

Buy The Future! Now With 80% Less War!
How “stateless money” like Bitcoin will reduce global warfare

I just had a fucking
epiphany

The text came from my friend Adam; he’s in his early thirties, has a long-term girlfriend, and is about to become a licensed physician. We’ve been friends since the 5th grade. We first bonded over our mutual love of the Middle Ages, and we’ve been discussing “empires” of various types ever since.

He and I had been discussing the rise of global superpowers during the 20th century: from Hitler’s Germany to Stalin’s Russia, and Mao’s China to “The people’s” United States of America, all these war machines seemed to have an unlimited amount of money to fund their campaigns. I mentioned the printing press as the culprit – not for books or speech, of course, but for *money*. Each of these governments could effectively “print” all the money they wanted and spend it on guns and bombs and death. His follow-up text came immediately:

Fiat currencies only exist
so that there can be
wealth transfer from
individual to government

He is 100% correct. Fiat currencies – like the dollar, euro, yen, yuan, pound and hundreds more – only exist so that the respective government can swipe a little wealth out of everyone’s pockets on demand. They’re not taking *physical units* of currency out of people’s pockets, of course, but they do take *purchasing power*. But how? Simple. It all boils down to supply and demand – not just the supply and demand of *stuff*, but supply and demand of the monetary units too:

1. The government prints new units of “money” and gets to buy stuff (effectively, the government is getting “free stuff” that the rest of us had to produce, which is obviously a good deal for the government).
2. This government spending represents increased demand for whatever goods and services the government buys; this increased demand will cause higher prices for these products.
3. When you or I want to buy these goods and services at any point in the future, we have to pay the new higher market prices, which means that we can afford to buy less. We just lost purchasing power, which is obviously a bad deal for us citizens.

This process continues to repeat – day after day, month and month, year after year – in every major country in the world. Prices go up continuously because the government prints “money” continuously. Put another way, the government increases the supply of money way faster than the economy can increase the supply of stuff. So the ratio of “money to stuff” keeps going up. That ratio is effectively the *price level*.

Once you recognize that a government has access to a wealth-on-demand button, understanding the incentives regarding “national defense” and military spending is simple: since *that other country* is stealing money from *its* citizens to build up *its* military, we had better do the same to ours.

After a century of this global arms race, we have multiple decades-long wars in some “distant land” that the majority of the public can’t even identify on a map. We have nuclear stockpiles to wipe out all of humanity several times over, and an annual “death” budget that grows like a cancer.

Hahaha yeah

You know that Ron Paul quote?

“It is no coincidence that the century of total war coincided with the century of central banking.”

Ron Paul is a former US Congressman, and he spent his entire 37-year political career advocating a return to the gold standard – i.e. a form of money that the government can’t print. If a government can’t print its money, it has to earn and spend honestly, like its citizens.

So what do we do

return to gold standard?

Is that only option?

seems archaic

I understood his point. The gold standard not only *seems* archaic, it *is* archaic – at least from an information-age perspective. It's hard to carry gold around in our pockets. It's hard to make small purchases (or recurring purchases!). And it's *really* expensive to send over long distances.

When we last used a gold standard, we didn't actually *move* the gold back and forth. We used paper receipts that entitled the bearer to redeem for gold at a bank. Over time, this system was abused: the guys who ran the printing press started printing more paper than they had gold to back it up. Eventually (in 1971), the government just decided that they weren't going to honor this "golden rule" anymore. And that's how we got to where we are today – the pieces of paper aren't backed by any gold at all.

It would be abused again

But now we have another option

You ever hear of Frederick Hayek's quote from 1986? Predicting a solution

While I waited for his reply, I tapped open Safari so I could find the quote I was looking for. I copied and pasted into a new text message:

"I don't believe we shall ever have a good money again before we take the thing out of the hands of government, that is, we can't take it violently out of the hands of government, all we can do is by some sly roundabout way introduce something that they can't stop."

Frederick Hayek knew that ultimately the only solution to the problem would be to introduce something that the government "can't stop." What could that be? Well, it took 23 years for Hayek to get his answer; it took mere minutes for my friend:

something they can't stop

like what?

Think of it like this:

There exists an *idea* for a global, decentralized, peer-to-peer, proof-of-work system, that cannot be printed, censored, or reversed by any third-party including governments.

AKA There exists an idea for stateless money, right?

right

Well, that's the point.

The current implementation of that idea is "Bitcoin," but whether it's Bitcoin forever – or becomes something else – is secondary. The point is that the cat is out of the bag. The shift is inevitable.

People can now choose to use a stateless money

A few moments passed. I fantasized that he was pondering as deeply as I was. Perhaps he was reworking his worldview to absorb this new information. I gave him a little taste of a Victor Hugo quote I love:

"Nothing is as powerful as an idea whose time has come."

Of course I couldn't see him on the other side of our text messages, but I have to assume he was nodding in agreement.

If they can't print it, they have to earn it

Earn or tax, yeah

People won't tolerate it

Right now they have no choice

With bitcoin they have a choice

Exactly

gov will print into oblivion

people will stop using
gov money

they will use bitcoin
instead

100%

And next? Next came the realization for him that tied it all together. How the money was intimately connected to the global war games. He realized not just how the wars got so inflated (no pun intended), but how they would ultimately be scaled back.

if people dont use gov
money, gov cant pay for
war

at least not as much

yeah, only what citizens
WANT to spend on war

prob just defending
homeland

not attacking others

Yep, I would suspect
that's how most people
in the world feel

We sat in silence for a few minutes without exchanging messages. I had just begun to feel that the conversation had died out, and then came the final punctuation. Adam had copied the Victor Hugo quote from before. We both knew that it was his way of saying “yep, this is inevitable.”

“Nothing is as powerful
as an idea whose time
has come.”