NATIONAL BITCOIN

People's Monopoly on Money and Right of Nations for Self-Bitcoinization

https://nationalbitcoin.org/

National Bitcoin is a framework

for currencies with limited emission
and inclusive initial distribution,

designed for
interconnected regional
commonwealths,

to soften the shock
of the inevitable upcoming
modification of reserve currencies.

Abstract

Competition and cultural diversity are necessary for the development of mankind. Economic and political boundaries between states, countries, and provinces are the basis for competition rules.

However, over the past thirty years, the views of unification have dominated. The unipolar world order has led to an information bias. The inhabitants of the whole planet experience obstacles to free political will. Unique cultures, civilizational continents risk disappearing. In the heat of the struggle for "diversity" in terms of skin color, sexual preference,

and gender, factual human diversity is under the pressure of the global standard. The crisis of values produces negative economic consequences. The planetary division of labor has made supply chains fragile. Rising prices are increasingly difficult to write off as a normal cyclical effect. Despite the efforts of ultra-globalists, centrifugal sentiment is growing in the U.S. and the European Union. Other empires may follow in the same direction.

The globalists' core weapon—reserve fiat currencies and the central banks behind them—have lost effectiveness. The collapse of the dollar pyramid is no longer hypothetical. The danger of the situation requires proactive thinking and creates a window of opportunity.

National Bitcoin is a socio-engineering, ideological and technological basis for a new type of money with comprehensive initial distribution, designed for interconnected regions. National Bitcoin networks can mitigate the aftermaths of the coming structural crisis. It can help create a new political-economic fabric.

The first phase of the experiment called "Bitcoin" is coming to an end. It is time for the second phase.

Fiat Currencies No Longer Serve as Money

Fiat (fiduciary) currencies, which have played the role of money for half a century, are an instrument of politics.

People do not notice it out of habit, but problems do exist. Fiat currencies are constantly depreciating. Bank deposits and money market instruments fail to protect against inflation; people have no choice but to take on the risks of the stock and bond markets.

Transaction controls are ubiquitous and annoying; your fiat money can be blocked or confiscated. You can not pay remotely without interference from intermediaries, who are in power to prohibit transactions at their discretion. Commissions are very high.

Bitcoin Failed to Become Money and Turned Out to Be Centralized

Bitcoin seemed like a great solution at first, but it didn't work out. It never fulfilled its original promise to serve as peer-to-peer electronic cash. Bitcoin has ended up as just another speculative financial asset.

By the end of 2021, there were only about nine million bitcoin addresses with a wealth of more than five hundred dollars. In terms of the number of people, that's probably no more than one or two million unique users. Few businesses accept Bitcoin as payment for goods and services. Bitcoin is not even legal in many places. Bitcoin evangelists and pioneers have failed to focus and gain a critical mass of followers. The movement has become bogged down in developing false alternatives to Bitcoin and has lost momentum. Humanity has not grasped the basic meaning of Bitcoin; people's attention has become fixated on the exchange rate.

Bitcoin's pricing is purely speculative; the number of users (not speculators) is negligible and not growing; volatility is enormous. Bitcoin's energy costs are extremely high. The carbon footprint in no way matches society's perceived utility of Bitcoin.

We need to account for mistakes and, this time, decentralize a new Bitcoin not only in the software code but also OUTSIDE the protocol.

Delivering the pure peer-to-peer cash requires not only technological but also socio-cultural, if not ideological, breakthrough.

Bitcoin maximalism has been understood positively by a few, although its idea is simple: it is more advantageous for people with a common cultural code to have a common army than to get bogged down in internecine wars, pulling developers, investors, and users from one another.

Bitcoin-maximalism seemed to have finally come to its knees, but—in light of current global events—it has an unexpected potential ally: nation-states that are threatened with death by international financial, pharmaceutical, and IT oligopolies. The original idea of Bitcoin may arise on the ground of Bitcoin Maximalism 2.0.

Competition Between Countries and States is Vital

Even with a significant degree of globalization, most of the economic activity of ordinary people is local or national. Most people rarely make payments abroad and receive money from abroad. People mostly get their paycheques from local businesses and buy goods from local retailers. By and large, they don't need a concept of global money.

Any government has an uneasy relationship with the global money circulating in their territory. Patriotically-minded elites often have a hostile attitude toward such money;

global Bitcoin is no exception. In all countries, authorities are particularly wary of cross-border payments by individuals. Such transactions could be indicative of criminal or terrorist activity.

But it is not criminals who frighten the authorities most, but the fact that global bitcoin is convenient for ultra-globalists who seek an extreme form of cultural and economic unification that does not assume a significant role for nation-states in the future. In the global confrontation between sovereign states and the growing influence of transnational corporations, the former suffer enormous losses. Their officials are being bribed. Their citizens have alien worldviews imposed on them. People are being tracked online. Global retailers, social networks, IT giants, and brands openly plan to deprive countries of tax revenues through their own money surrogates.

The existence of borders is a good thing. Competition between countries is vital.

Competition is a proven, natural mechanism that has worked well in all eras. A state that abolishes competition within itself may drive its citizens into poverty. But in the international arena, it is still of value in stimulating other countries. There is the example of the USSR. The introduction of the eight-hour workday, the recognition of women's rights, the development of nuclear power, the conquest of outer space, and many other things in the West are largely a credit to the very existence of the Soviet Union. And after the collapse of the socialist camp, Western democracy began to degenerate.

The erasure of political and economic borders also destroys moral boundaries. The meaning of cultural diversity is, among other things, the possibility of comparing oneself to other people, and thus the ability to look at oneself from the outside, the ability to be objective. The dominance of global cultural clichés might have seemed harmless a few decades ago, but today it has manifested itself in ugly forms.

Decentralizing Bitcoin with National and State Borders

National Bitcoin networks are to be implemented at the national and regional levels.

The National bitcoins of one individual network are to be distributed among the citizens of several neighboring states with close ties that compete for each other's markets and economically form a potentially self-sufficient territory. Regional "walls" would inhibit a global oligopoly on the new Bitcoin, and perhaps even prevent it. Splitting Bitcoin into several autonomous territorial networks is useful in the context of the scalability problem.

Of course, networks' software protocols know no boundaries. Administrative control over the creation and maintenance of particular territories is extremely difficult to organize. But it is not necessary: if we issue 80% of all coins in the first block and immediately distribute them to the inhabitants of a certain territory, the boundary of the areal will form itself.

Together with the movement of people, the borders will gradually blur, but this will not eliminate the main effects of such an act of division into currency zones.

Decentralization through Mass Distribution

About 90% of the National bitcoins of each network must be distributed for free at the outset in a defined self-sufficient area to as many people as possible, as quickly as possible, equally for everyone to the extent possible.

The remaining ~10% ensures the functioning of the network. Consensus mechanisms that require no energy consumption and are resistant to quantum computer attacks already exist.

There is deep economic meaning in

mass distribution. People living in territories they can protect, where they produce, trade, and exchange goods and services, are the sources of money, unlike some theoretical procedures of currency issuance imposed by a handful of politicians and bureaucrats.

Since National bitcoins are distributed entirely to the people, those who have usually enjoyed the advantage of proximity to central banks receive no privilege.

The free distribution provides a clear legal justification for the origin of the funds. All National bitcoins initially arise by a mechanism that everyone understands.

Network structures gain value and meaning when there are a large number of nodes. When many people have the same convenient unit of account, that unit becomes money.

Usefulness for Governments and Businesses

Each territory chooses its method of initial coin distribution.

There are at least three ways to compile a database of unique living recipients.

The first one is physical, i.e., biometrics. Some projects go this way, but we think this approach is unacceptable. It is too totalitarian and too complicated.

There is also the bureaucratic way, i.e. the use of official identification documents. This is also hardly feasible because of the inertia of state apparatuses.

And there is a third way when user names in several large social networks are recorded at a certain date, filtered for uniqueness (for example, with BrightID), indexed in blockchain (with dar.is), and used for distribution of coins.

The distribution mechanism can be combined with initiatives beneficial to the government and domestic businesses. Here are just a few examples.

Technically, within national borders, any state has no financial constraints on spending once it has something to justify money printing. The unconditional exchange of citizens' National bitcoins for local fiat currency is an occasion for money issuance. With National bitcoins, it is convenient to conduct earmarked funding, track the movement of budget funds, and distribute helicopter money.

The government can use National Bitcoin to stimulate foreign demand for domestic products by guaranteeing local businesses the redemption of a certain amount of National bitcoins. Knowing that National bitcoins are already in the hands of foreigners, entrepreneurs would be motivated to conduct marketing activities in the relevant markets. In this way, the government stimulates domestic production and increases access to foreign markets.

Authorities that learn to apply National Bitcoin tools will grow their influence. People and businesses will also benefit.

To support domestic demand, National bitcoins can be distributed in the form of rebates and cashback. National bitcoins are convenient digital cash, ideal for the consumer sector. National Bitcoin has much in common with the concept of complementary currencies. The coexistence of local and "imperial" monetary systems was the norm in antiquity and the Middle Ages. Gold coins were used for international commerce and savings, while silver, bronze, and copper coins were used for everyday local trade. There are successful examples in the twentieth, twenty-first centuries as well. Hayek's work "Decentralization of Money" (1976) soundly advocates against monetary monopolies.

The ongoing division of the world into new zones of political influence creates competition between countries for the right to offer the world a regional reserve currency. The use of National bitcoins paired with regular currency increases the latter's chances of becoming a reserve currency.

Probable Territorial Division

Our world is interconnected and fragile. No single control mechanism is adequate for this complexity. Forced simplification through unification has failed.

It is not the fault of think tanks or politicians. Ultimately, there is always a level of complexity above which the integration of systems becomes unprofitable. But processes of concentration of power always cross this limit by inertia, only to then roll back catastrophically. The collapse of globalization occurs when security, not efficiency, comes to the fore. The security consists of seven components, in order of priority: military, energy, demographic (ability to self-reproduction), food, conflict resources security (rare metals, minerals, etc.), ontological (the ability of a region to reproduce its cultural code), and security of information systems.

No region today fully meets these requirements. We are into the processes of formation of cores, semi-peripheral zones, and peripheries, from which the cores will draw resources. All players are now free to choose their allies, preparing for expansion. Since military security is most important at this point in history, alliances will be topologically holistic, with no exclaves.

The search for allies is a forced measure. The core of a region, if it meets all seven security requirements, by default does not need the periphery to join it. This is an expensive and dangerous process that should be avoided. That is why China will be a separate territory, without satellites. China is the only country that can afford the luxury of being self-sufficient. Taiwan will fall back to China. Not only de jure but also de facto. North Korea will remain in China's orbit.

Not all of the usual global powers have the physical ability to master the periphery. The U.S. has lost its reputation and will not be able to have dependent territories, except for sparsely populated Canada. Europe, too, is in deep decline, so it will be left alone and in a severely truncated version, having lost Scandinavia, the Balkans, and Greenland. The U.S. and Europe would achieve only partial security, so their populations would suffer greatly.

The BRICS alliance would formally expand, but internal contradictions and territorial disunity would not allow it to grow into a full-fledged macro-region with its currency and self-sufficient economy. Moreover, the history of CMEA and the EU shows that a trade partnership develops first, followed by industrial integration, and only then a currency union.

China and India would occupy more than half of the trade turnover in any union they join. Because of this imbalance, neither BRICS nor the SCO will have time to grow organically into a currency union in the current crisis, especially since the yuan has a chance to take the still warm place of the departing dollar as a result of the inevitable debt collapse of the United States. China needs no union.

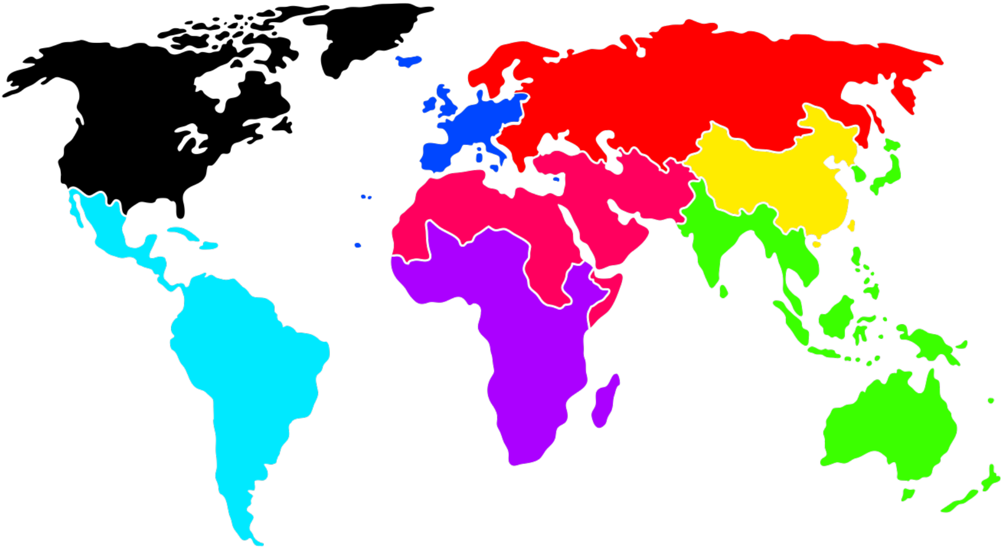
New Delhi gets a chance to expand its influence significantly. Military alliances such as AUCUS and Quad will not prevent India from pulling Japan, Australia, and Oceania into its currency area.

Similar opportunities await Russia as NATO and the EU soon cease to exist.

The withdrawal of the divisive U.S. and Britain from the Middle East will allow the MENA region to return to its historically proven contour. Iran and Saudi Arabia will find common ground, and the rest will catch up with them. Israel is in for some tough times. The MENA and Russian zones have a high chance of unification thanks to Moscow's longstanding ties in Central Asia and the growing respect for the Kremlin in the Arab, Persian, Kurdish, and Pashtun worlds.

Despite their current attempts, London and Ankara will not create their macro-regions or reserve currencies. The British Commonwealth of Nations and the idea of the Great Turan will decay.

Notwithstanding the lack of all security components, Africa and Latin America will remain on their own because the internal complexities of all military power projectors are too great. Latin and Central America are potentially self-sufficient, and once the U.S. closes in on a new round of forced non-interventionism, the



integration will pass quickly. Things are more complicated in Africa, but the sub-Saharan region has enough potential when the proxy wars fomented by the United States, Britain, and France stop.

As a result, we predict the configuration shown on the map. Such separation is not a requirement of our platform. There can be no such requirement. Any institution is free to use our protocol. If the relevant initiative group presents a valid strategy, it will be granted access to the National Bitcoin distribution system through darxx.net and dar.is.

Implementation. The Role of National Bitcoin Community

The undeniable advantage of local complementary currencies in times of crisis undermines the authority of the central government. That is dangerous.

For example, during the crisis and unemployment of the Great Depression, the complementary currency of the Austrian city of Wörgl revived production and domestic demand. The rest of the continent continued to sink. The miracle of Wörgl inspired six neighboring cities to copy its monetary system, and Édouard Daladier, Prime Minister of

France, even paid a visit to see the currency in action on the spot. It was the resounding success of the experiment. The fact that more than two hundred neighboring cities were already preparing to replicate it prompted it to be outlawed. Note that the immediate return of despair and depression served as a breeding ground for the birth of Nazism.

Consider the experience of the Swiss business cooperative WIR, which has remained in agreement with the authorities for decades since 1934. The WIR operates as a commercial credit union through which tens of thousands of small and medium-sized enterprises can access financing in the form of WIR francs at an interest rate of less than 1%. This currency CANNOT be converted into regular money or devalued. Studies by Stodder and Lietaer (2016) show that this system has a stabilizing effect on macroeconomic cycles. During economic booms, small businesses tend to prefer bank loans, and during recessions, when bank interest rates rise, they turn to WIR loans.

There are other successful examples: IRTA, Sardex, RES, Banco Palmas, Bangla-Pesa.

So, the rule is: conversion must be avoided.

The proposed framework is not likely to need conversion. There are always many dreamers among enthusiasts of community and territorial currencies. They want to defeat poverty and deprivation and are critical of making money for their own sake. But the main reason to turn to National Bitcoins will be the demand side economic shock, resulting in low turnover and unemployment. Therefore, the priority is a secure parity between the local participants to buy goods from each other.

Price stability is believed to be a key factor in economic stability. Allegedly, price changes prevent people from seeing market signals and maintaining an efficient allocation of resources. In reality, however, ordinary smooth changes do not interfere with economic vision at all. Influential changes are always sudden and intractable. So holding back and obfuscating only makes things worse. Trying to stabilize prices leads to more instability.

Since there is no fundamental need to restrain nominal prices, we need to accustom people to the fact that there can be many means of exchange. We are entering a multipolar world, and the habit of using many currencies certainly comes in handy. There is nothing difficult or even inconvenient about that. People have lived under such conditions for thousands of years in the past. Most of the world still lives with more than one currency in circulation.

It is necessary to build the shortest possible closed supply chains. Success awaits only those initiative groups that can articulate the above principles and connect local enterprises.

Specializing in industrial relations, they are unlikely to include the technicians and economists they need. The people who can breathe life into such a project are likely to focus on global markets and have too abstract a range of interests.

For this reason, the role of the National Bitcoin community is to fill this expected gap and pick the right technical and socio-engineering solutions for each case, for each territory. So, if you feel you can close up local supply chains, please get in touch.