Twitter Thread by 6529



6529
@punk6529

1/ On NFTs 2030

However bullish you are on NFTs, you are wrong.

You are insufficiently bullish.

6529 has gone to the mountaintop and there is almost nothing in life that 6529 is as sure of as this

2/ First, the usual anti-FOMO advice.

The rest of this thread is giga-bull NFTs in general as a technology.

This does not mean that you should ape in the PFP collection "Silver Snails". Most individual NFTs are heading to zero.

Now back to the main event

3/ 6529 first came across BTC in 2011-2012 and ignored it.

It was not until August 2013 in my apartment in NYC when I actually engaged, read the white paper, downloaded a node, bought a BTC and sent $20 of BTC across the world instantly.

4/ It was an instant teleport to the future. But a very broad expansive future

Solving the Byzantine General's problem allowing for decentralized consensus is not a discovery that leads only to permissionless wire transfers or even digital gold or even uncensorable payments

5/ All of those things are super important and the OG Bitcoin decentralization maxis with their full nodes and paper wallets are providing an invaluable public service, keeping a global independent payment rail open and running.

They are sentries on our societal frontier

6/ But that is not the end of it. That is the beginning of it.

Modern society runs on databases that are run by TTPs (Trusted Third Parties).

Where are these TTPs? They are literally everywhere.

7/ Citibank. Google. Facebook. New York City. Hilton. Delta. The Olive Garden. Time Warner Cable. Uber. Amazon. The Social Security Administration. Your employer. Your pension fund administrator. The IRS. The NSA.

8/ For modern society to function at current scale and for *you* to function in it - to travel, to earn money, to vote, to get a cab, to eat, to not be jailed, requires thousands of databases to track you.

It is not evil, it is a function of "this is the only way we could do it"

9/ In that context, the TTP is who decides, in practice, your rights, from trivial to important.

From if your hotel reservation is cancelled to whether you can wire more than $100K to your crypto-exchange in a day to whether you are allowed to vote in the Presidential election

10/ We take it for granted, because it has faded in the background of our lives, but databases run by TTPs rule everything around us.

Memes are the apex object of society, but the architecture and machinery of society in 2021 is an Oracle or Amazon database

11/ OK, so what? What is the big deal with TTPs?

There is a micro and macro problem with modern TTPs

The micro problem is that they trend to being anti-competitive. Computers lead to economics of scale in data and infrastructure so firms tend to grow

12/ And as they grow they build a huge installed base of data and data infrastructure that is the main competitive barrier to entry in any modern business.

This is why the antitrust regulators know there is something problematic with FAANG, but can't find it

13/ The answer isn't to force them to lower prices (anyway a lot of their products are free) or to try and tell them which products they are allowed to build or not.

These are 19th century solutions to a 21st century problem.

14/ If 6529 was ever going to be a regulator and had to solve things in the traditional way, there is a simple solution to these issues.

Force companies and governmental agencies to provide first class access to the underlying data.

The market will solve the rest

15/ The macro problem with TTPs and the increasingly centralization they provide is that are increasingly creating easy chokeholds to hijack the whole of society.

People have a hard time thinking about this in abstract terms so we need to do examples

16/ Imagine taxis 10 years ago. A fully decentralized industry that knew effectively nothing about their customers.

Uber was a revolution and really convenient, but...

A future dictator can trivially ban 6529 from Uber/Lfyt/etc, but mission impossible stopping him from a taxi

17/ The same thing applies to Facebook, Apple, Amazon and Microsoft.

They are amazing businesses and I use their products daily. They have brought tens of trillions of dollars of utility into our lives.

But, they can be hijacked by people with guns

18/ 6529 thinks that state worries too much about day to day risks and not enough about existential risks.

Day-to-day risks: crime, drugs, money laundering, tax evasion, terrorism

Existential risks: dictators

19/ I'm sure there was crime and tax evasion in pre-Hitler Germany and in pre-Stalin Russia and in pre-Mao China.

And none of these things caused 1% of the deaths, economics and cultural destruction that was caused by hijacking the machinery of the state

20/ "Those who would give up essential Liberty, to purchase a little temporary Safety, deserve neither Liberty nor Safety"

Is one of the most important things ever written on these matters

21/ It is of course important to try to reduce day to day societal ills. 6529 is not in favor of crime.

But these efforts are double-edged swords when they open the door for the edge risk of someone hijacking the whole system

22/ 6529 is worried that the world is sleepwalking into high centralized systems with literally nobody pushing the other side of the equation.

China is already over the transom. And sadly, the USA and EU are heading in the same direction

23/ So pause and recap:

a) BTC solved decentralized consensus
b) Centralized consensus is everywhere
c) TTPs cause micro problems (anti-competitive) and macro problems (present existential risks)

What does any of this have to do with JPGs?

24/ Starting 2013, 6529 has been harassing everyone he can find (including himself) that "we can now build decentralized social systems"

And yet, every year since then, 6529 has been quite disappointed at what decentralized systems we have built

25/ The reason has been that crypto has been highly financialized so:

a) the infrastructure has become centralized (exchanges, etc)

b) tons of good ideas are securities violations in the USA, including many ideas 6529 would have done

26/ So what do our JPGs have to do with this?

a) They are decentralized
b) They are constitutionally protected free speech
c) They can represent the nuance of the world which is non-fungible, not fungible
d) They can be used to build decentralized social organizations

27/ Let me give you a preview of where we are headed



28/ The addressable market for NFTs is not "a subset of the art market", but, in the first phase, all societal intangibles.

These represent tens of trillions of value and are the coordinating mechanism of society.

29/ It is obvious that NFTs are the "internet moment" for art

The art establishment is going to get flippened because it is behaving exactly as conventionally as any other incumbent.

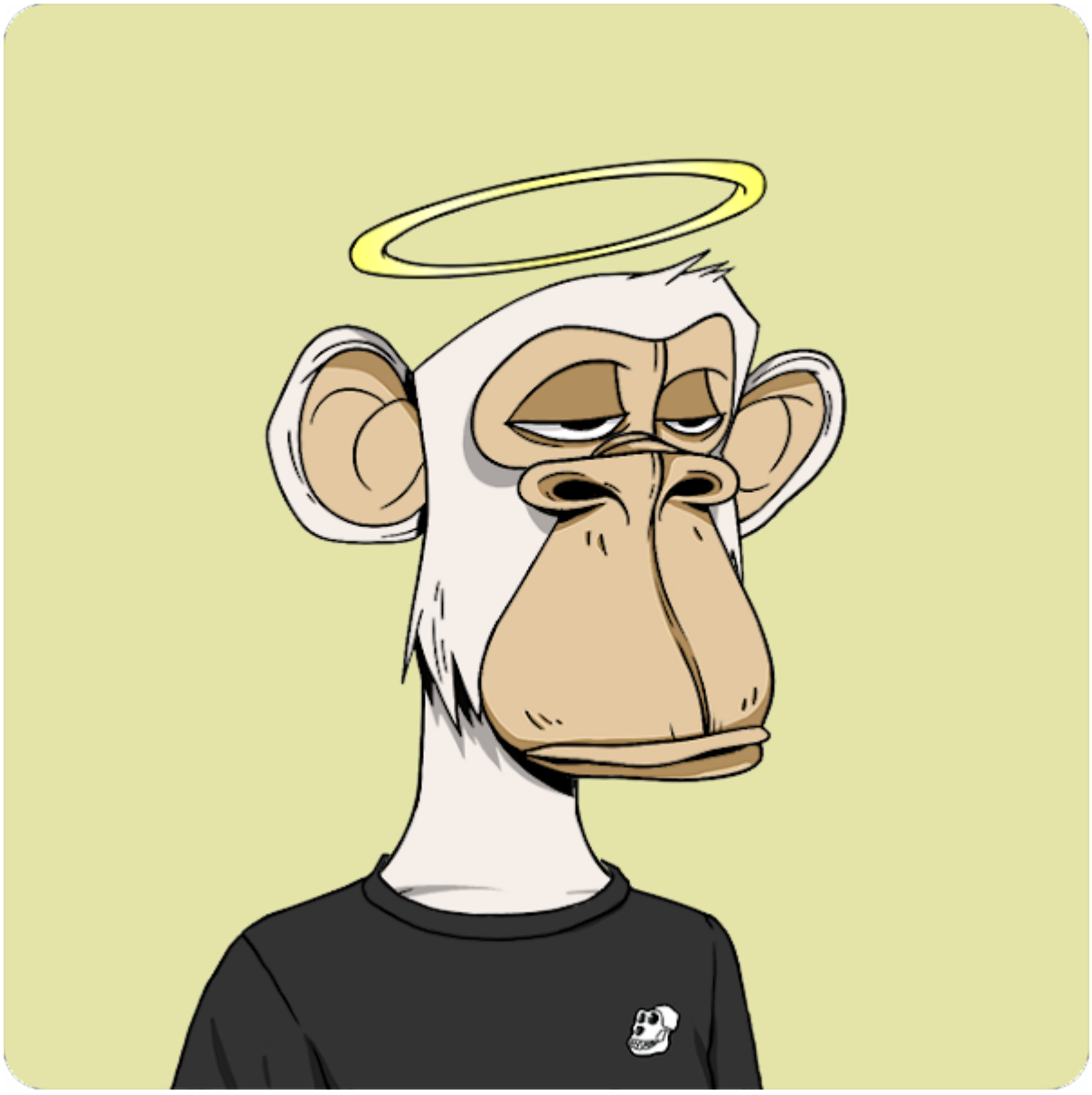
It is amusing to see in this "creative" and "counter-cultural" field

30/ But one massive mistake people make, including some of my best friends in crypto, including 2011 to 2013 crypto OGs is thinking that the scope of NFTs is "art"

Art is just a subset of societal intangibles. The cutting edge subset, but a subset

31/ After they flippen art, NFTs will start eating brands, they will start eating culture, they will start creating decentralized alternatives to centralized orgs.

Are the Bored Apes a silly collectible are are they a decentralized competitor to Supreme?



32/ So that will be the next phase, NFTs will be used by companies and decentralized organizations to organize their communities.

Unlike customer databases, they are public, they are composable, they are uncensorable.

They solve both the micro and the macro problem with TTPs

33/ If I want to go provide some service to the Bored Ape Yacht Club community, I do not have to ask permission of Yuga Labs. I can just airdrop to the holders or use BAYCs as a mint pass.

This solves the micro problem with TTPs, no antitrust regulators needed

34/ On the macro side, if I were a potential dictator, same problem.

I cannot easily freeze the movement of BAYCs because they run on Ethereum, not in the customer database of Yuga Labs.

It is a vastly more difficult and impractical problem to chase down everyone individually

35/ And this is the intermediate stage.

In time our metaverse of persistent digital objects will become more and more real until it becomes our default reality.

This will also run on NFTs and will be our default reality.

Critical to be decentralized

36/ Then comes that stuff that is less interesting conceptually to 6529. Will we bring movie tickets, vacation rentals, hotel reservations, home sales and so on to NFTs?

Yes, of course and it will be good for market efficiency

37/ But all off-chain assets will require a trusted third party linkage to come on-chain.

So these bringing your Cancun rental on-chain will solve economic efficiency problems in the normal way but not any fundamental problems of liberty and societal organization

38/ BTW all of this points to where the next angle of system attack will be on crypto and that is non-custodial wallets.

Both the USA and the EU are floating different attacks on non-custodial wallets.

This is the ONLY regulatory battle we MUST win

39/ We can concede everything else and still win.

Whether DeFi governance token X is a security? Who cares.

We simply need to maintain right to hold crypto directly, not in a TTP, and transact reasonably (without insane recordkeeping requirements)

40/ If we can preserve this (which is not a 'won' fight, it is a fight that has just begun -- @coincenter and @NeerajKA and @twobitidiot throw EVERYTHING at this specific topic), then JPGs can take us the rest of the way to Valhalla.

41/ We can absolutely organize decentralized orgs with JPGs without violating any securities laws.

And if we can do it, then the magic of network, of the collective intelligence of humanity will take us the rest of the way

42/ This what 6529 is here for.

I like art and I like making frens and I like "ooh and aahing" over beautiful art and I like it when the ETH number of my NFT holdings goes up.

But I like those things in a normal way, like I like going to a nice dinner

43/ The reason that 6529 is laser-focused right now is that there is a narrow window, where we can bend the arc of history, where we can change the path of world history

I have not felt this way since 2013 when 6529 played a small role in BTC's development into what it is

45/ This is enough for today. Read this. Absorb it. Read it again.

This is the underlying theory. Take a day or two to digest it.

Go back to the other threads. Read them again.

And in couple of days, I will explain my plan.

https://t.co/yKBRMtBrE4

> 6529 ~1 month old \U0001f973
>
> Some of you know me from somewhere else \U0001f440
>
> My views on NFTs in the thread below
>
> — 6529 (@punk6529) August 22, 2021