Crypto-Corruption

Source: Giza Death Star
by Joseph P. Farrell
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The more I hear about crypto-currencies, the more I don't like them. In fact, I tend to get very cautious when it becomes more and more evident that a certain crowd of banking Vipers from Venice start pushing how wonderful it all is. This after all is the same group that won't say how much gold (or for that matter, tungsten) there is, which didn't want to come clean on what they were going to do with all that bailout money, and now which look to be pushing crypto-currencies at the same time they're pushing for a constitutional convention. If that doesn't tell you something, I don't know what will, because, yes, I think the two are deeply connected.

I think of them only as occasions for an already run-amok financial oligarchy in the City and on Wall Street to take the final plunge into absolute theft, the perfection of their perfect possession by the great demon *fiat pecuniam debitum,* the last gasp of crony finance crapitalism.

Why? Well, all along I've been warning about the notorious insecurity of cyber-systems, and crypto-currencies always struck me rather like putting one's money in a bank where the vault was simply an ordinary wooden door to a clock, with an ordinary turnkey lock. One might was well put a sign on the closet that reads "free money here. All welcome."

Well, it was bound to happen sooner or later, and it finally did, according to this story shared by Mr. D.E.:

$300 Million In Crypto Currency Lost FOREVER Thanks To A Bug In A Digital Wallet

Now, get this: this lost $300 million occurred by accident:

$300 million worth of the cryptocurrency Ethereum has been almost definitely lost forever. The losing of the currency was accidental and due to a bug in a digital wallet.

The Ethereum cryptocurrency has been lost after a series of bugs in a popular digital wallet service led one curious developer accidentally taking control of and then locking up the funds, according to reports.

The user, "devops199", triggered the flaw completely accidentally. When they realized that they had taken control of the ether of other, they attempted to undo the damage by deleting the code which had transferred ownership of the funds. Rather than returning the money, however, the program simply locked all the funds in those multisignature wallets permanently, with no way to access them. "This means that currently no funds can be moved out of the multi-sig wallets," Parity says in a security advisory.

Unlike most cryptocurrency hacks, however, the money wasn't deliberately taken: it was effectively destroyed by accident. According to the *Daily Mail*, the lost money was in the form of Ether, the tradable currency that fuels the Ethereum distributed app platform, and was kept in digital multi-signature wallets built by a developer called Parity. These wallets require more than one user to enter their key before funds can be transferred.

Now, I actually *can* buy the accident story here, but imagine showing up at your bank one day and being told "Due to a computer error, we lost your money, and you can never have it back." In fact, a convenient way to steal money would be to simply "lose it by accident" and then destroy all records of it.

But that can't happen, this is blockchain, it has a distributed ledger, all sorts of safeguards. And besides, this was etherium, bitcoin is a lot safer.

Well, maybe not…

Meet the Man Who Will Hack Your Long-Lost Bitcoin Wallet for Money

Of course, "Dave Bitcoin" is providing a service to bitcoin customers who've lost their passwords. But one can imagine a nice big shiny bank hiring its own version of such a service. Get enough people involved, and then, when the pile of virtual money is big enough…

Now why am I bothering you with all of this?

Well, for one thing, it's because the idea of a "distributed ledger" isn't new at all. It's mediaeval; think "Templars" here folks (and thanks to Mr. H.B. for sharing this article):

How blockchain technology has medieval roots

Now, what's interesting about this article is that it manages to point out all sorts of examples of mediaeval analogue versions of blackchain, without once mentioning that the biggest user (and abuser) of the whole idea of "tokens" as representations of objects was precisely the Templar order. And I find this omission of mention of the order in an article not only to be intensely "curious," but perhaps deliberate, and it's that "possibly deliberate" and curious omission that forms the heart of my high octane speculation today. We'll get back to that.

But first, exactly how was the Templar order using a crude analogue form of blockchain and distributed ledgers? Very simply: deposits made at one Temple could be extracted at another Temple hundreds, if not thousands of miles, away. Deposit in England, extract in Jerusalem, or vice versa. How? Because the Templars used essentially an *encoded token*, a physical "chit" indicating the deposit had been made and that there was a liability demand on the books at any Templar preceptory. The ledger is thus distributed, and an analogue

“security” system, based on encoded chits to ensure authenticity of the claim when presented, is in play. One can see what happens: soon the chit becomes its own medium of exchange along with the gold and silver coins it represents. And it’s when that happens that the opportunities for fraud multiply like rabbits.

We’re not at the end of the story, however, because, of course, the Templars were allied to Venice (which I suspect is the hidden story behind the real origins of double-entry accounting, usually credited to the Venetians), the master bullion manipulators of the Middle Ages (and yes, I strongly suspect that alliance is not coincidental and I argued this case in *The Financial Vipers of Venice*). When King Philippe le Bel of France struck his famous coordinated blow at the Templars in order to confiscate their treasure – that, at least, is the public narrative, though as I’ve pointed out in my books, there are problems with it – he found… *nothing.* The preceptories were empty, and the Templar fleet at La Rochelle had “mysteriously and coincidentally” sailed for… somewhere.

And with that, the first analogue blockchain system, along with its controlling financial oligarchs, “disappeared” into the woodwork of European history along with all its fabled treasure. So what’s my high octane speculation of the day? It’s simply this: you’re looking at the recreation of the mediaeval banking orders, which were, incidentally, also private, “corporate” *military industrial* complexes and crusading orders…

See you on the flip side…