A Collection of Articles and Essays by

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BLOCKCHAIN & TECHNOLOGY VISIONARY

2ND VOLUME

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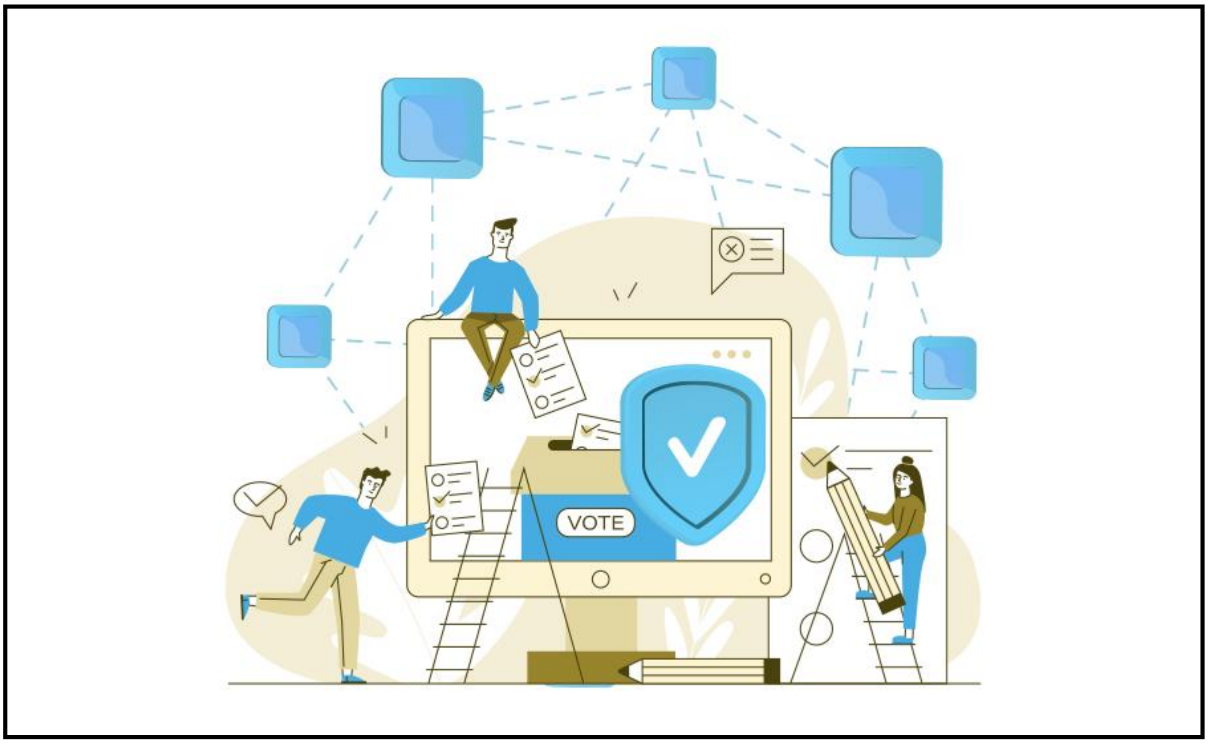
Holding Large Scale Elections with Blockchain



The foretold visions of a Blockchain incorporated world are becoming ever more true as this vast technology is being unfolded before our eyes. The real world implications of this new domain are being announced by different organization, cities, and governments in various forms and types, such as the assimilation of this technology into administrative tasks and affairs like keeping health care records or even the entire real estate information of a country.

However, one of the most promising potential functions of the Blockchain technology has to do with the foundation of all democracies around the globe – i.e. elections.

The Blockchain technology can be used to develop a system to hold an election via a voting system that is defined as a smart contract. In this smart contract, the different choices or different candidates would can be identified with a unique address in the network.

The outstanding advantages of a Blockchain-based voting system used for any elections can easily be surmised – the sheer speed of the process, absolute transparency for everyone to be able to observe the unbiased process of voting, the tamper-proof nature of Blockchain technology making sure no outside influence can change the end result of a fair and free election, cheaper costs of holding large scale elections, and many other upsides.

Counos has developed a system based on its Counos X cryptocurrency that allows for the holding of elections in a transparent and tamper-proof manner that can be easily administered.

The first phase of Counos X election system would be to use it for holding Blockchain-based elections in the country of

Switzerland. Furthermore, it is being developed in its scalability so that it can finally be used for the largest scale elections, such as United States presidential elections.

In such large scale elections, the volume of transactions and the speed of confirming transactions is very important. As such, Counos is currently working on this system to increase its scalability and capacity in a way that it will be able to process and register *10,000* transactions per second.

How Is Blockchain Advantageous for Holding Elections?

A Blockchain-based election system would naturally bring all the benefits of this technology to the processes of an election, including candidate registration, voting, and more importantly the counting of the votes.

As was mentioned above, with a Blockchain-based system, an election can be defined in the form of a smart contract. In this contract, different choices can be identified with a unique address. Votes will be provided to voters in the form of a certain source (for example a certain number of coins from a certain source).

Voters can vote to their chosen candidate or choose their favored option by transferring their balance (or right to vote) to the account of their chosen candidate or choice by scanning their address. This transfer will be recorded in the Blockchain and will be counted after a certain number of block confirmations.

At the end of the voting process, the account whose balance comes from the source that had already been defined in the Blockchain network and specified in the smart contract will determine the candidate or option with the highest number of votes.

More challenges must be considered in this system and a solution must be offered for them.

However, it is crucially important to note that when I talk about the use of Blockchain technology and a Blockchain network in holding elections, I do not mean that any network can carry out this task.

Counos has specifically designed the network of Counos X to have the capability to hold elections. But before discussing this system, I want to touch upon one last point. I want to show why exactly other Blockchain network won't be able to carry out such large scale elections.

Most of the Blockchain networks that are in the market and are used for cryptocurrencies, have a limited capacity in each block for processing transactions, and most of the available space is already filled with ordinary transactions, it would not be possible to use networks such as Bitcoin and Ethereum.

Since the number of voters can sometimes be extremely high, for instance in the case of the last US elections where more than 150 million people participated in the election, the network should have the capacity to process few million transactions in a day.

In other words, in this massively large scale election, up to thousands of transactions should be recorded each second. If we want to prepare the system for the peak influx of votes, it should be ready to cover a substantial number of transactions each second, such that no other Blockchain network is capable of doing so. This is why Counos is developing the Blockchain network of Counos X election system to be able to process 10,000 transactions per second.

Furthermore, another reason that existing public Blockchain networks will not be able to hold large scale elections is that they do not guarantee that the sent transaction will be recorded in the first available block.

Given the network's traffic, the transaction fee, and perhaps other defining parameters, the time of a transaction being recorded in a block can vary. This is considered a challenge for an operation that needs to take place and finish at certain times, especially something as time sensitive as voting.

In addition, the administration and holding an election will include determining candidates, verifying the identity of voters, preventing duplicate votes, and preventing fake voters. In addition, as mentioned, existing public Blockchain networks do not provide viable solutions for these challenges. Therefore, current conventional structures need to authenticate these matters.

So, it is clear that not just any Blockchain network can be used to successfully hold an election. This is where Counos X elections system comes in.

Election System of Counos

In order to solve all the challenges that were mentioned above, Counos platform has offered the Counos X elections system. The structure of the Counos Blockchain network is being updated to be able to process at least 10,000 transactions per second. This volume of transactions can meet the needs of large election systems, for example presidential elections or even referendums.

Furthermore, in order to guarantee the safety and security of the network, various steps have been taken into consideration. For instance, all the active mining pools in the Counos network should meet a certain criterion to be able to mine blocks (including the minimum amount of credit as specified in system’s rules). On the other hand, network difficulty is controlled using special formula. All these make it harder for a 51-percent attack to occur. Additionally, they prevent the changing of rules and so unknown pools cannot exist. The details of created blocks in each pool can be reviewed in a public and transparent manner.

In any voting center, a new and exclusive address is given to any voter in addition to the right to vote (a certain balance of CCXX coins). The totality of these balances come from a certain source which are provided to be constant for all the election transactions. This balance is sent to an exclusive address to each voting center, which will then be used in the process of elections by voters. In any election system, there is an ID for any voter (this ID can come from the national ID number). This ID is registered as a separate transaction in the Blockchain in the form of a message when the voting right is transacted. This is so it becomes fully transparent who has used their voting right already. The registration validity of this ID should be authenticated by the organizers of the election outside the Blockchain network based on the number of the registered IDs in certain time periods, the balance of the voting center’s wallet will be recharged.

Transferring votes (special balance in the exclusive address) can be done via special voting wallets. Transaction ID and raw transaction are shown in the form of a QR code which can be recorded. In this way, any voter can make sure of how voting takes place.

As the voting process ends, the balance of voting centers and the main center will become non-transferable. Although, a certain time period in order to guarantee all the transactions are fully received (by the chosen candidate’s account) will be taken into account.

A special block explorer will be dedicated to this system. All the valid votes will be shown in this explorer. The votes that are cast outside the defined time period or come from unauthorized sources, will not be counted as part of the final balance, and in the end the valid results will be announced.

This is how the election system proposed by Counos platform can be implemented to carry out any election, from smaller scale ones, such as city-wide elections, to much larger ones, including parliament and presidential elections.

2

Crypto Market Manipulations and the Reasons Behind Heavy Price Volatilities

One of the biggest criticisms that is always levied against the crypto market has to do with extreme and heavy price volatilities that this market goes through from time to time.

Other than the sudden crashes in the market or so-called bear markets that take over the market from time to time, we are all too familiar with the sudden changes in the prices of an asset even overnight. Extreme soaring or crashing, mostly crashing, as a result of which numerous investors, both micro and macro, lose their money.

Unfortunately, such occurrences are not an exception in the crypto market. We encounter them more often that they clearly pass the threshold of being called incidental.

They have become part of the market. A toxicity that has besmirched the name of digital currencies and has caused countless people losing their life savings.

But what is the reason for such occurrences? More importantly, who is behind them and benefiting from the loss of investors?

Lack of Real Decentralization

A major contributing factor to all the market manipulations that take place has to do with the lack of real decentralization of assets.

Unlike what most digital currencies purport to be, their networks are not truly decentralized. Let’s take into account a cryptocurrency that came to be with the promise of being decentralized – Bitcoin.

First, let’s consider node distribution, 50 percent of all the nodes in the network of Bitcoin are from only 3 countries, pointing to a heavy centralization of the nodes in the network. Furthermore, 75 percent of all the nodes are in only 10 countries. The same is true for the distribution of miners and even mining pools.

We can see serious centralization with regard to countries where miners are located in and the case of mining pools, where the real block creation of the network takes place, the four biggest BTC mining pools in the world hold about 60 percent of the entire Bitcoin network.

But the real issue has to do with the ownership of the asset itself. This is where the true meaning of decentralization must be found. If the majority of an asset is held by a small group of people, can it really be considered decentralized?

When it comes to the distribution of Bitcoin itself, the people of US, Romania, Czech Republic, China, Spain, Poland, Turkey, Japan, Switzerland, and South Korea have the most amount of Bitcoin. Those who store a great amount of Bitcoin are referred to as Bitcoin whales, and these whales can affect the prices in the market and change them in their own favor.

One of the worst things that these whales do is to pump and dump the price. Simply put, pump and dump means increasing the prices artificially and then after traders are attracted to the market, whales would rush in and sell the coins with a high price and then leave. This will result in serious loss to all buyers and serious benefit for the whales.

By reviewing the Bitcoin addresses and the amount of Bitcoin they hold, we can get to some interesting results.

Amount of Bitcoin	Number of Addresses	Percentage of Addresses	Entire Bitcoin in Addresses	Percentage of Bitcoin out of All Available Bitcoin
(0 - 0.001)	15231095	48.66%	2,996	0.02%
[0.001 - 0.01)	7585797	24.24%	30,707	0.17%
[0.01 - 0.1)	5367010	17.15%	173,651	0.94%
[0.1 - 1)	2295233	7.33%	724,732	3.92%
[1 - 10)	666683	2.13%	1,731,410	9.37%
[10 - 100)	137586	0.44%	4,450,163	24.09%
[100 - 1,000)	13854	0.04%	3,476,495	18.82%
[1,000 - 10,000)	2091	0.01%	5,212,095	28.22%

[10,000 - 100,000)	103	0%	2,421,617	13.11%
[100,000 - 1,000,000)	1	0%	247,502	1.34%

This table shows that for example %0.01 of Bitcoin holders (2195 out of 31,299,453 addresses) have more than the 42 percent of the available Bitcoin, and %0.05 of Bitcoin holders (16,049 out of 31,299,453 addresses) have more than 61 percent of all Bitcoins! On the other hand, %72 of Bitcoin holders (22,816,892 out of 31,299,453 addresses) have less than 2 percent of Bitcoins altogether.

These numbers indicate that the most amount of Bitcoins are held by a very small minority and most people are working with a very small percentage of Bitcoins in the market.

This huge centralization of power in the form of assets owned, does not bode well for the real users in the market. And unfortunately, Bitcoin is only an example, similar cases are numerous in the crypto market, from all the major coins to lesser known ones.

Market Limitations

The extreme fluctuations in the prices of digital currencies can be explained by the fact that the market is a limited market. Where there should be real decentralization, we can clearly see heavy centralization.

The fact that decentralization is not real means that most assets are being held by a limited group of people. They hold on to massive amounts of digital currencies.

This small group of people holding on to most assets are in fact the big players in the market who are behind the most well-known and major cryptocurrency exchanges in the world.

They dominate the market based on the various digital currency pairs that they have created. And with the help of the bots, they can easily fluctuate prices.

How exactly? By pumping and then dumping the assets they own.

This limited group has vastly extensive information about the market, since they control the majority of the assets, so by looking at whether an asset is closed long or closed short, they can see which side is weightier. Then they will pump that side.

Through this pumping they will influence the market and are able to liquidate investors’ money easily.

In this way they can control the prices of assets in the market. And since they control the prices, they can control the volume of the money that is entered into the market.

This centralized group of people can sell their assets as if they are loaning money from the bank.

They manipulate the market by pumping and dumping, and so when they eventually buy back their assets, it is as if they are paying back the loan to the bank.

However, there is a crucial nuance here. They do not pay the same amount back to the bank. Not at all. They sold at a much higher price, and when the prices come down the sale volume will be lower for them. This is how they can hold on to most of the money.

So, what happens to the market in this situation?

Assets have been taken out of the market and will never return to be circulated. This is one of the main reason the market crashes. Because new money does not enter the market.

Those who want to sell, they bring the prices down so that others won’t sell. And the next step is to make the prices go lower, so new investors can enter the market.

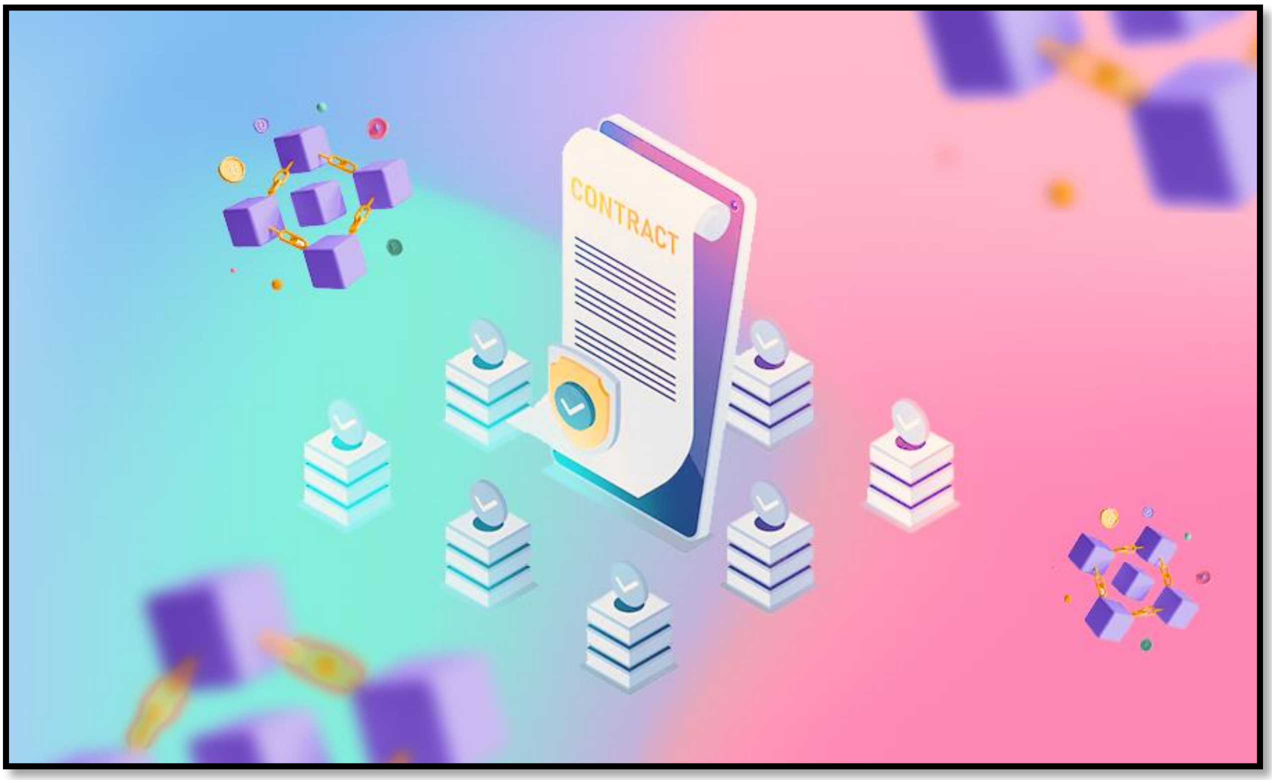
All this pumping and dumping is not the end. This group of people also influence the market so heavily that they cause fluctuations in the prices all the way from 10 to even 40 percent.

What does this all mean for the real users?

Their money, their life savings, will eventually be liquidated through all this price manipulation by a small group of people.

3

A Future Based on Blockchain: Counos Certificate System



The sharp trend of technology upward is taking everything along with itself and leaving its positive mark. The same is of course true for perhaps one of the most important technologies ever manifested in the world – Blockchain.

The Blockchain technology and its offspring – i.e. cryptocurrencies – offer a vast and extensive array of potentials. In a recent article regarding the election system of Counos, I delved into this topic, showing how Blockchain technology can be implemented in various ways to solve the real problems of the world.

Along the same lines, the features of the Blockchain technology such as its unprecedented transparency and tamper-proof nature can be used to solve other problems that we have today in the world, such as counterfeiting.

By launching a Blockchain-based certificate system, this issue will be part of history. In this system an NFT will be issued for the certificate with a clear and specified source and issuer. This way, there will be total transparency to combat counterfeiting.

Counos Certificate Issuance System will soon be launched into the market in order to issue Blockchain-based certificate, which will inevitably replace all certificates in the future, such as passports, university degrees, and also more trivial items such as tickets and other things in the market.

How Does Counos Certificate System Work?

The certificate system of Counos that I mentioned earlier is related to the Blockchain network of Counos X. First, let's take a look at Counos X and then we will consider the certificate issuance system. Counos X is a cryptocurrency offered by the Counos Platform, whose Blockchain network will offer various features – one of which is the issuance system that will be released soon.

With the help of this certificate issuance system, CCXX Blockchain can be used to issue all kinds of certificates such as university degrees, customs documents, transportation documents, identification documents, etc.

The Blockchain network of Counos X will provide a decentralized database or a distributed public ledger that helps store all types of certificates in a safe, independent, and private network, which is completely tamper-proof. Every time a certificate is issued, it becomes digitized and stored in the Blockchain of Counos X to be kept in a safe, secure, and fully transparent platform.

So, when the certification system is added to the Blockchain of Counos X, any type of document can be issued and stored in a platform that is 100 percent transparent and tamper proof. There can be no duplicate or fake documents, since the Blockchain network of CCXX is completely decentralized, independent, and transparent.

All data about certificate verification system will be stored and published over a public Blockchain using normal CCXX transaction which follows some special rules. Certification authority will issue a new certificate issuance system for each special identity (like major producer, event organizer, etc.), name, and count of certificate will be registered by some special CCXX transaction. This transaction can be used for next level to issue a certificate to new owner.

A special wallet will be used to verify ownership based on Blockchain data and make it possible to transfer this ownership to other entities. CCXX balance which will be used in this scenario will be supported by more normal CCXX balance to cover transaction fee.

To check the validity of the certificate, some public data like certificate subject and first issuer and date of first issuance will be available on Counos explorer (a special explorer which allows to read data on public transaction by reading previous transaction of current balance). But to show the ownership of Certificate, the owner must have special wallet and provide the private key. When the provided private key is accepted by wallet, system will display more details like all previous owners and time of issuing.

In order to apply for the Counos certificate issuance system, any business, education system, or any other organization and institution which provides significant evidence, such certificates can be issued. Additionally, verification of this certificate will be controlled by public Blockchain.

All kinds of certificates and documents can be issued, stored, and transferred with the help of Counos X Blockchain-based certificate issuance system to create a fully transparent and tamper-proof manner to issue certificates and end counterfeiting.

4

Stablecoins Can Replace the Banking System in the Future

In simple terms, a Stablecoin can be defined in terms of a digital currency whose value is pegged at a ratio of one to one (or 1:1) to another asset in order to ensure that the cryptocurrency token will have value. This peg is usually another asset such as fiat currency or other more stable assets like gold or other precious metals.

This way Stablecoins hold a real power. Because they come with the advantages of the Blockchain field and this technology, and also cryptocurrencies; but also, it does not have the huge downside of digital currency – i.e. the extreme volatility.

In this way they hold a great deal of power. A power that one day will completely replace conventional banking systems.

How Will Stablecoins Replace Conventional Banking?

So, how will this process exactly take place with regard to Stablecoins taking over the conventional monetary systems? And, last but not least, what type of Stablecoin will be able to do such a feat?

You see, there are three major types of Stablecoin; fiat-backed Stablecoin, Crypto-backed Stablecoin, and lastly, non-collateralized Stablecoin.

A fiat-backed Stablecoin has national currency or a conventional fiat money as its peg. For example, there are a lot of well-known Stablecoins pegged in a one to one ratio to US dollar.

And there is of course the crypto-backed Stablecoin. As the name suggests, this type of Stablecoin has a digital currency for its collateral rather than a fiat money.

Lastly, we have non-collateralized Stablecoins. These Stablecoins do not rely on a conventional asset such as fiat money or gold as their peg; neither digital currencies. However, their backing mechanism is that these tokens rely on smart contracts. It is the algorithm to which the Stablecoin is pegged and it is the smart contract that guarantees the stability in the price of the Stablecoin; such as Counos U (CCU), and each unit of it is available to 1 United States dollar.

It is precisely by creating these reputable, valid, and firmly reliable Stablecoins such as non-collateralized Stablecoins that one day we will see conventional banking systems becoming replaced. In fact, they can play the role of the bank.

There will a process similar to deposit and withdraw. In a way that by buying them, it is as if people are depositing money in the bank, and by selling them, it is as if they are withdrawing from the bank.

Then people send these Stablecoins to each other, like an internal transaction system. Stablecoins can remove banking systems and satisfy the needs for such monetary systems.

Additionally, we will soon be faced with Government issued Stablecoins. Such Stablecoins that are sanctioned by the governments will surely happen in the future to replace the banking system.

But, it will not only be the governments. In this matter, powerful organizations and large corporations can also play a role and act like different banks.

In this way, and with the help of such Stablecoins, a new monetary system will be created among people, which will be completely reliable and dependable.

5

The Horizon of a New Economic Paradigm for Transferring Value

There are numerous economic apparatuses that govern the global financial system. The result of millennia and centuries of different economic schools has gotten us thus far to where we are right now.

The major purpose of any economic system is the transfer of value. People want to transfer value among themselves and in doing so be able to acquire goods and service from one another.

However, the current status quo with regard to this global economic apparatus revolves around centralized systems of conventional banking and other financial organizations that are almost always held by a certain power, certain group of people, or a certain government.

What does this mean for people who are using such system for the transfer of value? It means that they are at the mercy of these systems.

But could there be an alternative to these conventional systems? This is exactly what I intend to illustrate in this article. First the idea of money and value transfer will be explicated. Then we will take a look at the history of financial trades and how they are carried out today. And finally, we will see how it is plausible and feasible to have a new system for monetary and value transactions that are outside of centralized banks, organizations, governments, and fiat money.

What Is Money?

This is the most fundamental question that needs to be answered first and foremost. Out in the economic ether, the idea of money has been twisted and turned. Such that rarely do we think about it.

Essentially, money is a vehicle for transferring value.

Suppose for instance how our conventional fiat money system works. For example, when we purchase US dollar we give the value and asset that we have to the United States Reserve Bank and instead we get a paper bill for that value, which is of course US dollar.

The same is true for other fiat money and fiat currencies around the world. Imagine when we purchase Euro or any other fiat money, we are in fact providing the value or asset to that international or national organization or institute, so that in turn for the value that we have provided we can get a piece of paper, which is the bill, so that we can use that for easy transfer of value.

In such systems of value transfer, all the people who participate are at the mercy of the group, organization, or the governments that are in charge of the system. They can change the amount of asset and value and essentially take it higher or lower. This is how the value of fiat currencies get higher or lower every day.

Now, of course there are some fiat currencies that are more stable because of the organization or government that is in charge of it, such as Swiss Franc, which has almost always been considered one of the most reputable and reliable fiat currencies in the world.

But on the other hand, there are other fiat currencies that are not doing so great. For instance, we all know what happened to Euro recently, that for the first time in decades its value got lower than the US dollar. But there are far worse examples, such as what has happened to the fiat money of countries like Venezuela or Iran.

So, this is how fiat money works and this is how fiat money can be basically manipulated and become extremely volatile.

History of Value Transfer

Our economic systems and the multiplicity of the methods that we incorporate in the transfer of money around the world could be regarded as relatively new, especially with the incorporation of various technologies. How did value transfer take place in the past?

Since long ago, the way business and trades worked was based on a trusted party.

Imagine in the past there was a trusted part. Now, someone would come and give them their gold and in return they would get a receipt for that gold.

That receipt for gold would then be used as the vehicle for transferring value in an easy way without having to transfer the gold itself. Then they could give that receipt to anyone else for their trade and business. And finally, the last party could go to the trusted party, provide the receipt and get the gold from them.

But as time went by and as businesses and trades grew larger and larger, people would not actually come and get the gold. They would just leave the gold with the trusted party and merely trade with the help of that receipt.

This receipt for gold would be traded many times between people for various goods and service.

This was the way for transferring of value until the idea of modern banks and financial organization came fore.

New Paradigm for Value Transfer

So, we saw how fiat money works and how value was transferred in the past without banks and how it is transferred today with the help of banks and government organizations.

But is there a way to get away from banks and centralized organizations such as governments, treasuries, and reserve banks? Essentially, how can we trade value without fiat money?

The way this system can be possible is if an organization or a company can store gold and equal to that gold would sell the value and asset to people and offer them a receipt for that gold. And that receipt can be used to get this gold

In this system there is no need for a fiat money or national money. Because the assets can be transferred and traded without the help of fiat money. People would give their assets such as gold, car, precious assets, etc. and get a receipt. Then use that receipt to trade with anyone they want. Finally, that receipt can be used to get that asset.

In such a system, there is no longer a need for banks and conventional monetary systems. It's only the organization, the other party and the gold.

Now there can be a system that can transfer and exchange gold with commodities and digital currencies, and in this system there are no banks and fiat currencies

This is how the easy, simple, and reliable transfer of value would be possible in the proven way without the manipulation of banks, governments, and fiat money.

6

Crypto Market: Yet Another Scheme Being Manipulated by Few?

The potential advantages of the Blockchain technology and the subsequent crypto market and digital currencies that are built upon them are undeniable. However, one can only wonder what is behind all the heavy fluctuations in the market?

How is it that a digital currency can go against all the market forces and deny all economic logic and soar one, and then the next the same asset could fall dead out of sky, again for no apparent reason?

In order to have a truly transparent and functional crypto market, these are the questions that we first need to address.

Small Group of Manipulators

Who is in control of the crypto market? When you look at the crypto market you can see a group of young people who have created a virtual world that is not based on reality.

This small group of elite, who are amassing more and more wealth every day, control the prices in the crypto market in different ways, for instance with the help of influencers and the pyramid scheme they have created in their network.

Therefore, what is essentially taking place is that this small group controls that information about digital assets and gives people and small investors the wrong information about a certain asset – which ultimately leads to the pump and dump of the asset.

By providing the wrong information, they are in fact taking people's assets from them and never giving back.

This is quite tragic for thousands and thousands of people who have lost their life savings so far and this vicious cycle will unfortunately happen again.

By careful consideration of the market, it can be seen that all the major crypto projects belong to this small group of manipulators.

Through their fraudulent activities, they bring in people's money into their project. All the money remains inside this group among these elite people. And more importantly, the money never exits. It only goes from one member to another.

The only victim, unfortunately, are the investors who get fooled into investing in these projects.

How to Spot the Manipulators?

So, it is an undeniable and irrefutable fact that there are certain manipulators in the crypto market, that sadly make up the majority of the market, and scam people out of their money. A money that never goes back to the actual market cycle nor to the people themselves.

Now that we have this knowledge, the question must be asked: which projects are fraudulent? And how to pick the manipulators from the real projects?

Unfortunately, some of the worst manipulators are in fact that big names. Some users of the crypto market may believe that only small players in the market can be manipulators and that the big names are to be trusted.

But that is not true. We have seen on numerous occasions how big names have turned their back on their users and owners and basically stolen their money. This is exactly what happened with the FTX exchange and the FTX Token.

But in this article, I want to briefly analyze **Ethereum** – the second digital currency by most major listings and ranking factors.

If we only go back about two years and take a look at the price of Ethereum in March of 2020, we can see that the price of ETH was around and average of $230.

Flash forward to November 2021 and the price of ETH has reached an ATH of about $4700.

It means that in less than two years, the price of ETH increased by more than 20 times!

And now, in less than a year the price of ETH has plummeted to around $1200. In fact, majority of market analysts predict that it will go even further down.

What happened to justify all these heavy ups and downs?

The sad reality of the crypto market is that there is a just **bubble price**. The whole thing is a big money game to the few manipulators in the market to pump the assets, take people's money, and then dump again.

The Light at the End of the Crypto Tunnel

There you have it, the unfortunate reality of the crypto market. Crypto projects that are all based on lies and the networking of the powerful and rich few.

However, luckily, there *is* a light at the end of this tunnel. Because not all crypto projects are fraudulent.

You need to be very careful about which projects to choose. You must pay attention to projects that are genuine and based on reality. One good indicators are to look out for the cap. Projects whose market cap is proportional to the value of the project and the coin that they offer. So, there are still some projects that are real and offer the true advantages of Blockchain in the crypto market.

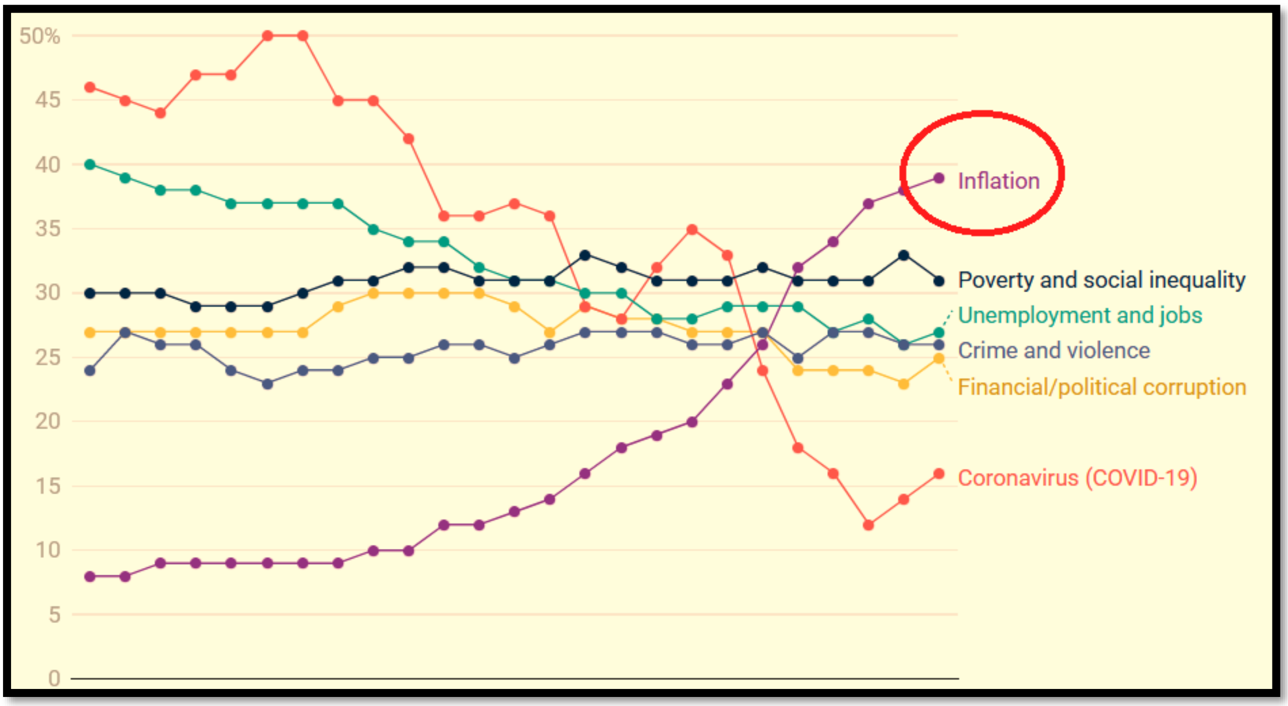
7

A Gold-Based Banking System; The Solution to Modern Global Financial Crises

According to the latest research from October 2022, the number one universal concern that is shared most by people is **concern over the global economy**[1] and modern financial crises, such as inflation.

1 https://www.ipsos.com/en-uk/what-worries-world-october-2022

In fact, in this research, a whopping 42 percent of the global community believes that inflation is the biggest problem facing their country.



That huge number is almost half of the people. So, half of the people on earth are concerned over inflation and their country's economic status. What is the main source of this concern? A major contributing factor is the loss of faith in conventional financial institutions, because when the time came they failed to perform as they should have.

There are, sadly, no shortage of examples; the Venezuelan Bolivar depreciated about 90% against the US dollar in the last couple of years only; the same is true for Iranian Rial, Egyptian

Pound, Ghanaian Cedi, Japanese Yen, Lebanese Pound, and even Euro have all been going through the motions, among many others.

But what is this way out?

As specified in the above mentioned article, a pathway forward is to use gold as a vehicle for the transfer of value and build around it an intricate and comprehensive financial system to value transfer.

A crucial part of this apparatus is the Lender.Gold section.

Banking System Based on Gold

In order to combat the serious issues related to inflation and the depreciation of the value of fiat money, countries need to turn to a new banking system that is entirely based on gold.

If gold is to be regarded as the new vehicle for value and the transfer of it, then it would only be prudent to conceive of a new banking system that is run based on gold, as its main currency.

In this way, gold can potentially and feasibly replace the fiat money of different countries as the main currency. This fact could especially prove beneficial for countries whose fiat money is in shambles. And with a quick look around the world, we can find many that are in this situation.

In this new system of banking, countries would stop lending and borrowing fiat money all the time – especially fiat money. Because countries are building up higher and higher volumes of fiat money debt.

Countries can lend gold instead of fiat money, because in this case, they can also get back gold. They can also borrow gold from this gold lender system that is proposed. And last but not least, governments and countries can use up their unused sources of fiat money, sources which are usually just gathering dust, and purchase gold with them, which can then be lent back into the system, and it goes again and again, gold goes, gold comes back.

One of the most important feats that is accomplished with this new banking system is the prevention of exchange of a country's national currency into another country. Because as it stands, we see that national currencies, especially of less industrialized and less developed countries, into other fiat money and currencies. But with this system, the value of the national currency of countries can be preserved and protected.

The biggest advantage of this banking system that is built around gold is that it takes a lot of control out of the hands of bad players in the system. What this means is that people, institutions, and governments can no longer issue money over abundantly.

Because the finite resources of physical gold can act as reasonable restraint to control the issuance of currency. This way both inflation and deflation that can be present with a fiat money system can be avoided.

8

Cryptocurrencies as Banks: The Reason Why Bitcoin Might Fall to $4,000

All over the world there are literally thousands of banks operating within various financial frames, acting as the bedrock of the global economy.

For instance, according to the Swiss Federal Statistical Office[2], in the country of Switzerland alone, there are **243** banks.

Among them are the UBS Group, Credit Suisse, Raiffeisen Switzerland, and so many others. While there might a healthy level of competition between these banks, their validity is not questioned with regard to each other.

It means that each bank is operating within its own charter and offers its own special programs to its clients, much like other banks in other countries.

All of these banks are fully licensed and are under constant checks and balances that are carried out by mostly government watchdog organizations to make sure proper operations. Additionally, these banks are in bilateral and multilateral relationships with other banks around the world, establishing credit relationship with one another.

However, the point that I want to raise in this article is that if we look at the crypto market, it can be surmised that cryptocurrencies can also be regarded as banks.

But how?

[2] https://www.bfs.admin.ch/bfs/en/home/statistics/money-banks-insurance/swiss-banks.html

Cryptos as Banks

So, there are thousands of cryptocurrencies in the market. And **each one of these cryptocurrencies is like a bank**.

Therefore, the first question that I want to answer is how are cryptocurrencies like banks? The answer to that question is threefold:

1. Deposit

First off, one of the prominent aspects of conventional banking is depositing money.

With crypto, when you buy the coin or token, it is as if you deposit your money in their system.

2. Withdraw

Of course, the other half of the banking duo is withdrawing.

With crypto, when you sell the coin or token, it is as if you withdraw your money from their system.

3. Internal Transaction

And lastly:

When you sell that coin or token to another user, it is as if you have engaged in internal transaction.

Based on these three factors, the stool of banking gets completed for the crypto market, and the indication exists for the remarkable resemblance of the cryptocurrencies and banks.

Hollow Banks

There are similarities between cryptocurrencies and banks. But what are the differences?

There are some major differences, and that is where the serious issues of the crypto market can be found.

As was mentioned above banks are being controlled and checked constantly by impartial third parties. However, in the case of cryptocurrencies, they claim to be decentralized, but are actually being controlled by a small group of people in the market.

Wolf in the Sheep's Clothing

Irresponsible Centralization in the Decentralization Clothing

So, cryptocurrencies such as Bitcoin, Ethereum, and countless others, that say are decentralized but are actually centralized and controlled by a small group of people, can act as completely irresponsible banks with zero liability.

Bitcoin Will Fall to $4,000

This is how they were able to manipulate the market and take Bitcoin to about $69,000.

But, now if you look at it, BTC is barely hovering above $16,000.

My prediction is that Bitcoin will go down as far as $4,000.

Exactly how? This is how they make the system work. You see, with a bank, when you deposit your money, you take out your money, or the bank can, at worst, declare official bankruptcy.

But when you purchase crypto (deposit money into crypto), most of the people are going to lose their money and a small group of people who manipulate the market will win all this money. Now, keep in mind that this is true for many crypto projects, but of course not for all of them. Because there are still genuine crypto projects in the market.

The group of manipulators in the market run projects like a casino and treat the market like a **money game**. They use pump and dump and various other methods, so that they can bring the price down: this means that the money is gone to them, and will never really get back into market circulation; it is only circulated between the manipulators themselves.

Even worse, the price can jump to zero and you will lose all your “deposit” overnight, never getting a whiff of it ever again. This is exactly what happened with Terra LUNA, and many others.

Essentially, what we unfortunately see with many crypto projects is a Ponzi scheme. But as was mentioned above, they hide behind the so-called anonymity of the decentralization, which is not even real. Usually in a Ponzi scheme when the system goes up it implodes. But with these crypto projects, because no one takes responsibility for them and no one say that they are behind it, the whole project can even go to zero and go high once again.

So, I believe that Bitcoin will go further down, even as far as 4,000 dollars, so that **new investors can be attracted**. Because the money that has already the market is being circulated in the form of the coins, so it’s not a new money. Investors are much likely to enter at 4,000 dollars so that the new cycle of pump and dump can begin. This can happen again and again virtually infinite times. Bitcoin can even go very high, as much as to $500,000 and then fall back again.

This is a circle to get money into the system. It all depends on the process of entering money, which is purchasing Bitcoin and other coins, and the process of exiting money. All these attempts are made to attract investors into the market to bring new money.

So, as you can see many of these crypto projects are like a casino, and as it usually has been the case, when you go in the casino, 3 to 5 percent of the people win and the rest will lose.