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1/18: My first post about #BTC and it's a challenge for the #BTC community:

This 🧵 details 4 questions that I'm wrestling with regarding #BTC. In full disclosure, I have a very deep understanding of the benefits of #BTC but I'm not yet on board. Help me get there:

2/18: Q1: Having a central currency allows our government to print money for a variety of reasons. While not everyone agrees with every reason for printing money, it does help our country navigate urgent situations that require the government to procure goods and services.

3/18: A good example of this was WWII. The Fed wanted to finance the war with debt as much as possible to spread the distorting burden of higher taxation out over as many years as possible. 40% was paid for with increases in taxes but 60% was funded with debt.

4/18: I've heard the theory of reducing the effective cost of debt via modest inflation described as the avoidance of getting hit on the head with a hammer really hard once in return for getting tapped on the head with a hammer very gently for a decade.

5/18: So does this mean that if someone moved all their assets into #BTC that they would bear none of the costs of an effort equivalent to WWII? Our modern equivalency might be the upcoming battle against climate change so do #BTC HODLers avoid paying their share?

6/18: Q2: While true that #BTC is limited in supply, digital currencies are by definition infinitely abundant because they exist in code. It's true that as long as everyone agrees that #BTC is valuable then it's valuable. But this is true with every digital currency.

7/18: So if #BTC prices continue to rise and only a fraction of the world has any exposure of materiality, why wouldn't someone create a new genesis block in a new digital currency that functions identically to #BTC and allow for newcomers to "get in early?"

8/18: It obviously would take people to back the infrastructure associated with the new chain and evangelists with glowing eyes to explain the "what" and the "why", but given the prize at play this could be assembled relatively easily.

9/18: Q3: The immutability of transactions is seen by many as a feature but in some important contexts it can be seen as a major flaw. Banks rely on the reversibility feature every day to stop fraudulent activities and paper trails have their advantages.

10/18: The same is true with valuable physical goods. If they can be found, they can be recovered and put back in the hands of their rightful owner because the Provenance/Ownership hasn't changed hands in a legal fashion.

11/18: Ex: The Stolen Jewelry Website of the Jewelers' Security Alliance provides a central clearinghouse for the jewelry industry, law enforcement, insurance agents and the public to share information on jewelry that has been stolen or recovered in the United States.

12/18: Consumers like protections. Businesses like legal help when they've been robbed. So is #BTC a "finders keepers" system or are there protocols or systems that allow transactions to be reversed and/or reclaimed if stolen and found?

13/18: Q4: I think it's fair to say that it's a truism that typical consumers lose stuff with regularity. In the digital world they lose passwords all the time. In the physical world they lose ATM and credit cards. They lose everything that isn't nailed down.

14/18: But for just about everything in life, there's a recovery protocol that allows a person or company to replace lost items or access accounts that they've lost credentials for. These protocols provide multiple methods and levels of proof depending on the circumstances.

15/18: And for just about everything in life, in case of impairment/death of an item's owner, it can be recovered by family members/legal representatives. With proof, safety deposit boxes can be opened, bank accounts can be accessed, and household safes can be drilled.

16/18: The same is true in business. Even if a departing employee does their absolute best to change passwords and mess with the credentials to a business's bank accounts (or software, etc), there are ways for a business to recover access.

17/18: So what happens to one's #BTC if something were to happen suddenly and plans weren't made in advance to provide access to another party? Is there a recovery protocol? Should there be? How has this ben handled by the various custodial services?

18/18: Speaking my own truth, I wish the best to all the #BTC believers out there. I'm trying to gain as much perspective as I can and would love the help of the community to sharpen my thinking on the topic. Tag someone who can help – and thanks to everyone in advance!

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