

# What Happened to Bitcoin?

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by [Jeffrey A. Tucker](#), [Brownstone Institute](#)

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Those who involved themselves in Bitcoin markets after 2017 encountered a different operation and ideal than those who came before. Today, no one much cares about what came before, speaking of 2010-2016. They are only watching the upward price momentum and are thrilled for the increase in the asset valuation of their portfolio.

Gone is the talk of separating money and state, of a market-based means of exchange, of genuine revolution that would extend from money to the whole of politics the world over. And gone is the talk of changing the operation of money as a means of changing the prospects for freedom itself. The enthusiasts around Bitcoin have different goals in mind.

And during this entire period, the exact time when this digital asset might have protected multitudes of users and businesses from rapacious inflation growing out of the worst and most globalized experience of corporatist statism in modern history, made possible due to the money monopoly of central banks that funded the operation, the original asset that carries the symbol BTC was systematically diverted from its original purpose.

The ideal was nicely articulated by F.A. Hayek in 1974. Much of his career as an economist was spent arguing for sound monetary policies. At every important turning point, he faced the same problem: governments and the institutions they serve did not want sound money. They wanted to manipulate the currency system to benefit elites, not the public. Finally, he

refined his argument. He concluded that the only real answer was a complete divorce of money and power.

“Nothing can be more welcome than depriving government of its power over money and so stopping the apparently irresistible trend towards an accelerating increase of the share of the national income it is able to claim,” he [wrote](#) in 1976 (two years after his Nobel Prize). “If allowed to continue, this trend would in a few years bring us to a state in which governments would claim 100 per cent of all resources—and would in consequence become literally ‘totalitarian’.”

“It may turn out that cutting off government from the tap which supplies it with additional money for its use may prove as important in order to stop the inherent tendency of unlimited government to grow indefinitely, which is becoming as menacing a danger to the future of civilisation as the badness of the money it has supplied.”

The problem in achieving this ideal was technical and institutional. So long as state money worked, there was no real drive to change it. Certainly the push would never come from the ruling classes who benefit from the present system, which is precisely where every old argument for the gold standard faltered. How to get around this problem?

In 2009, a pseudonymous developer or group released a white paper, written in language for computer scientists and not economists, for a peer-to-peer system of digital cash. For most economists at the time, its functioning was opaque and not quite believable. The proof came in the functioning itself which unfolded over the course of 2010. To summarize, it deployed a distributed ledger, double-key cryptography, and a protocol of fixed quantity to release a new form of money that operationally tied together money itself and a settlement system in one.

In other words, Bitcoin achieved the ideal about which Hayek

could only dream. The key to making it all possible was the distributed ledger itself, which relied on the internet to globalize the nodes of operation, bringing a new form of accountability we had never seen in operation before. The notion of melding together the means of payment plus the mechanisms of settlement on this scale was something that had previously not been possible. And yet there it was, earning its way into the market with ever increasing valuations made possible by the distributed ledger.

So, yes, I became an early enthusiast, writing hundreds of articles, even publishing a book in 2015 called [\*Bit By Bit: How P2P Is Freeing the World\*](#). I could not have known it at the time, but those were in fact the last days of the ideal and just before the protocol came to be controlled by a consolidated group of developers who jettisoned entirely the idea of peer-to-peer cash to turn it into a high-earning digital security, not a competitor with state-based money but rather an asset designed not to use but hold with third-party intermediaries controlling access.

We saw all this unfold in real time and many of us were aghast. All that is left to us is to tell the story, which has not been done in a complete form until now. Roger Ver's new book [\*Hijacking Bitcoin\*](#) does the job. It is a book for the ages simply because it lays out all the facts of the case and lets readers come to their own conclusion. I was honored to write the foreword, which follows.

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The story you will read here is of tragedy, the chronicle of an emancipationist monetary technology subverted to other ends. It's a painful read, to be sure, and the first time this story has been told with this much detail and sophistication. We had the chance to free the world. That chance was missed, likely hijacked and subverted.

Those of us who watched Bitcoin from the earliest days saw with fascination how it gained traction and seemed to offer a viable alternative path for the future of money. At long last, after thousands of years of government corruption of money, we finally had a technology that was untouchable, sound, stable, democratic, incorruptible, and a fulfillment of the vision of the great champions of freedom from all history. At last, money could be liberated from state control and thus achieve economic rather than political goals—prosperity for everyone versus war, inflation, and state expansion.

That was the vision in any case. Alas, it did not happen. Bitcoin adoption is lower today than it was five years ago. It is not on a trajectory of final victory but on a different path to gradually increase in price for its earlier adopters. In short, the technology was betrayed by small changes that hardly anyone understood at the time.

I certainly did not. I had been playing with Bitcoin for a few years and was mainly astounded at the speed of settlement, the low cost of transactions, and the ability for anyone without a bank to send or receive it without financial mediation. That's a miracle about which I wrote rhapsodically at the time. I held a CryptoCurrency Conference in Atlanta, Georgia, in October 2013 that focused on the intellectual and technical side of things. It was among the first national conferences on the topic, but even at this event, I noticed two sides coalescing: those who believed in monetary competition and those whose sole commitment was to one protocol.

My first clue that something had gone wrong came two years later, when for the first time I saw that the network had been seriously clogged. Transaction fees soared, settlement slowed to a crawl, and vast numbers of on-ramps and off-ramps were closing due to high compliance costs. I did not understand. I reached out to a number of experts who explained to me about a quiet civil war that had developed within the crypto world. The so-called “maximalists” had turned against widespread

adoption. They liked the high fees. They did not mind the slow settlements. And many were involving themselves in the dwindling number of crypto exchanges that were still in operation thanks to a government crackdown.

At the same time, new technologies were becoming available that vastly improved the efficiency and availability of exchange in fiat dollars. They included Venmo, Zelle, CashApp, FB payments, and many others besides, in addition to smartphone attachments and iPads that enabled any merchant of any size to process credit cards. These technologies were completely different from Bitcoin because they were permission-based and mediated by financial companies. But to users, they seemed great and their presence in the marketplace crowded out the use case of Bitcoin at the very time that my beloved technology had become an unrecognizable version of itself.

The forking of Bitcoin into Bitcoin Cash occurred two years later, in 2017, and it was accompanied by great cries and screams as if something horrible was happening. In fact, all that was happening was a mere restoration of the original vision of the founder Satoshi Nakamoto. He believed with the monetary historians of the past that the key to turning any commodity into widespread money was adoption and use. It's impossible to even imagine conditions under which any commodity could take on the form of money without a viable and marketable use case. Bitcoin Cash was an attempt to restore that.

The time to ramp up adoption of this new technology was 2013-2016, but that moment was squeezed in two directions: the deliberate throttling of the ability of the technology to scale and the push of new payment systems to crowd out the use case. As this book demonstrates, by late 2013, Bitcoin had already been targeted for capture. By the time Bitcoin Cash came to the rescue, the network had changed its entire focus from use to holding what we have and building second-layer

technologies to deal with the scaling issues. Here we are in 2024 with an industry struggling to find its way within a niche while the dreams of a “to-the-moon” price are fading into memory.

This is the book that had to be written. It is a story of a missed opportunity to change the world, a tragic tale of subversion and betrayal. But it is also a hopeful story of efforts we can make to ensure that the hijacking of Bitcoin is not the final chapter. There is still the chance for this great innovation to liberate the world but the path from here to there turns out to be more circuitous than any of us ever imagined.

Roger Ver does not blow his own trumpet in this book, but he truly is a hero of this saga, not only deeply knowledgeable of the technologies but also a man who has clung to an emancipatory vision of Bitcoin from the earliest days through the present. I share his commitment to the idea of peer-to-peer currency for the masses, alongside a competitive marketplace for free-enterprise monies. This is a hugely important documentary history, and the polemic alone will challenge anyone who believes himself to be on the other side. Regardless, this book had to exist, however painful. It's a gift to the world.

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Does this story seem familiar? Indeed it does. We've seen this trajectory in sector after sector. Institutions born and built by ideals are later converted by various forces of power, access, and nefarious intent into something else entirely. We've seen this happen to digital tech in particular and the Internet generally, not to mention medicine, public health, science, liberalism, and so much else. The story of Bitcoin follows the same trajectory, a seemingly immaculate conception turned toward a different purpose, and serving again as a reminder that on this side of heaven, there will never be an

institution or idea immune to compromise and corruption.

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# A Nation of Non-Compliers

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by [Jeffrey A. Tucker](#), [Brownstone Institute](#)

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The train wasn't scheduled for another 20 minutes, so I had a chance to contemplate the official sign on the door of the huge elevator leading to the platform. It said that only four people are allowed in because we must all practice social distancing. There was a helpful map of the interior of the elevator with stick figures telling people exactly where to stand.

Yes, these stickers are still everywhere. I recall when they

first went up, sometime in April 2020. They seemed oddly uniform and appeared even permanent. At the time I thought, oh, this is a huge error because within a few weeks, the error of the whole of this idiocy is going to be known by all. Sadly, my worst fears came true: it was designed to be a permanent feature of our lives.

Same with the strange arrows on the ground telling us which way to walk. They are still everywhere, stuck on the floor, an integral part of the linoleum. If you walk this way, you will infect people, which is why you have to walk that way, which is safe. As for masks, the mandates keep popping up in strange places and strange ways. My inbox fills with pleas for how people can fight this stuff.

The essential message of all these edicts: you are pathogenic, a carrier, poisonous, dangerous, and so is everyone else. Every human person is a disease vector. While it's fine you are out and about, you must always create a little isolation zone around you such that you have no contact with other human beings.

It's so odd that no dystopian book or novel ever imagined a plot centered on such a stupid and evil concept. Not even in [1984](#) or *The Hunger Games*, or *The Matrix* or *Equilibrium*, or [Brave New World](#) or [Anthem](#), was it ever imagined that a government would institute a rule that all people in public spaces must stand six feet away in all directions from any other person.

That some government would insist on this was too crazy for even the darkest imaginings of the most pessimistic prognosticator. That 200 governments in the world, at roughly the same time, would go there was unimaginable.

And yet here we are, years after the supposed emergency, and while governments are not enforcing it, for the most part, many are still pushing the practice as the ideal form of human



engagement.

Except that we are not doing it. In this train station, no one paid any attention to any of the signage. The exhortations were entirely ignored, even by those who are still masked up (and, one presumes, boosted seven times).

When the moment arrived for people to get into the elevator, a crowd began to pour in, quickly beyond four, then eight, then 12. I stood there shoulder to shoulder with fully 25 other people in one elevator with a sign that demanded only four people get in at any one time.

I sort of wanted to ask the crowd if they saw the sign and what did they think. But that would have been absurd, because, actually, no one even cares. In any case, one guy asking a crowded elevator such a question would have raised suspicions that I was deep state or something.

It was never clear in any case who was enforcing this. Who issued the rule? What are the penalties for not complying? No one ever said. Sure, there was in the past usually some flunky bureaucrat or Karen who yelled at people and said do this and don't do that. But those people seem long ago to have given up.

It's not even a thing anymore. And yet the signs still exist. Probably they will stay forever.

There is an enormous disjunction that still persists between what we are told to do and what we actually do. It's as if incredulity toward official diktat is now baked into our daily lives. My first thought is that it doesn't make much sense at all, even from the point of view of those who aspire to control our lives, to issue commands to which no one listens or obeys. On the other hand, there might be some meta-rationale for this, as if to say, "We are nuts, you know we are nuts, we know you know we are nuts, but we are in charge and can continue to do this anyway."

In other words, edicts to which no one complies serve a certain purpose. They are a visual reminder of who is in charge, what those people believe, and the presence of a Sword of Damocles hanging above the whole population: at any point, anyone can be snatched away from normal life, made a criminal, and be forced to pay a price.

The nuttier the edicts, the more effective the message.

Thus do we live in insane times. There seems to be a huge and widening gulf separating the rulers from the ruled, and this gulf pertains to values, aims, methods, and even vision for the future. Whereas most of the population aspires to live a better life, we cannot shake the sense that someone out there who has more power than the rest of us aspires for us to be poorer, more miserable, more afraid, more dependent, and more compliant.

After all, we are just barely shaking off the most grandiose experiment in universal human control in the historical record, the attempt to micromanage the whole of everyone belonging to the human race in the name of gaining control over the microbial kingdom. The effort petered out over time but how in the heck does anyone with ruling-class power expect to maintain any credibility after such a destructive experiment?

And yet there is a reason we have heard precious few concessions that it was all bogus and unworkable, and why there is still a dripping sound of papers telling us that the whole scheme worked pretty well and that people who say otherwise are disseminators of disinformation. There are still publishing opportunities out there to trash repurposed generics and praise the shots and boosters. The power is still with the crazy people, not with those who question them.

And the people who threw themselves into Covid controls as the greatest years of their lives are still at it. Hardly a day

goes by when there is not a freshly written hit piece on the resistance and efforts to trash those with enough sagacity to see through all the baloney. Far from being rewarded, those who protested and opposed are still living under a cloud that comes with being an enemy of the state.

We all know that it is not just about these dumb stickers and these virus controls. There is more going on. Coincident with the pandemic restrictions came the triumph of woke ideology, the intense push for EVs, and wild ramp-up in weather paranoia with the discovery that climates change, a rampant gender dysphoria and denial of chromosomal reality, an unprecedented refugee flood that no one in power is willing to mitigate, a continued attack on gas including even stoves, and a host of other inane things that are driving rational people to the brink of despair.

We long ago gave up the hope that all of this is random and coincidental, any more than it so happened that nearly every government in the world decided to plaster social distancing signs everywhere at the same time. Something is going on, something malevolent. The battle of the future really is between them and us but who or what “them” is remains opaque and too many of “us” are still confused about what the alternative is to what is happening all around us.

Noncompliance is an essential start regardless. That crowded elevator, assembling spontaneously in open defiance to the blasting signage, is a sign that something in the human longing to be free to make our own decisions, still survives. There are cracks in the great edifice of control.

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