

LISTEDRESERVE

MoneyBits

Not Satoshi

By its nature, bitcoin invites attack. Anyone can copy the software. Anyone can call it their own. From the very start, it was open source and intended to be so.

That has had many consequences, which include many forks of bitcoin, where copied code purports to be bitcoin or some superior version of it. Even the domain bitcoin.com is owned by someone who copied bitcoin and sells BCH from it, which has a value of \$398 to bitcoins \$65,000 or so.

The most significant attack on bitcoin has come from an Australian (sadly), Craig Wright. The man who claimed to be Satoshi Nakamoto.

● This article is more than 7 years old

Australian Craig Wright claims he is bitcoin founder Satoshi Nakamoto

The 45-year-old IT and security consultant has reportedly provided evidence to the BBC supporting his claim that he is the inventor of the cryptocurrency



The article is indeed seven years old. The damage wrought by his claims has lasted that long.

It would not have been possible without significant financial backing for the legal action, which came (at least, allegedly) from Calvin Ayre (of internet gambling fame). Wright, funded by Ayre, started a group called nChain which sought to copyright the bitcoin code and charge the developers of bitcoin for using it without permission. He laid court claims in London in 2021.

This was not the only court case. Wright had sued podcaster Peter McCormack and Norwegian “Hodlnaut” in a case that Wright lost and continues to appeal (I suspect that appeal will be falling away quite shortly though). The basis of those claims was that they had said he was not Satoshi.

The case against the developers came to court in February. Essentially, unpaid enthusiasts who had given up their free time and skill to help advance bitcoin were now facing multi-million pound lawsuits. As Craig Wright said, “I will bankrupt them”.

The easiest thing to do in this scenario is simply concede, obviously in doing so Bitcoin would have lost its top minds. Ayre spent many millions of dollars on Wright’s legal fees, which to him as a billionaire, meant very little. There wasn’t much stopping him either, until another billionaire entered the fray: Jack Dorsey.

Together with MicroStrategy, Blockstream and others, Dorsey put together an organisation called the Crypto Open Patent Alliance (COPA). He funded it, appointing London’s leading IP specialists, [Bird and Bird](#) to represent COPA and defend the developers. Over the course of the trial, Jonathon Hough KC for Bird and Bird, flayed Craig Wright alive.

Perhaps the best moment should be handed to the Bitcoin Devs’ KC Alexander Gunning. He asked Wright some fairly basic questions about C++ programming, in which Satoshi Nakamoto was clearly an expert. In answering Wright rambled:

“Basically an unsigned variable, it’s not an integer with ... it’s larger, I’m not sure how to say it.”

With bow and arrow, Gunning:

“TRY!”

Wright had no answer. It was basic. Satoshi would have known.

It went on for days. Backdated documents. Invoking conversations with dead cryptographers. The whole story completely unravelled.

We also got to see some early contributors on the stand. Adam Back, inventor of proof of work, shed light on some aspects of the bitcoin white paper that Wright had clearly misunderstood.

Then, closing arguments. We should then have had a pause for months while the judge put together his written judgement, but he did not wait. In deciding on all major issues he blew Craig Wright straight out of the water.

In a rare appearance on twitter these days; Dorsey's victory lap was modest, sharing the judges words verbatim.



W

"I will make certain declarations which I am satisfied are useful and are necessary to do justice between the parties. First, that Dr Wright is not the author of the Bitcoin White Paper. Second, Dr Wright is not the person who adopted or operated under the pseudonym Satoshi Nakamoto in the period 2008 to 2011. Third, Dr Wright is not the person who created the Bitcoin System. And, fourth, he is not the author of the initial versions of the Bitcoin software. Any further relief will be dealt with in my written judgment. I will extend time for filing any appellant's notice until 21 days after the form of order hearing, which will be appointed following the hand down of my written judgment and I ask the parties to seek to agree an order giving effect to what I have just stated."

12:38 AM · Mar 15, 2024 · 1.7M Views

This was a big one.

A huge win for everyone involved in bitcoin, in particular the bitcoin developers, who even with Dorsey's backing, could not have enjoyed the last few years that much. The written judgement will eviscerate Wright.

We don't need to put too fine a point on it either. Jack Dorsey paid for it with mostly his own money. In all likelihood he won't get it back either, even if he is awarded costs (which he will be).

We all owe Jack Dorsey a huge debt of gratitude.

There have been other contributors too, particularly researchers who went through Wright's false documents over the years. An excellent summary of which is provided in this (very long) [article](#) called 'Farewell Faketoshi'. A shout out too to Kim Nilsson, a software developer based in Japan, who contributed a lot of work to calling out Wright's now evident masquerade.

More with less

Workers needed at S&P 500 companies to generate \$1 million in revenue:

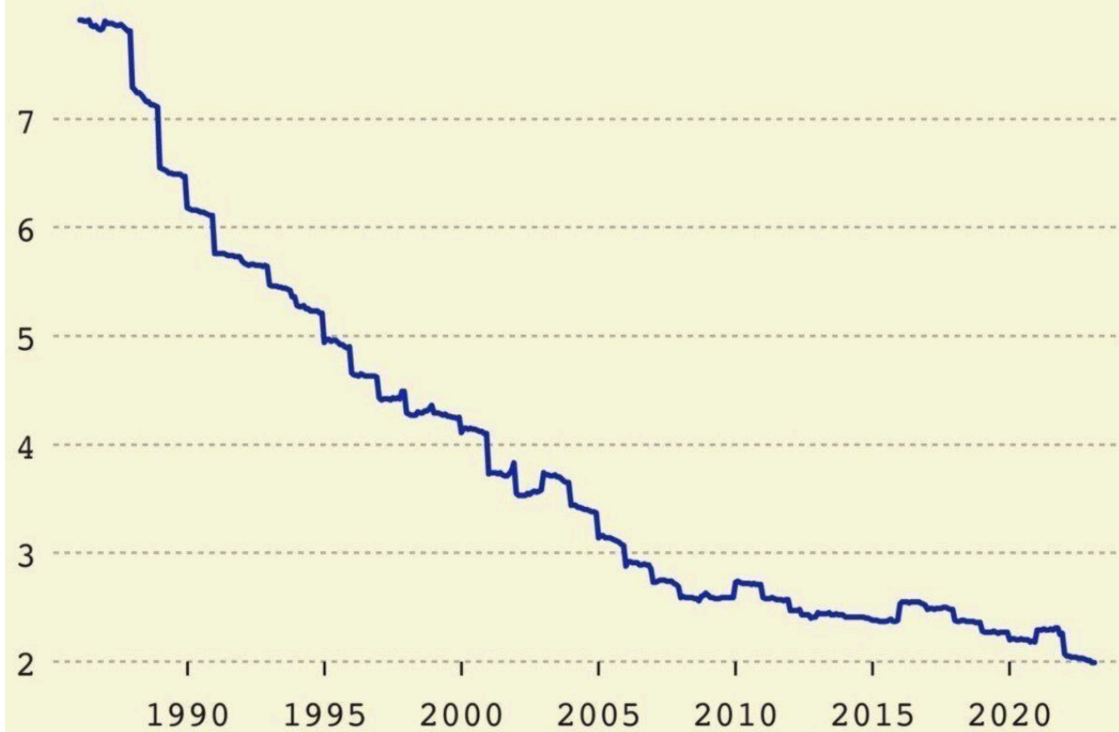


Chart: Bradley Saacks/Semafor • Source: Bank of America



So we are all nervous about the NASDAQ and it can't go up forever and how is it possible that Amazon, Google and Meta just keep on ploughing on. This chart I believe is one of the major reasons why.

Knowing a limited amount about Google for example, and some people who work there, there is a general consensus that they could sack half their workforce and nobody would notice.

How is that possible? With software. In companies that rely on software they can write code that can pretty much do any task and with AI writing it is increasingly easy and fast. Google and Facebook (and much less so Apple) are almost entirely software driven businesses. It is not beyond the realms of possibility that both companies, with planning, could tell their staff to take a month off and everything would simply carry on as it is now, generating millions per hour.

It's inevitable that more and more of this happens and it will be called out as 'profoundly bad' for workers. Except it won't be.

The software is going to do all the boring stuff and people will get to do the interesting stuff which for some people is interacting with other people which machines do not do well. For others, it will be working on problems they never had time for. Is anyone really calling for manual production lines to come back so hundreds of thousands of people can work in factories packing products?

Productivity advances are overwhelmingly good. They are the reason we accelerate.

Indeed, if you got this far there is a reason you had time to do so, probably because of software. 100 years ago you would still have been down the coal mine. Be glad.

Coin moves

Bitcoin: Exchange Net Position Change [USD] - All Exchanges



Of course, the beauty of the bitcoin blockchain is that you can pretty much see exactly what is happening with the coins. Glassnode provides some excellent analysis here showing activity in 2021 versus now.

What generally happens when price moves strongly upwards is that coins move to exchanges as longer term holders start selling to new entrants. As you can see (on the right), this time that has not happened. Price has moved strongly and yet the number of bitcoins on exchanges is falling at historically steep levels.

Why? Firstly I would suggest that the ETFs are not buying from exchanges but rather OTC desks and others and it is that OTC demand draining the available supply on the exchanges. Secondly, I continue to believe not much has happened yet. Arguably we have only just recovered from the FTX debacle. The halving is in 35 days, while the US government [adds \\$1 trillion in debt every 100 days](#).

On a risk to potential reward basis then now is probably the time to HODL. It won't be easy to do though.

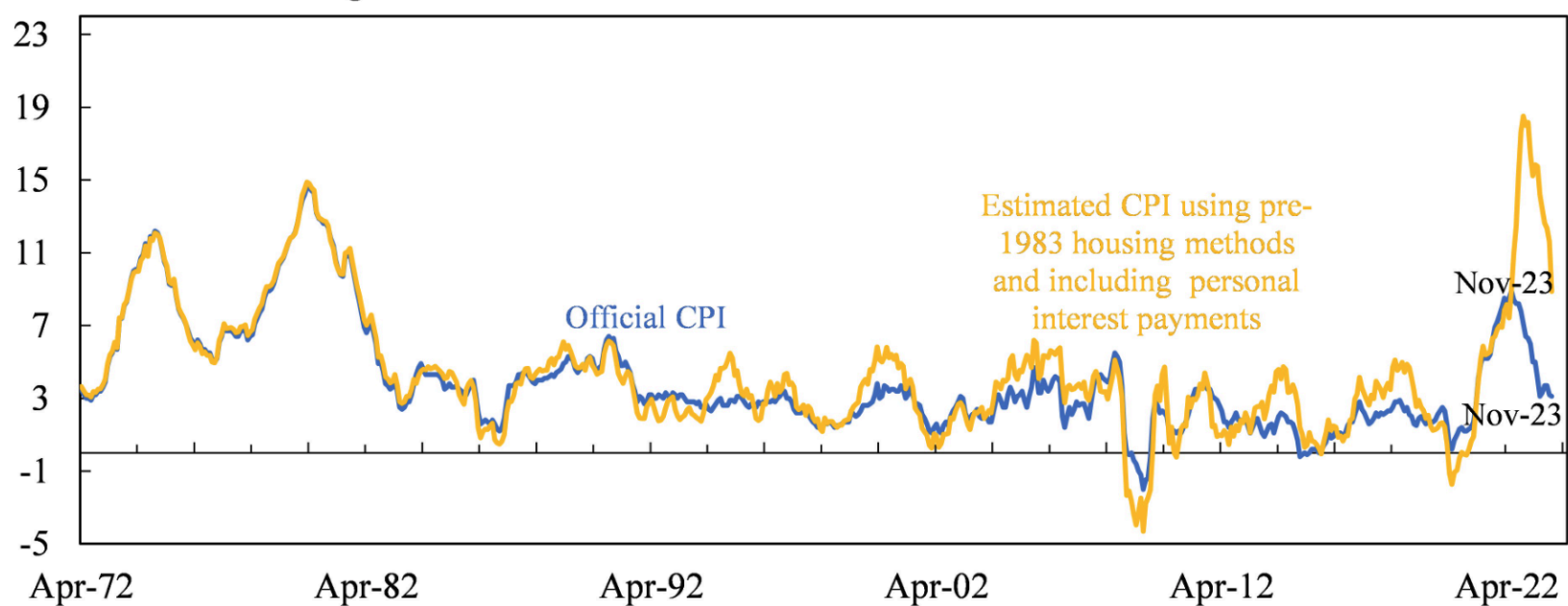
Full fraud laid bare

We have written about this for a long time. That inflation statistics are pretend. It's fine me saying it but now Larry H Summers, Clinton's Treasury Secretary, is saying the same thing.

He casually dropped this over the weekend; "oh and by the way if we calculated inflation using the same method we used to pre-1983, inflation would be 18%".

Official and Estimated CPI using pre-1983 housing methods and including personal interest payments, 1972-2023

Year-over-Year Change in the Price Index



I knew and you knew and we all knew, but now we *really* know. Full paper [here](#).

Euro-Trash

[Europe](#) | Charlemagne

Europe's economy is a cause for concern, not panic

Quick, call another Italian former prime minister to the rescue!

"Concern" says the Economist. The [paywalled article](#) here makes a reasonable case that while US GDP has soared and EU GDP has gone nowhere the per capita differences are not so marked. Even then, there is more to it.

The EU is home to many more people than America, so its citizens are on average about 30% worse off than New Yorkers or Texans. But as America's population has risen by a quarter since 1994, while ageing Europe's has grown far less, the two economies are in fact somewhat closer in terms of income per person than they were at the time of Bill Clinton and Jacques Delors. Factoring in working hours, which are both shorter and on a steady decline in the EU, leaves European workers with even less to blush about. Put very simply, the French and their neighbours toil a third less than Americans, earn a third less, and are a lot more tanned by the end of August.

The French and their neighbours work a third less and earn a third less and are on holiday for all of August. I can think of no better advert for Europe than that.

Truly, *sapere vivere* was invented in Europe, not Silicon Valley.