

LISTEDRESERVE

# MoneyBits

## 4Chan

We have talked a bit about the fines levied on American companies by the European Union. Last year, it was their single largest revenue source. How long will America tolerate this?

I think we found out this week from a different source. The UK censorship bureau "Ofcom" decided to fine website 4Chan (an anonymous, largely unmoderated forum) some £450,000 for not complying with UK regulations. 4Chan responded that they only operate in the United States, but they did so rather more colourfully than one might expect.

**Ofcom,**

*Thanks. As has been explained to your agency, ad nauseam, the United Kingdom lost the American Revolutionary War. We are not in the mood to discuss the matter further, and have not been in the mood for 250 years.*

*I note for the record that, last time your agency sent my client a censorship fine, we responded with a hamster joke. Since you have now sent my client a giant fine, a fine so large that Mr. Whiskers' enclosure is not big enough to contain it, we will need to send the fine to Mr. Whiskers' giant hamster cousin, Nigel J. Whiskerford. Unfortunately, Nigel is out of the country this week, touring in Japan. Here's a picture of Nigel in Tokyo, dressed up as Godzilla and holding an equally giant peanut.*



*Isn't he just the cutest?*

*My client reserves all rights and waives none. Reserved rights include the right to sue you again and/or to respond to future correspondence with an even larger rodent, such as a marmot.*

*Or, maybe, you could just stop sending Americans stupid letters and acknowledge the sovereignty of the United States.*

**Byrne & Storm**

It's aggressive and childish but perhaps meaningful. As time passes, levying fines on overseas companies probably won't work. Not so much that they are unenforceable but that the American tech companies are larger than most economies. They have real leverage and if push comes to shove and they turn off their systems, it would be disastrous. Indeed the economic damage that they can cause is far larger than most nation states could inflict.

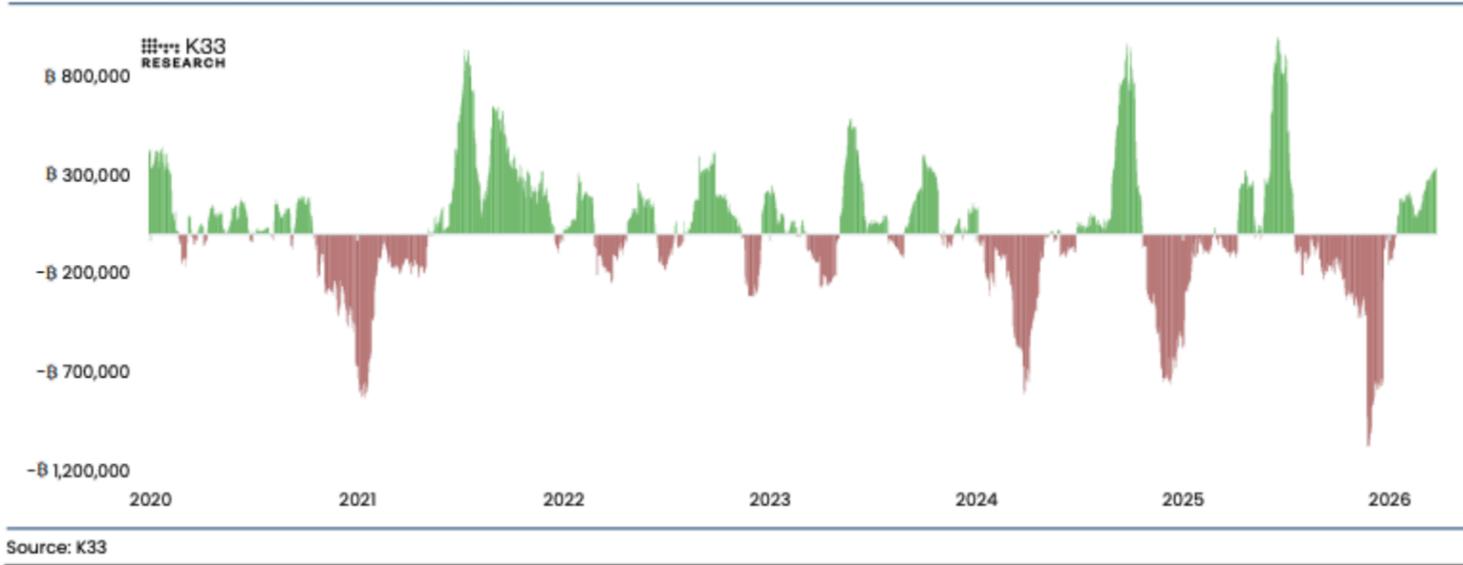
I do bore on about it but the most powerful entities in the world today are not nations, and this little hamster is a tiny glimpse as to why.

A lot of things are going to exist outside of the purview of the old world. Money and energy spring to mind. Examples of it just keep popping up, why?

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Rolling along

Figure 1: Rolling 30-day change to BTC supply aged 6mths or more



A good chart from K33 Research that shows how much bitcoin aged six months or more changed hands in the last year. I'm certain this is the \$100k effect we feared. The question is will it happen again next time? By which I mean, \$1m per coin.

It upsets everyone to talk about or think about the ridiculousness of it, but I suspect it will be a similar hurdle.

Should it come to pass, there is another offsetting impact that takes place at the level. The sub unit of a bitcoin, the satoshi becomes worth 1 cent. (1 Bitcoin = 100,000,000). So at that price level, an entire redenomination effect will occur, your Bloomberg screen will not say 1BTC = \$1m.

1.15 cents per satoshi in this example. It will make a significant difference to volatility (lower) and liquidity (higher).



The single biggest thing to happen to bitcoin since its launch will be the Satoshi recharacterisation. Bitcoiners already talk in sats not bitcoin and have done for years. No protocol change is required for this to happen, simply a shift in market convention. All it needs is the USD to get more plentiful.

\$39 trillion last week.....and barely a whisper.



# Bitcoin Quantum Has Launched Testnet v0.3 With the First Live Deployment of BIP 360, a Quantum-Resistant Upgrade for Bitcoin

The first [Testnet](#) of the Quantum-Resistant signatures is live. It is exactly that, a test, but there is significant participation from miners and BIP360 is getting traction which is good. I doubt it is the final solution to this challenge but certainly the logical pathway is clear.

Bitcoin upgrades are doable but slow. The path to quantum signatures is not without pain and will require people to move their assets, but there is a plan for a threat that may eventuate in the next decade (and it may not).

Adversarial systems plan for the absolute worst, they have to. I am certain that most businesses in the world do not have a quantum plan and haven't even thought about it. The 'yeah but quantum' brigade is growing in number as far as bitcoin is concerned.

Bitcoin's plan is on [github](#). The question is not really for bitcoin but for everyone else. Where is your plan?

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## Hostile Regimes

### Russia's Putin limits cash and gold exports

Russian president signs decrees imposing restrictions on asset withdrawals from Russia

You can learn a lot from a hostile regime. How do people or governments react in certain circumstances? We have no real idea what would happen in Australia if food ran out, or if fuel ran out. There are of course parts of the world where that does happen, and people do know.

So what happens when your government runs out of money and wants you to stop leaving the country with it? In the West we sort of know. There are a myriad of exit taxes that make leaving expensive, everything becomes an instant capital gain and sometimes there is a legacy extraterritorial reach of taxation for a number of years after you leave.

When it comes to gold we also know. The Americans have banned gold holdings in the past, the Russians are now banning gold export of more than 100g. Considering the jewellery on some of their overseas tourists that will be quite a challenge to enforce.

Gold has a history of being seized, in many different types of circumstances. It just cannot withstand hostile regimes.

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## Euro-Trash

### EU warns Australia: Distance won't save you in 'harsh' world

Specifically though, it wasn't the EU. It was the EU President Ursula von der Leyen. Celebrating the trade deal with Australia she decided to ruin it by making veiled threats about the security of her new trade partner.

I would say there is a time and a place. In my case, I don't go out for dinner with someone, have an enjoyable evening, and then casually remind them that they might get run over on the way home.

Ursula emphasised her point, telling Australians that they "cannot rely on a single supplier for critical minerals". That's the point of the deal Ursula, we *are* the single supplier. You don't have anything but windmills. Australia has basically everything, and then some more too. It's just that most of the time we can't be bothered to look for it. What's more, Australia produces enough food to feed 80 million people. Which perhaps also explains why 32% of us are obese.

This is Anna Creek Station, one of the largest cattle farms in the country. 2.4 million hectares, compared to Europe's largest, 57,000 hectares. In Anna Creek they call 57,000 hectares the back garden.



It is 1,000 km from Adelaide, 2,000 km from Sydney and 2,300 km south of Darwin. Anna Creek, if you can find it, has more cattle than Greece and Bulgaria combined. From the perspective of cattle farming the deal sounded good but actually equates to about 0.1% of the cattle in Australia being available for European export. It will make little difference to Australian farmers who are still unable to seriously export to Europe. Selfishly, I'm glad because Australian beef is a lot better. I find the European version still tastes of Chernobyl. You know, because distance *did* save Australia that time.

There was a defence deal too. Australia and the EU will now conduct naval collaboration but the EU has no ships at all. It's a trade agreement, a piece of paper and Australia has only 10 combat vessels. Everything else is a surf board. So, I shouldn't think that will amount to much but it was a nice thing to be able to say to our visiting guest.

On balance, it was a good deal for Europe and an ok deal for Australia. I hope Ursula has a safe trip home because planes crash all the time in an uncertain world. Thank you for visiting.