

It is time to get to know crypto-currencies!

Guest contribution by David Schlesinger

I have been observing bitcoins since 2012 and as a software programmer and person interested in maths and computer science, I read the white paper and valued the principle as working and useful. Back then, Bitcoins were sold for 10\$ per “coin”.

The Bitcoin was the first working cryptocurrency. It is still working today and the most famous crypto-coin with the highest value, currently about 45 000 Euro per “coin”. (March 2021)

A cryptocurrency or crypto-coin is a combination of encrypting algorithms and an „eternal and public storage“ (=blockchain).

Cryptos are just bits and bytes on computer storages, numbers, formulas and scripts. There is no real-world counterpart and in such it is the perfect money. It can only exist with electricity, computers and internet, as it is purely virtual – but our complete economy is based on electricity, computers and internet.

Cryptos are perfect money, as they can store value or „information“ and easily and safely transfer stored value/information. Cryptos have no other use than that. The value is stored in a most dense way. A key containing huge amounts of value can be stored and transported on a small piece of paper. Un-hackable, un-detectable.

While the total number of the different cryptos is unlimited, they are not compatible with each other, thus, for each crypto-currency there is a limited amount of „virtual coins“. There are trade platforms to exchange one crypto for another, but creating a new crypto does not affect the existing ones. In case that a new coin has no advantage before existing one, it is likely to cease or be used just by a limited small group of people for some common reason – i.e. as a community-id.

The pre-defined limitation of the amount and the actual amount of users of a specific crypto-coin create the „value in fiat-currency“ (USD/EURO).

Traditional money has been gold and silver or other kinds of naturally occurring, but rare objects that would be used for storing value in trading.

The „paper money“ and digital „fiat“ money is what we are used to, but it is also a huge deceit. Some people have the right to print money and lend it to the people to be used to store value – or debt. Being those who issue money and receive interest for their own issued money they can, easily, make „stupid“ things look profitable and „clever“ things to become unprofitable. Fiat money is

not honest, is printed to serve some ideology and in reality unlimited and severely manipulative and destructive for the human ecosystem.

If we compare the prices of goods and services in „fiat EUR“ everything is becoming more expensive. Seen from point of view of the bitcoin, there is a hyper-deflation.

The two Bitcoins bought in 2012 for 20 Euro would now buy goods & services for 90 000 Euro, just 9 years later.

And maybe it will be worth 9 000 000 Euro in tens years time. Maybe the Euro will be gone but the Bitcoins will be still there as they are not backed by commodities, shares of companies, but by mathematical algorithms, fully transparent. And thus, their price is a true market-result for itself.

If all people would embrace bitcoins for their payments, banks would become superfluous, but it would also slow down the bitcoin system.

One reason there are more coins than just the bitcoin is that the more transaction are made and higher volumes of wealth are transferred, the more expensive and slower the system becomes – and thus the resulting problems and inconveniences create space for other cryptos to fill the gap. The Bitcoin Cash, that came in 2017, has very low fees and confirms usually faster than the bitcoin.

The Ethereum cryptocurrency offers possibilities for „smart contracts“ and crypto-tokens – and everyone who is interested should go deeper into the matter by own research.

The general long term value of each crypto that manages to become recognized by a group big enough to sustain it and add value to it, (as Bitcoin, Ethereum, BitcoinCash, Litecoin...) is rising and reflects the fiat-currencies dropping in value, being deliberately „printed“ for political reasons.

Many „experts“ complain that cryptos are not backed by commodities. That is how a perfect currency should be: free of all connections to commodities and just transparent, limited, easy to trade with, decentralized and accessible to everyone. The value is created by their usefulness for trading and work and electricity to calculate them – not by attached commodities!

There is no person „behind“ cryptos, issuing and controlling them. Its decentral, running everywhere where there is the internet in the world and being developed by people around the world, open source.

Cryptos are a the first real money, just the virtual method, no material, not connected to real-world mining, extracting precious metals from the earth with

acids and other poisons. A money that is honest in that no group of people can simply print themselves a bunch of bitcoins to create some political influence for example. Everyone can mine cryptos, depending on the hardware and price of electricity in his region it makes more or less sense to do so - as the mathematical parameters are the same for everyone.

The ups and downs of the „fiat price“ show the honesty of this modern, real money! It might be annoying, sometimes, when the value drops just after one bought some cryptos. Next time, it increases and one feels lucky. It reflects the market, not policial ideology.

The strong fluctuations of the price show the „wild and free“ nature of the cryptos. The mainstream media depicting them as „evil and dangerous“, showing that they are a real threat to the fiat-money system which is largely based upon exploitation of human labour.

In the long term, the price will be increasing as the value of the fiat-money is decreasing and there is no other possibility for storing value that is so easy to use, mobile, available everywhere where there is internet.

And it gives you back some privacy. Even though there are some efforts to always ask for KYC, it is very had to forbid people to buy numbers, or trade them with each other. Thus, the manipulative media tries to make people believe, cryptos would be used for money laundering and paying for crimes - thus one should not use them, because „criminals use them“!

Well, do you know what else criminals use? US dollars, Euros, cars, computers... anything that makes sense to use! But it is safe to say that more criminals use the USD than use all cryptos together.

Telling you that you must not participate in the development and use of free and honest money, because criminals are miss-using it to not be tracked down through control of payment flows, is like saying you must not use cars, as criminals are using them to flee from the crime scene.

It is up to the law enforcement to find ways to catch criminals without chasing the normal, righteous people away from very universal and useful kind of „modern money“. Maybe we should have an extensive discussion in the society about what is criminal and what isn't. It seems to me that many of the politicians imposing laws on their subject act in a highly criminal way miss-using the expression „criminal“ for everybody who does not follow their narratives.

That is, as well, another topic.

If you do not have cryptos, buy some! Use a part for paying on those websites that accept cryptos, like ProviThor and keep some part of the cryptos for later. If you like to trade into other cryptos, support what you think is worth it and you can be sure that many others are doing the same. Many people found a hobby or profession in speculating with cryptos already – but watch out! Never fall for scammers, offering „doublers“ or „investment-plans“, there is no system behind cryptos that one can “hack” into. Your guess is as good as anyone else’s.

The best and most profitable way, up to now, to „clever invest“ in cryptos is: buy as many as you like to and wait as long as necessary until they will have the value you wanted to achieve. Then sell.

The most fun way is to speculate on a number of cryptos and lose with some and win with others.

It’s time to become part of the new world of cryptocurrencies!

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