Twitter Thread by David Schwartz



David Schwartz
@JoelKatz

@HypeBillion @MycolePawket If the whole world settled on one stablecoin, I'd agree with you. But stablecoins are always going to be tied to jurisdictions and counter-parties too. So it is unlikely one winner will emerge.

@VentureCoinist @HypeBillion @MycolePawket Today, one of the roles of the dollar is acting as an intermediary or bridge between currencies. For that role, its tie to the US jurisdiction is both an advantage and a disadvantage. Better US than a worse jurisdiction, but a pure digital asset is better still.

@VentureCoinist @HypeBillion @MycolePawket Imagine a future (maybe not so far off) where everything is tokenized and you can have your salary agreed in dollars but gold gets delivered to your wallet and you can buy groceries by selling tokenized shares of a REIT.

@VentureCoinist @HypeBillion @MycolePawket In that world, there will need to be concentrations of liquidity. You can't go from gold to shares of an obscure REIT by finding people who want to go those same shares to gold. The liquidity-concentrating asset likely can't be one country's currency. How could that be universal?

@VentureCoinist @HypeBillion @MycolePawket So, sure, if you get paid in dollars and pay your bills in dollars, it may make sense for you to use a dollar-denominated stablecoin for short-term holdings and payments. Absolutely.

@VentureCoinist @HypeBillion @MycolePawket But I can't see a $-denominated stablecoin being your direct connection to the rest of the world economy because it's neither universal nor neutral. For one thing, it will only be used by people who would do business with its counterparty and who find its jurisdiction friendly.

@VentureCoinist @HypeBillion @MycolePawket Medium-sized FIs have been pretty receptive to the argument that they're not going to get everyone else to use a system they control and, given that, surely they would they prefer a system nobody can control to one that's controlled by their largest competitor/adversaries.

@VentureCoinist @HypeBillion @MycolePawket I know this is pretty far out there, and maybe I'm just a bit crazy to suggest this, but maybe some governments will see the wisdom of this same reasoning. If they can't run the system, maybe a system nobody can run is better than one run by their geopolitical adversaries.

@VentureCoinist @HypeBillion @MycolePawket My personal vision for XRP, since 2013 or so, was this idea of deep, open, public pools of liquidity that anyone, anywhere could contribute to and draw off of -- a global market for assets that someone happens to already have exactly where someone else happens to need them to be.