



Post 2/3 on Crypto

Thoughts on the creation of alternative means of human interaction.

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In my [previous post](#) on the possible challenges of using public blockchains as coins and tokens I pointed to the lack of fungibility of these assets due to “path dependency”. Additionally, I also argued that using “public” assets such as bitcoin, a social credit system where all our transactions are monitored and controlled, could be *easily* implemented.

In this post I'll expand on these thoughts.

By understanding the advantages, pitfalls and limits to implementing any technology, one could avoid falling into systemic breaks by following paths that could lead to brick walls.

1. Political systems.

To exemplify the complexity of the problem at hand, let's delineate two simple metaphors of political systems, which we may at some point identify with.

Scenario 1: Corruption dominated system.

Imagine that, for whatever path of events, the current political system comes to be dominated by a small elite of individuals who control the political mechanisms of power. A relatively small group of entities, through a slow process of infiltration through corruption of public and private institutions, the media, the judiciary, the legislatures and parts of the military, come to dominate the political system. They work towards imposing a dystopian control over the population in order to maintain and expand their power. To do so, they use the wheels of the machine of power to advance their own interests, which at times might appear to also benefit most of the population.

Scenario 2: Political system working for the people.

This would be a system which is based on constitutional (innate) rights for all individuals. These rights are inalienable, and the political system is designed to work towards applying these principles for the benefit of the people by a system of checks and balances so that if some part of the system is corrupted, others will provide the necessary push back. Let's imagine that under this scenario this system is managed mostly by un-corrupted individuals. In this system, individuals and government also need to make difficult decisions regarding conflicting interpretations of constitutional rights, in essence establish the lines between where one individual's right conflict with those of someone else.

For simplicity let's call

Scenario 1 one that is dominated by **Dark forces** and

Scenario 2 is a system that is dominated by **Light forces**.

Remember, this is a simple metaphor, a very imperfect one.

2. Technological advances.

Today, technological advances are such that privacy is almost impossible, and surveillance systems are such that governments or large corporations with access to the networked surveillance data know more about each individual than the individual itself. This network is continuously being developed, starting from the internet of information and taking great strides towards the internet of things (interconnected devices).



Mind to machine interfaces and electromagnetic interference and monitoring tools are the step forward towards the internet of brains which ultimately will be able to be both queried and influenced.

These emergent technological advances (and others) will be monitored using advanced AI (large data) tools that will be an ever present over-arching controller over these networks.

At the core of these networks of interconnected individuals, information, devices and brains will be some type of financial system, that gives access to the different devices and information, within this matrix (or network). Payment systems such as Mastercard, Visa, Stripe, PayPal and others fill this role today, but they will likely move towards to some sort of blockchain-based system, either centralised (CBDCs) or decentralised (Bitcoin, etc).

With these new developments at play, individuals will need to adapt and make conscient decisions regarding the extent to which their privacy, freedom of movement, of engaging in the system, to which extent and under which safeguards, or of being able to develop alternative systems of human interaction.

Crypto currencies will undoubtedly play an important role as they represent the possibility of the creation of non-government-controlled methods of payment and interaction. In [post #1](#), I already mentioned some of the challenges of using cryptocurrencies for this purpose. Let's now expand on the previous thoughts and discuss some further implications.

3. Game Theory. Dark versus light.

Let's imagine that the political Scenario 1 dominates the landscape (Dark forces).

The corruption grows to a point that to pay for all the corrupted individuals, the government cogs start turning towards a totalitarian dystopia. Surveillance tools are used to keep opposing individuals in line (through the media, censorship tools or the highjacked legal system), all in name of safety and security of the wider population. At every crisis (pandemic, climate change, financial crisis, terrorism) gives the excuse to government to extend the tools of population control.

The ultimate tools are control of individuals' access to the "system" such as the modern debanking phenomenon (for "political" motives) which is now occurring. Ultimately, the system will tend towards some dystopia, such described in "1984" by George Orwell or "Brave new World" by Aldous Huxley. The tell-tale signs of such a progress towards totalitarianism is when the system reaches the point that censorship laws are applied. Without the ability to speak freely, all other individual rights go away. Without a means of exchanging freely goods and services (such as second-hand goods) then the ability of individuals to fight against such a system whether politically or through building alternative structures and institutions is curtailed.

Public cryptocurrencies such as bitcoin and others will be the ultimate tool of government control under this scenario. These cryptocurrencies have a large degree of safety, but also of compliance, due to its lack of privacy. These public cryptocurrencies will be used by the system to enforce a credit score mechanism, similar to the one that is already in place in China. Any political dissent will imply lower credit scores that will limit the range of goods and services to be purchased within the system.

When darkness dominates the system, the good people must trade in the dark and build a resistance there. To trade with each other they could (and probably must) use private tools, such as cash or private cryptocurrencies and using such tools build alternative structures. By doing so, they undermine the government sources of revenue (taxation) and control. However, at this point the system of control is such that any such resistance will be slowly rooted out, individual by individual, asset by asset, household by household.

This is a clear path towards an inescapable dystopia as the tools to enable a resistance to the overreaching government were not put in place beforehand.

Let's imagine now that the political Scenario 2 dominates the landscape (Light forces).

The light is in control, this is, the good people are in control. The government will have the opportunity to deploy a system of interaction based on bitcoin and other cryptocurrencies. The users of the system will be happy because they will have access to safe transactions (due to the transparency, frauds are easy to detect and pursue).

Under this system, the criminals will go into the shadows. However, corrupt banks that fund terrorism and other illicit activities will fight to keep their grip on the financial system and payment mechanisms. They will use private cryptocurrencies to trade with each other and elements of the black market.

This is a utopia that we all think that we want to see happen.

But building a financial system based upon public cryptocurrencies is a double-edged sword. The government might change over time as individuals are “persuaded” that because government works so well, larger government should exist with more regulations and restrictions over individuals, motivated by different future crisis that are almost certain to occur.

Technology advances that I previously referred to are likely to question our beliefs about the nature of being human, of being free and of being autonomous. There could come a time when a large portion of the population is confronted with the choice of genetic (and other) biological interventions to expand lifespan, expand intellectual capacity or other physical characteristics. These individuals might want to impose their will on other individuals, “for the greater good” or “the advancement of humanity”.

At that time, what will be the mechanisms for resistance for individuals who prefer to remain human as we know it now? These individuals will have to go into the black market, the alternative system, which was not allowed to flourish in the meantime. However, now the system is perfect, and resistance is futile, a new dystopia is created using the same tools that were used to enable the utopia.

4. Arctic frost example

The recent “Arctic Frost” investigation¹ where [Trump Media Group was debanked](#) by JP Morgan is an interesting case that could be a lesson for the scenarios portrayed above.

In a recent [interview with Miranda Devine](#), Eric Trump explained how the de-banking of its account by JP Morgan occurred and its impact on the whole organisation, the payment of salaries, social security and other regular ongoing obligations.

One of the solutions that Trump media found was to use crypto currencies to make such payments. This allowed them to continue operating. However, as I've explained in the [previous crypto post](#), debanking crypto addresses will be much easier implement and much more damaging, once the control systems are in place.

If currently, governments can persuade (or bully) banks to debank individuals or organisations, with a regulated blockchain system, governments could simply “flag” these addresses in centralized databases as “not allowed”. Any entity or individual transacting in the system would not be allowed to engage in transactions with the “not allowed” addresses.

The consequence would be that Trump Media Group would have probably collapsed as no escape mechanism would be available. The only alternative would be either the black market of private cryptocurrencies or the use of physical assets (which would be impractical).

¹ On Monday the 10th of November 2025, JP Morgan was notified by Florida Attorney General James Uthmeier that it was opening a probe due to its cooperation with a probe with the Biden administration's Arctic Frost, first reported by the Daily Wire. Uthmeier said in a letter to JP Morgan that he had “grave concerns” about things the bank did regarding Trump Media, which operates in Florida and runs President Donald Trump's TRUTH Social. <https://www.foxbusiness.com/politics/florida-ag-probes-jpmorgan-chase-over-alleged-de-banking-trump-media>

4. How to build a robust system with checks and balances?

This is the million-dollar question. Our current financial system, even though not perfect, has allowed extraordinary wealth creation by enabling capital to be allocated to different ideas and projects. It allows for a fine balance between national interest, global trade and the movement of people. The destruction of such a system would be akin to the destruction of our own circulatory system within our bodies.

However, this does not mean that the system cannot be improved upon. Blockchain technology could be central towards building a better system, but it could also lead to dangerous outcomes that increase the imbalances we currently observe around us. The purpose of these posts is to reflect on these dangers and therefore can sound too critical of blockchain technology, as the opportunities are already clearly propagandised by crypto enthusiasts, and they sound good.

The status quo forces are already positioning themselves to take advantage of the blockchain technology which could result in increased imbalances and speed up the path towards a new dystopia. CBDCs are so clearly a decoy narrative that even low information individuals will reject it, so that the real control mechanism is allowed to surface in the form of a trojan horse.

Consequently, a scenario 2 government (of light forces), would be wise to allow flourish, under limited utilizations, alternative experimental systems of human interaction. It would also promote schemes that allow for the creation of micro-grids and networks in an effort to decentralise some key aspects of basic utilities, such as access to power, water and food. Possibly these projects could be implemented making use of specific crypto currencies or other blockchain technologies.

6. Skin in the game.

Possibly one of the most important feature is to implement systems where intervenients have [“skin in the game”](#), as suggested by Nassim Taleb. Many government schemes for instance are designed so that no individual retains responsibility for damage imputed upon others. These problems are particularly acute at top level decision making.

The Covid-19 pandemic response provides a recent case at hand with the push towards coercive or compulsory vaccinations while at the same time withholding of important information that would allow individuals to make informed decisions. Any harm caused by these decisions was designed in such a way that responsibility lies in no individual(s). Such automated implementations lead to systematic errors which when the underlying assumptions are erroneous lead to systemic harm. The policy of targeting “vaccine hesitancy” instead of outcome of vaccination creates a disconnect between policy implementation and its outcome. For example, to avoid “vaccine hesitancy”, [contradictory information](#)² (even if true) must be suppressed, with the players in the process baring no responsibility for their actions.

Automated systems are only being expanded with the use of AI tools, and we can envision scenarios where the usage of these tools to justify and implement systemic rules could lead to widespread systemic harm. Simple examples of harm due to interaction with AIs can be found in some extreme outcomes such as homicides and suicides driven by interaction with these tools.

Black box systems must ultimately be the responsibility of an individual or several individuals who deployed them, so that these have an active interest (skin in the game) of possible system failures.

In the next post:

In my next post I'll explain some of the risks that crypto currencies pose for national security of different nations and how it could lead to planting the seeds of future conflicts and unintended consequences. The next post is less abstract in nature and expands of the potential use of crypto currencies as stores of value.

² In August 2024, [Mark Zuckerberg](#) apologized publicly for censorship during the Covid-19 pandemic ([see video](#)).