

Thread by The Bitcoin Historian (@pete_rizzo_)

In 2008, Satoshi Nakamoto started a monetary revolution with #Bitcoin.

But by May 22, 2010, hardly anyone was using it.

The Amazing Story of the pizza purchase that changed history, and the man who spent \$2.8 billion to transform money forever



Image

1/ Laszlo Hanyecz discovered #Bitcoin in April 2010 when it was under \$0.01

He had a “few friends” who were mining it, but there was no real economy.

At its peak, his own wallet held 81,000

\$BTC

The screenshot displays the following data:

Metric	Value
TOTAL TX COUNT	3344
CONFIRMED TX COUNT	3343
CONFIRMED RECEIVED	3307 outputs (81432.09126218 BTC)
CONFIRMED SPENT	3299 outputs (81432.09105984 BTC)
CONFIRMED UNSPENT	8 outputs (0.00020234 BTC)
UNCONFIRMED TX COUNT	1
UNCONFIRMED RECEIVED	1 output (0.00000560 BTC)
TOTAL UNSPENT	9 outputs (0.00020794 BTC)

The page includes the Bitcoin History logo and is presented by Casa.

2/ But excitement around #Bitcoin was building.

A user listed

\$BTC

for sale at \$0.0007

Someone traded 5,000 BTC for \$5 USD

But even Satoshi believed Bitcoin needed to be backed by more real-world commerce.

What is Bitcoin's value backed by?

Bitcoin is valued for the things it can be exchanged to, just like all the traditional paper currencies are.

When the first user publicly announces that he will make a **pizza** for anyone who gives him enough Bitcoins, then he can use Bitcoins as payment to some extent - as much as people want **pizza** and trust his announcement. A **pizza**-eating hairdresser who trusts him as a friend might then announce that she starts accepting Bitcoins as payment for fancy haircuts, and the value of the Bitcoin would be higher - now it would be backed by **pizzas** "and" haircuts. When Bitcoins have become accepted widely enough, he could retire from his **pizza** business and still be able to use his Bitcoin-savings.

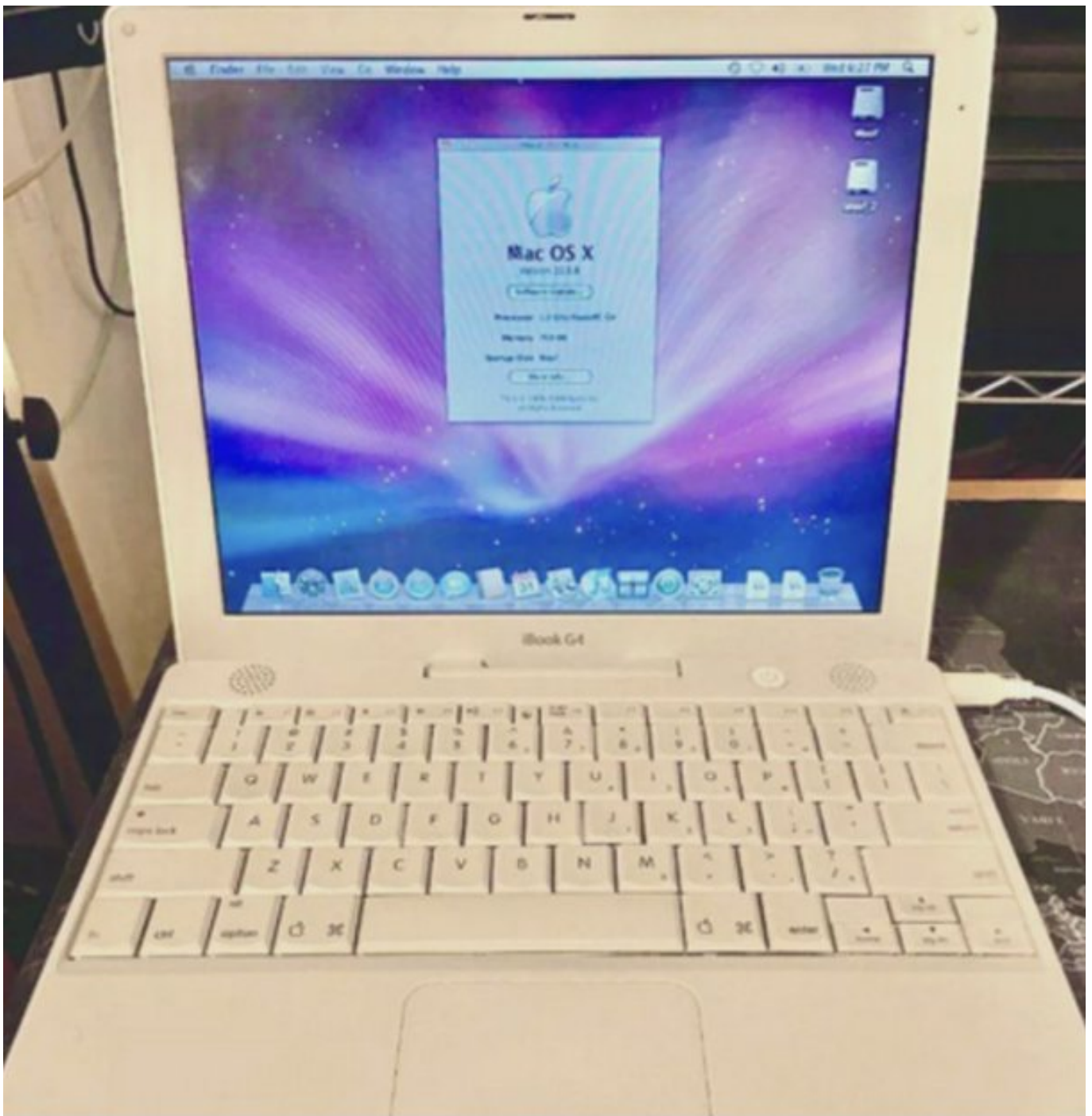
Currently, Bitcoin is in beta development stage, and some new features need to be implemented before the system is well suited for real use. The system already works on the basic level, though, and you can trade with it if you want to.



3/ Laszlo didn't just want to mine #Bitcoin, he wanted the project to succeed.

Back then, the software was only available for Windows.

Laszlo translated Satoshi's code for Mac, allowing more users to run the software on laptops like this:



bitcoin history

PRESENTED BY  Casa

Image

4/ Soon, Laszlo became one of Satoshi's most trusted code contributors.

Here's Satoshi and Laszlo talking about what happens to lost #Bitcoin, and how its limited supply makes all

\$BTC

more valuable

virtualcoin
(OP)
Newbie


Activity: 13
Merit: 1



Re: Dying bitcoins
June 21, 2010, 03:54:43 PM

So how am I able to transfer less than BC0.01 without getting the message "error in amount" from the bitcoin program?

#5

laszlo
Full Member


Activity: 199
Merit: 2182



Re: Dying bitcoins
June 21, 2010, 04:33:00 PM

The current user interface doesn't support smaller than 0.01 increments but it is possible to support it in a future revision.

BC: 157fRrqAKrDyGHR1Bx3yDxeMv8Rh45aUet

#6

satoshi
Founder
Sr. Member


Activity: 364
Merit: 6723



Re: Dying bitcoins
June 21, 2010, 05:48:26 PM
Merited by EFS (100), fillippone (20), o_e_l_e_o (4), Stunna (3), vapourminer (2), Husna QA (2), OgNasty (1), LoyceV (1), m2017 (1), nullama (1), solosequenosenada (1)

Lost coins only make everyone else's coins worth slightly more. Think of it as a donation to everyone.

Quote from: laszlo on June 21, 2010, 01:54:29 PM

I wonder though, is there a point where the difficulty of generating a new coinbase is so high that it would make more sense to try to recover keys for lost coins or steal other people's coins instead? The difficulty of that is really high so for now it makes a lot more sense to generate but I just wonder what the real figures are.. would that ever become more productive? Maybe Satoshi can address this..

Computers have to get about 2²⁰⁰ times faster before that starts to be a problem. Someone with lots of compute power could make more money by generating than by trying to steal.

#7



Image

5/ Here's another discussion where Laszlo and Satoshi talked about his plans for #Bitcoin's scalability

The

\$BTC

price had hit a high of \$0.05

Users were worried about the long-term value of their new digital money

jib (OP)
Member



Activity: 92
Merit: 10



Scalability
July 12, 2010, 11:36:17 AM

#1

Am I correct in understanding that every node receives information about every transaction (as the technical paper says)? Doesn't that make bitcoin completely impractical for use as a currency on a large scale?

laszlo
Full Member



Activity: 199
Merit: 2182



Re: Scalability
July 12, 2010, 12:28:24 PM

#2

Why do you say that? Pretty much every P2P system works by replicating the information across all the participating nodes, even 100G movie packs for BitTorrent - we're talking about less than a kilobyte of information for a transaction.

BC: 157fRrqAKrDyGHR1Bx3yDxeMv8Rh45aUet

satoshi
Founder
Sr. Member



Activity: 364
Merit: 6723



Re: Scalability
July 14, 2010, 09:10:52 PM

#38

The design outlines a lightweight client that does not need the full block chain. In the design PDF it's called Simplified Payment Verification. The lightweight client can send and receive transactions, it just can't generate blocks. It does not need to trust a node to verify payments, it can still verify them itself.

The lightweight client is not implemented yet, but the plan is to implement it when it's needed. For now, everyone just runs a full network node.

I anticipate there will never be more than 100K nodes, probably less. It will reach an equilibrium where it's not worth it for more nodes to join in. The rest will be lightweight clients, which could be millions.

At equilibrium size, many nodes will be server farms with one or two network nodes that feed the rest of the farm over a LAN.



bitcoin history

PRESENTED BY



Image

6/ Laszlo was quick to innovate.

He was the 1st user to mine #Bitcoin, not with his laptop, but with more powerful graphics cards.

He took computer hardware for video games (that looked like this) and dominated the race for blocks



 **bitcoin history**

PRESENTED BY 

Image

7/ Laszlo's rig was so powerful, he mined 35,000

\$BTC

in just 6 weeks

He was effectively 10% of the network, earning 700

\$BTC

every day

Here he is consolidating some of those thousands of BTC he mined back in 2010

510582f67b3009ec0d984dd5bb7c92e84b338de80b372c4507f6834644726b7c 2010-06-11 21:05

⊖ P2PK	04c190a777f706... 1a4843c0	50,00000000 BTC	1XPTgDRhN8RFnzniWCdd_KZatrvH4	1.250,00000000 BTC ⊕
⊖ P2PK	04f31317594fa4... 9dec36ca	50,00000000 BTC		
⊖ P2PK	040336b003b4d1... 3a47ce16	50,00000000 BTC		
⊖ P2PK	04b76458171ae1... f4935729	50,00000000 BTC		
⊖ P2PK	04a44de922b39f... 78ef19aa	50,00000000 BTC		
⊖ P2PK	047cc62bceb860... e495e22c	50,00000000 BTC		
⊖ P2PK	04de20d9bf4bdd... ac20808b	50,00000000 BTC		
⊖ P2PK	04d89d1e83a42e... 5f8552e7	50,00000000 BTC		
⊖ P2PK	040dd070da72a7... c58a1b70	50,00000000 BTC		
⊖ P2PK	04ef1f55134614... 761be3f1	50,00000000 BTC		
⊖ P2PK	04484f0af7cde2... 238541fd	50,00000000 BTC		
⊖ P2PK	04f8325d0f9b1a... 07552b8d	50,00000000 BTC		
⊖ P2PK	041e0b0489ddf0... 17e3ed26	50,00000000 BTC		
⊖ P2PK	04adb9dd582082... 7ecb3652	50,00000000 BTC		

 **bitcoin history** PRESENTED BY 

8/ 1 person wasn't happy though: Satoshi

In fact, he wrote an email to Laszlo saying he wanted to delay the #Bitcoin mining "arms race."

He urged Laszlo to think of how he could give back to the community of

\$BTC

users

A big attraction to new users is that anyone with a computer can generate some free coins. When there are 5000 users, that incentive may fade, but for now it's still true.

GPUs would prematurely limit the incentive to only those with high end GPU hardware. It's inevitable that GPU compute clusters will eventually hog all the generated coins, but I don't want to hasten that day. If the difficulty gets really high, that increases the value of each coin in a way since the supply becomes more limited. The supply is the same: 50 coins every 10 minutes.

But GPUs are much less evenly distributed, so the generated coins only go towards rewarding 20% of the people for joining the network instead of 100%.

I don't mean to sound like a socialist, I don't care if wealth is concentrated, but for now, we get more growth by giving that money to 100% of the people than giving it to 20%. Also, the longer we can delay the GPU arms race, the more mature the OpenCL libraries get, and the more people will have OpenCL compatible video cards. If we see from the difficulty factor that someone is using too much GPU, we can certainly pick this OpenCL stuff up again then. Maybe my effort to maintain GPU innocence is running out of time. It's worked out so far.

Satoshi



Image

9/ Inspired by Satoshi, Laszlo decided to buy pizza with #Bitcoin.

So, on May 18, 2010, he offered to pay 10,000

\$BTC

to anyone who bought his family dinner.

10,000 BTC was worth only ~\$41

laszlo
Full Member
👤👤👤

 **Pizza for bitcoins?**
May 18, 2010, 12:35:20 AM

#1

Posts: 193



Ignore

I'll pay 10,000 bitcoins for a couple of pizzas.. like maybe 2 large ones so I have some left over for the next day. I like having left over pizza to nibble on later. You can make the pizza yourself and bring it to my house or order it for me from a delivery place, but what I'm aiming for is getting food delivered in exchange for bitcoins where I don't have to order or prepare it myself, kind of like ordering a 'breakfast platter' at a hotel or something, they just bring you something to eat and you're happy!

I like things like onions, peppers, sausage, mushrooms, tomatoes, pepperoni, etc.. just standard stuff no weird fish topping or anything like that. I also like regular cheese pizzas which may be cheaper to prepare or otherwise acquire.

If you're interested please let me know and we can work out a deal.

Thanks,
Laszlo

BC: 157fRrqAKrDyGHR1Bx3yDxeMv8Rh45aUet



bitcoin history

PRESENTED BY



10/ 3 days later, Laszlo had yet to strike a deal.

He went back to the forums to raise the price of his 10,000

\$BTC

offer.

Some questioned why he was doing it. He said he thought it would be interesting to say he "paid for a pizza with

#bitcoin."

laszlo

Full
Member



Posts:
193



Ignore



Re: Pizza for bitcoins?

May 21, 2010, 07:06:58 PM

#8

So nobody wants to buy me pizza? Is the bitcoin amount I'm offering too low?

BC: 157fRrqAKrDyGHr1Bx3yDxeMv8Rh45aUet



bitcoin history

PRESENTED BY



Image

11/ Laszlo went on to share his location to interested #Bitcoin users, and to talk about his favorite pizzas.

He proposed someone could even order online from his local Papa John's.

Here's the actual store where the pie was made:



bitcoin history

PRESENTED BY



Image

12/ 3,000 miles away a 19-year-old student answered his call to action.

Jeremy "Jercos" Sturdivant got on his laptop and completed the order, swapping 10,000

\$BTC

for \$40.

Here's a rare photo of a #Bitcoin legend.



13/ Here's what the transaction looked like on the #Bitcoin blockchain.

We can see the date and time the transaction occurred, and the wallet addresses Laszlo used.

10,000

\$BTC

was sent across the world for \$0 fees

Transaction a1075db55d416d3ca199f55b6084e2115b9345e16c5cf302fc80e9d5fbf5d48d 787439 confirmations

Timestamp	2010-05-22 14:16 (14 years ago)	Fee	99,000,000 sat \$0.00
	Consolidation	Fee rate	4,191 sat/vB Overpaid 4191x
		Miner	Unknown

Flow Hide diagram



[Show more](#)

Inputs & Outputs Details

 1XPTgDRhN8RFnzn1wCdd...KZatrvH4	150.00000000 BTC	175kEw2md5avVnyYgj6R...wkXaxFyQ	10,000.00000000 BTC 
---	------------------	---------------------------------	---

 **bitcoin history** PRESENTED BY 

14/ On May 22, 2010, HISTORY WAS MADE

Laszlo quickly took to the #Bitcoin forums to share the news. Users were overjoyed

laszlo

(OP)

Full

Member



Activity:

199

Merit: 2182

→ **Re: Pizza for bitcoins?**

May 22, 2010, 07:17:26 PM

Merited by *EFS (100)*, *fillippone (12)*, *vizique (10)*,

paxmao (10), *o_e_l_e_o (4)*, *dragonvslinux (2)*,



xtraelv (2), *Farul (2)*, *vapourminer (1)*, *cAPSLOCK*

(1), *Searing (1)*, *ABCbits (1)*, *BitcoinFX (1)*, *600watt*

(1), *DdmrDdmr (1)*, *Husna QA (1)*, *TheBeardedBaby*

(1), *DireWolfM14 (1)*, *Toxic2040 (1)*,

Heisenberg_Hunter (1), *nullama (1)*, *Spray. (1)*,

TotSamiy (1), *Aricoin (1)*, *dektox (1)*

#11



I just want to report that I successfully traded 10,000 bitcoins for pizza.

Pictures: <http://heliacal.net/~solar/bitcoin/pizza/>

Thanks jercos!

BC: 157fRrqAKrDyGHR1Bx3yDxeMv8Rh45aUet



bitcoin history

PRESENTED BY



15/ Here's a picture of the two 10,000

\$BTC

pizzas.

At \$70,000, each pie cost \$350 million

Each slice cost \$43 million



16/ Laszlo wasn't done with his experiment.

1 month later, he kickstarted the thread again, saying it was an “open offer,” that he was willing to buy more pizza with #Bitcoin.

Rumor has it he bought 6 more pizzas, meaning he spent 40,000

\$BTC

worth nearly \$3 billion today

laszlo (OP)
Full Member



Activity: 199
Merit: 2182



→ **Re: Pizza for bitcoins?**
June 12, 2010, 08:14:44 PM

#14

This is an open offer by the way.. I will trade 10,000 BTC for 2 of these pizzas any time as long as I have the funds (I usually have plenty). If anyone is interested please let me know. The exchange is favorable for anyone who does it because the 2 pizzas are only about 25 dollars total, maybe 30 if you give the guy a nice tip. If you get me the upgraded extra large ones or something, I can throw in some more bitcoins, just let me know and we'll work something out.

My 1 year old daughter really enjoys pizza too! She just smears it all over her face if you give her a whole slice, but she does eventually manage to get most of it in her mouth (minus a few loose toppings of course).

BC: 157fRrqAKrDyGHr1Bx3yDxeMv8Rh45aUet



bitcoin history

PRESENTED BY



17/ Today, Laszlo has the distinction of eating the most expensive pizza in history.

But – more importantly – he kickstarted the #Bitcoin economy, helping pave the way for financial freedom.

Here he is telling the story on 60 Minutes in 2019:

18/ Today, Laszlo's story has become legend.

There's even a plaque at the Jacksonville Papa John's commemorating his #Bitcoin payment.

Papa John's

Makers of the famous Bitcoin Pizzas

May 22, 2010



Jacksonville Florida -
Home of the First Bitcoin Purchase

Donated by the Jacksonville Bitcoin meetup

www.facebook.com/JacksonvilleBitcoin/



bitcoin history

PRESENTED BY



Image

19/ The story is even taught in economics classrooms.

Here's SEC Chair Gary Gensler talking about the pizza purchase with his MIT students in 2021.

20/ Today, Laszlo has no regrets.

In 2018, he bought two pizzas with #Bitcoin again, becoming one of the first to use the new Lightning Network for payments



21/ Today marks the 14th anniversary of #Bitcoin Pizza Day, which is now commemorated globally.

How are you celebrating?



Image

Very cool: Pizza lovers who sign up with

@CasaHODL

today can get their money back in #Bitcoin

Self custody + free

\$BTC
