Here's an idea Bitcoins and unusual hats are changing currency. In the way that the US has the buck, Brazil has the Conto, and Canada has the Loonie, the Internet has the Bitcoin. The Bitcoin is a decentralized digital peer to peer crypto currency. It doesn't rely on any physical note and it isn't regulated, controlled, or anything really by a central issue authority like the Federal Reserve or uncle moneybags. Because no one is in charge that doesn't mean you can just make infinite money in order for currency to have value has to be scarce. You can only print, mine, or mint a certain amount. Bitcoins are generated by networked computers solving complex cryptographic puzzles. It's sort of like you're asking a computer to solve a Rubik's cube with aside for every color of the visual spectrum. This hard work makes Bitcoins and maintains not only scarcity but market stability. I know it's pretty crazy and a little hard to explain quickly so if you wanna know more we'll put some links in the place where links go.

Now state currencies even Loonies can be exchanged for Bitcoins and back again making it fully convertible. So you can spend your Bitcoins on all kinds of stuff mostly internet stuff like hosting and backup services, but also candy, and cupcakes, who doesn't love cupcakes. You can do this even though they're just ones and zeros generated by a computer on a network somewhere. Bitcoins are traded by people who have all agreed that they have a value and so “Tada!” They do. Which actually makes them a lot like hats. Well sort of, bear with me for a second, about two years ago and it was estimated that Valve’s online first-person shooter Team Fortress 2 was worth about $22 million dollars. Not in revenue, not in terms of IP, but in hats. Digital, tradable, hats. You see in 2009, Valve introduced one hat for each of the tf2 player classes, you know spruce up your character, give them some style, but since then they've introduced over 250 more hat types ranging from pretty mundane hat type hats, to some really weird and more importantly, rare digital headgear. The rarest of the rare headgear is called usual and as is normally the case with rare and unusual things people want them, a lot. And so where do they get them? Good question. They get them from crates. Crates can only be opened if you have a key. A key what you have to, ready, pay real money for. So about one percent of the time you use your “it costs money key” to open your crate you will get unusual hat.

Now if it wasn't already interesting and complicated here's where it gets really interesting and complicated. Hey, hey, hey what is going on here?

Players can trade hats and all other items for that matter but we're talking about rare and valuable hats. Which no one’s gonna wanna just, giveaway. It's gonna cost you. Trades are paid for with PayPal and sometimes even Bitcoin but many trades are paid for within in game material called refined metal. Remember those crates. The other 99 percent of the time that there isn't an unusual hat in there you get weapons, or a sandwich, or socks. This stuff can be scrapped and combined to create refined metal but remember you paid money to open your crate. This gives refined metal a value and because it's tradable between players in game it becomes a peer to peer digital currency for buying hats. 22 million dollars worth of hats.
Yeah, I found this backstage an oversized hat, funny.

The really great part though is that the source of that value the crates are dropped at a rate determined by the amount of time a player is in game. Sounds a little familiar doesn't it? Add to this the fact that items much like Bitcoins can be tracked and time-stamped and that while they are generated by a central network they are effectively traded freely between players and we've maybe made the case for a second hugely successful alternate digital currency.

Now this whole thing really indicates some mind blowing stuff about money. Let's not mince words, Bitcoins and refined metal, and I'm sorry, hats, no matter how unusual are worthless.

Don't get me wrong, the dollar, and the euro, and the yen, might also be worthless in that they have no intrinsic value, like gold. But they are the fuel for global exchanges and markets and economies with widely traded and accepted physical manifestations.

No one will refuse a dollar because it's not worth anything. But really, weirdly, it's not. This is just some cloth with ink on it. And debit cards and credit cards are just further abstractions. The gold standard was abandoned long ago replaced by an artificial scarcity maintained by some very smart people, in very tall buildings, somewhere important.

But we have this weird ingrained cultural make-believe time where we all pretend that this thing, has some value. Which it does, but it's because we pretend not because it has any intrinsic value. Dollars are one kind of worthless. Bitcoins and refined metal are a different kind of worthless; they're like baseball cards or the stuff that they find on Storage Wars. They can only be converted into lunch money after finding someone who agrees; yes, the publicity stately steel toe is worth thirty dollars. But that doesn't change the fact the two years ago the equivalent of sixty percent of Tuvalu's GDP was wrapped up in America's number one war themed hat simulator. And that Bitcoin the world's most popular alternative currency worth over 200 million US dollars and growing. But you're right no one's gonna be buying dinner or a car with hats or even Bitcoins for that matter anytime soon. But these currencies especially Bitcoins, prove something. Both about the growth of internet culture with a capital C. I mean if Tuvalu gets a currency why not the internet. And also about our willingness to take matters into our own hands. The DIY mentality has gone from desks and cars, to computers, biology, chemistry, and now currency. If our currency and our credit system is already ones and zeros but unreliable and confusing ones and zeros after years of tinkering in turmoil. Why not design a new currency with all the benefits but none of the baggage. And yeah maybe this is just a flash in the pan reaction to the global economics sad party and a growing distrust of government bodies to maintain a stable currency. But even if it is it seems to work. And as Daniel Webster said "a disorganized currency is one of the greatest political evils."

Which means maybe this sound {crate opening sound} is the sound of orderly progress.