitcoin, a new electronic cash
- > system that uses a peer-to-peer network to prevent double-spending.
- > It's completely decentralized with no server or central authority.
- >
- > See [bitcoin.org](http://bitcoin.org) for screenshots.
- >
- > Download link:
- > <http://downloads.sourceforge.net/bitcoin/bitcoin-0.1.0.rar>

Congratulations to Satoshi on this first alpha release. I am looking forward to trying it out.

- > Total circulation will be 21,000,000 coins. It'll be distributed
- > to network nodes when they make blocks, with the amount cut in half
- > every 4 years.
- >
- > first 4 years: 10,500,000 coins
- > next 4 years: 5,250,000 coins
- > next 4 years: 2,625,000 coins
- > next 4 years: 1,312,500 coins
- > etc...

It's interesting that the system can be configured to only allow a certain maximum number of coins ever to be generated. I guess the idea is that the amount of work needed to generate a new coin will become more difficult as time goes on.

One immediate problem with any new currency is how to value it. Even ignoring the practical problem that virtually no one will accept it at first, there is still a difficulty in coming up with a reasonable argument in favor of a particular non-zero value for the coins.

As an amusing thought experiment, imagine that Bitcoin is successful and becomes the dominant payment system in use throughout the world. Then the total value of the currency should be equal to the total value of all the wealth in the world. Current estimates of total worldwide household wealth that I have found range from \$100 trillion to \$300 trillion. With 20 million coins, that gives each coin a value of about \$10 million.

So the possibility of generating coins today with a few cents of compute time may be quite a good bet, with a payoff of something like 100 million to 1! Even if the odds of Bitcoin succeeding to this degree are slim, are they really 100 million to one against? Something to think about...

Hal

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