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Bitcoins to Stablecoins part1: The Rebels Built a Dollar

Bitcoin set out to replace the banks. Seventeen years later, crypto's biggest success is a digital dollar, and Visa is helping run it.

By **Manasee Kurlekar** | October 13, 2026



On 3 January 2009, an anonymous coder calling himself Satoshi Nakamoto mined the first block of a new currency. Inside it, he embedded a newspaper headline from that morning's *Times* of London:

"Chancellor on brink of second bailout for banks."

It was a timestamp and a manifesto at once. The world's banks had just blown up the global economy, and governments were printing money to save them. Bitcoin was the answer: money with no central bank, no bailouts, no middleman. Just maths and a public ledger.

Hold that thought. Because the story of digital money is the story of how that rebellion slowly, almost comically, circled back to the US dollar.

? Act 1: The Protest Note (2008-2013)

The Bitcoin whitepaper landed on a cryptography mailing list on 31 October 2008. Nine pages. One idea: let strangers send value to each other without trusting a bank, by having thousands of computers agree on a single shared record.

For years, nobody cared. Bitcoin was worth fractions of a cent. In May 2010, a programmer in Florida paid 10,000 bitcoins for two Domino's pizzas. At the peak value that stash later reached, those were the most expensive pizzas in history, worth over a billion dollars.

The early economy was small and strange: hobbyists, libertarians, and darknet markets like Silk Road. Then in 2014, Mt. Gox, the exchange handling most of the world's Bitcoin trades, collapsed after losing hundreds of thousands of coins.

The lesson came early: removing the bank didn't remove the risk. It just moved it.

? Act 2: From Rebellion to Wall Street (2017-2025)

Then the money arrived.

The 2017 boom took Bitcoin near \$20,000 and made "crypto" a dinner-table word. In 2021, El Salvador became the first country to make Bitcoin legal tender (a move it walked back in 2025 as part of an IMF deal). Corporations started holding it on their balance sheets.

The real turning point came in January 2024, when US regulators approved spot Bitcoin ETFs. BlackRock, the world's largest asset manager, was now selling Bitcoin to pension funds. By October 2025, Bitcoin hit an all-time high above \$126,000.

Then, days later, came one of the largest liquidation cascades crypto had ever seen, with billions in leveraged bets wiped out in hours. Today, Bitcoin trades around \$85,000, roughly a third below its peak.

And here's the uncomfortable truth hiding in that chart. **Bitcoin won as an asset. It lost as money.**

You can't price a salary, a rent cheque or an invoice in something that can drop 30% in a year. Satoshi wanted digital cash. The market built digital gold.

⚖️ **Act 3: The Coin That Doesn't Move**

Crypto had a plumbing problem. Traders needed somewhere to park value between bets without cashing out to a bank. The answer was almost embarrassingly simple: a token that's always worth exactly one dollar.

That's a stablecoin. For every token, the issuer holds a dollar (or a short-term US Treasury bill) in reserve. Redeem the token, get your dollar back.

Tether launched its USDT in 2014. Circle followed with USDC in 2018. For years they were crypto's back-office utilities: boring, essential, and frequently questioned.

The questions were fair. In 2021, the US Commodity Futures Trading Commission fined Tether \$41 million over claims that its tokens were fully backed at all times, a civil settlement in which Tether neither admitted nor denied the findings. In May 2022, the algorithmic stablecoin TerraUSD, which used code rather than cash reserves to hold its peg, collapsed and erased tens of billions of dollars in value within days. In March 2023, even the "safe" USDC briefly slipped

below a dollar when Silicon Valley Bank, which held part of its reserves, failed.

Each crisis taught the same thing: a stablecoin is only as stable as what's sitting behind it.

? Act 4: The Dollar Walks Back In

And yet, the stablecoin kept growing, while everyone was watching Bitcoin's price.

Five years ago, the total stablecoin market was under \$50 billion. In May 2026, it hit a record of roughly \$322 billion. More than 95% of it is pegged to the US dollar.

These aren't just trading chips anymore. People in Argentina, Nigeria and Turkey use them as a savings account that doesn't melt with their local currency. Exporters use them to settle cross-border invoices in minutes, not days. Monthly settlement volume now runs into the trillions.

Washington noticed. In July 2025, President Trump signed the **GENIUS Act**, America's first federal law for stablecoins: full reserves, redemption rights, licensing, and a ban on paying interest to holders. Regulators missed the law's one-year deadline to finalise the detailed rules, and the US Treasury was still proposing them as recently as August 2026. But the direction is set.

Then the establishment moved in:

- **Circle** listed on the New York Stock Exchange in June 2025, and its shares more than doubled on day one.
- **Tether**, which left the US market in 2018, came back in January 2026 with USAT, a GENIUS-compliant coin issued through a federally chartered bank, with Cantor Fitzgerald managing reserves.
- And on **30 June 2026**, Visa, Stripe, BNY Mellon, BlackRock, Coinbase, Alphabet and more than 100 other firms launched **Open Standard**, a consortium issuing its own dollar stablecoin, Open USD. Stripe is making it the default for businesses on its platform. Visa has built a platform for banks to mint and move it.

Sit with the irony for a second. Bitcoin was born out of distrust of the financial establishment. Its most successful descendant is now co-run by the card networks, the world's largest asset manager, and a 240-year-old bank.

There's a second twist. Every dollar of stablecoin has to be backed by something, and that something is mostly US Treasury bills. Stablecoin issuers have quietly become some of the steadiest buyers of American government debt. A technology designed to escape the state now helps finance it.

?? Act 5: The Question for Everyone Else

For the US, this is a win: the dollar gets a new, borderless, 24/7 delivery system.

For everyone else, it's a sovereignty problem.

If a shopkeeper in Lagos or a freelancer in Manila can hold digital dollars on their phone, what happens to the local currency? To the central bank's control over money supply? To capital controls?

India has given the clearest answer: not here. The Reserve Bank of India has repeatedly argued that central bank digital currencies, like its own e-rupee, can deliver everything stablecoins promise without handing monetary control to private, foreign-currency issuers. In July 2026, the RBI went further, telling lawmakers that banks and financial institutions should be barred from holding or trading crypto and privately issued stablecoins altogether. Its argument: India already has UPI, one of the world's fastest payment systems. It doesn't need someone else's dollar to modernise.

Not everyone in New Delhi fully agrees. The government's own Economic Survey signalled openness to a stablecoin framework. And with an estimated 39 million crypto traders, India's users are already voting with their phones.

That tension, between dollar-based digital money spreading from below and sovereign digital money pushed from above, is the real currency war of the next decade.

? The Closing Ledger

Satoshi's genesis block was a protest against bailed-out banks and printed money.

Seventeen years on, the crypto product with real-world traction is a token whose entire value depends on the US dollar, backed by US government debt, regulated by US law, and increasingly distributed by Visa and Stripe.

You could call that the revolution's defeat. Or you could call it its strangest victory: crypto didn't replace the old system. It rebuilt the plumbing, and the old system moved in.

Either way, the question is no longer *whether* money goes digital. It's *whose* money it will be.

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