

Paccoin

A new crypto currency featuring SHA256D encryption algorithm and Proof of Stake.



Features

1. SHA256D Encryption Algorithm
 2. Proof of Stake - which encourages users to keep their computers connected to the network, and to save their coins rather than spending them.
 3. Fast Difficulty Adjustments
 4. Money Supply - ₪100 Trillion Paccoins
 5. ₪500 coin block size
 6. Faster verifications
 7. Investor Friendly - More Investment = More Return
 8. *Instant Transactions
 9. *Fraud Protection
 10. *Wallets gain interest
 11. *Transaction fees paid to the members of the network, not the miners
- *asterisk items have not yet been implemented at the time of writing

Of the various crypto currencies, Bitcoin being the first and most commercially successful has many drawbacks in my humble opinion.

1. Limited to 21 Million Coins.
2. Slow changing difficulty
3. Devaluation of Mining Equipment - Investor unfriendly
4. Slow Verifications
5. Inability of Reversing Transactions for fraud.
6. 25 Bitcoins per Block
7. The founders of Bitcoin are surrounded in mystery.

We'll get to each of these below. By the time of the writing of this paper, Bitcoin's founders insist that the 21 million coin limit will not change, its a fundamental value of bitcoin. Unfortunately this a fundamental flaw with Bitcoin. The belief is that a limited money supply will go up in value, and will actually cause deflation. Deflation as defined by Bitcoin Proponents, is the cost of goods and services will go down because the value of bitcoin will continue to go up.

The proponents say Bitcoin will increase in value due to the laws of supply and demand. Although this is probably true, it renders bitcoin more of an investment, than a viable cash alternative.

The problem with an ever increasing money value is who wants to buy something at the store for .00000032 bitcoins, I mean really. Trying to read all those zeroes would drive me sick. The dollar is still a good form of money when you can get a burger for 99 cents. That is what my intention for Paccoins to be, more like the value of the dollar.

The next big problem is when the 21 million coin limit is reached there are no more coins to mine. What happens to the guy who spent thousands on his mining equipment? Better tie a rope to it and use it as a boat anchor. So when the market of mining bitcoins ends, (21 million coins to mine, which we are more than half way there) these miners will either throw their equipment away or will turn to the only viable alternative coin to mine, Paccoin. Paccoin is a coin designed by a businessman, not some mystery men running from the fed "men in black".

With Bitcoins one of the drawbacks is a continuous drive upwards of the difficulty level, making getting shares even with the fastest bitcoin mining hardware more and more difficult. With only 25 coins being paid out, many miners only receive a fraction of a coin. The idea is that there is a steady flow of bitcoins entering the marketplace to prevent bubbles in the value of the coin. However in actuality bubbles have already occurred with the rise and fall of the currency values most noticeably in the spring of 2013. Making Bitcoin an investment makes it more volatile than a currency.

According to the developers, mining Bitcoin is compared to mining Gold in the real world. As gold is mined from the ground and is brought into the marketplace gradually. However the reality is in a business, the more dirt a mining company processes, the more gold that can be extracted. A similar concept would be that the higher hash power one commands, the more coins they can mine. Bitcoin fights this fundamental business model, and devalues miners equipment in the process. This is why investing in Bitcoin Mining Hardware is a losing proposition. As more hash power is brought to task, the amount of bitcoins mined becomes less. Just as a person who is more efficient, or industrious in the real world, should also be able to reap the benefits in the crypto coin world. this is where the anarchist/communist mentality contradicts the free market mentality.

In a free market people are allowed to make more money when they are better, faster, and more efficient. I believe that it is better that people are compensated more if they do more work. And of course you should be able to make more money too.

So why is Paccoin better? For one the money supply for Paccoin is ₣100,000,000,000,000 or ₣100 Trillion Paccoins. The advantage of this is when considering a world wide currency, you need more coins than people. This is the flaw of a 21 million coin limit for bitcoin. The second reason is the larger block size reward.

Crypto Currencies are produced by doing work. Each miner works on the blockchain, and when a block is found, the miner receives the Block Reward of 500 Paccoins. This act of mining coins, causes one to have a vested interest or “stake” in the coins. Paccoins reward the stakeholders where bitcoin does not. Mining paccoins is accomplished by solving complex mathematical problems with cryptographic encryption. Paccoins are based on Bitcoins and use the SHA256D algorithm and can be mined on ASIC Miners just like Bitcoin. Not so with Script based coins. Paccoins coins also have the proof of stake virtue (not so with Bitcoin) which encourages people to save their coins rather than spend them. The longer one holds a coin their stake in the coin grows. Once a coin is spent, a person’s stake in it is destroyed. and a new owner of the coin begins to gain stake in their coins. Coins that are generated must have proof of work, and proof of stake before they are accepted in the network.

One advantage is the cryptography makes counterfeiting impossible. Each new coin grows from the branch of the previous block and requires the members to verify those blocks. This network of users prevents double spending of coins. All coins are accounted for in the blockchain, and everyone with a wallet has a copy of every transaction on the network. The network is secure, anonymous, and decentralized. When, for example, banks can simply take your money from your account for collection or judgement purposes, or even the Government of Cypress confiscated the funds in people’s bank accounts, the desire for individuals to have their currency under their control becomes attractive. Paccoin transactions are one way. There are no chargebacks for services rendered, therefore the losses business are at risk for in the current financial system is eliminated.

Paccoins are more appropriate for pool mining since the block pay is higher, miners in pools receive larger amounts of coins. Paccoin was designed to reward miners, as some have suggested that mining should not be profitable. On the contrary, since mining requires capital investment, therefore that effort should be rewarded. Paccoin attempts to solves this problem by paying a larger reward of 500 coins per block. A block is found every minute and the difficulty adjusts accordingly, with the rewards going to the miners. Also it is important that everyone who has a bitcoin wallet realize they are a valuable asset to the network. Essentially every person becomes a bank. Their software controls and distributes the funds on the network, and therefore they should receive compensation for their part.

When you purchase mining hardware, you look for the highest hashing power, because you can mine more coins. As more and more hashing power enters the marketplace however, my equipments ability of obtaining Bitcoins continues to dwindle. This made me rather upset that my investment was losing its value, and the time of having my equipment paying for itself was taking longer and longer. As the famous quote attributed to Will Rogers goes: “I’m not as concerned about the return on my money as I am the return **of** my money” Which is what makes the point that Bitcoin mining hardware is a bad investment. Your equipment becomes “Worth Less”. If bitcoin is about deflation, your investment deflates as well.

Bitcoin’s difficulty adjusts too slowly for the market. Typically the difficulty is changed

over several days. Paccoin adjusts the difficulty for each block mined. A fast block time and a fast difficulty adjustment means that days don't go by while the network is growing in speed, and then a sudden correction. Or if the network slows, more shares will be available immediately.

For these and many more reasons, there is a need for a new digital currency, Paccoin.

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