
BRETTON WOODS 2.0

THE DIGITAL FORT KNOX PROPOSAL

*A Framework for Restoring Sound Money
Through Strategic Bitcoin Reserves*

Prepared for: Office of Senator Jack Reed | February 2026

THE CRISIS AT A GLANCE

\$38.4T

National Debt

124% of GDP

\$1T+

Annual Interest

2nd largest federal expense

57.7%

Dollar Reserve Share

Down from 73% in 2000

**\$8B/
day**

Debt Growth Rate

\$2.25T added last year

America's gold reserves cover just 2.7% of the national debt. **The gap has never been wider.**

The Original Bretton Woods (1944)

The Precedent

In 1944, 730 delegates from 44 nations designed the postwar monetary order. The U.S. dollar was pegged to gold at \$35/oz; every other currency pegged to the dollar.

The U.S. controlled two-thirds of the world's monetary gold—making it the only nation that could credibly promise gold convertibility. This created the foundation for the greatest period of global economic expansion in history.

The Collapse

The Triffin Dilemma: to supply global liquidity, the U.S. had to run deficits that undermined confidence in gold backing. On August 15, 1971, Nixon suspended gold convertibility. The dollar survived on institutional inertia—*but it was no longer backed by anything other than faith.*

1944

Bretton Woods Agreement signed

1971

Nixon ends gold convertibility

1973

Fixed exchange rates collapse

2009

Bitcoin genesis block mined

2025

Strategic Bitcoin Reserve EO signed

2026

BITCOIN Act before Congress

America's Debt Spiral

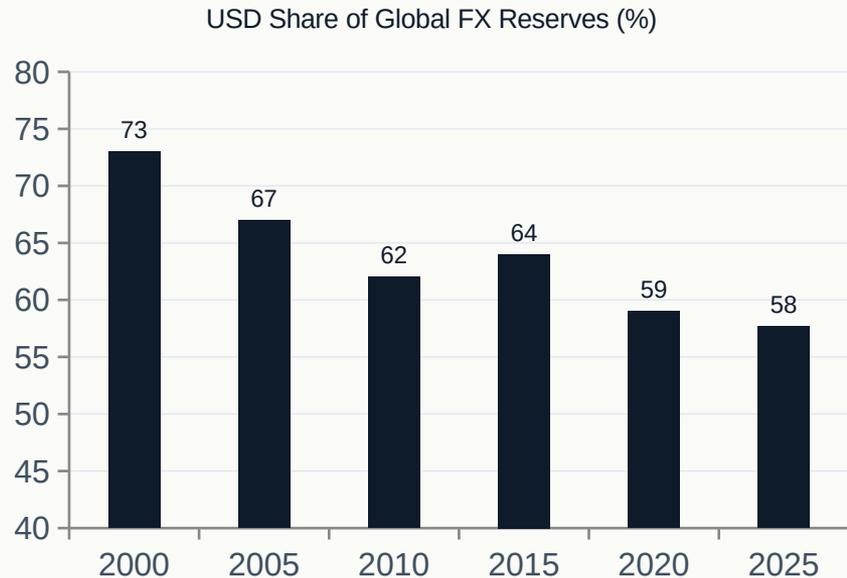
Indicator	Current (2026)	Projected (2036)
National Debt	\$38.4 Trillion	<i>Significantly higher</i>
Debt-to-GDP Ratio	124%	148% (CBO)
Annual Interest Payments	\$1.0 Trillion	\$2.0 Trillion
Federal Deficit	\$1.9 Trillion	—
Gold Reserves vs. Debt	2.7%	<i>Declining</i>

THE CORE PROBLEM

The United States is borrowing money to pay interest on money it has already borrowed.

This is the defining characteristic of a debt spiral.

The De-Dollarization Threat



Key Drivers

- Russia & China: 99% of bilateral trade now in local currencies
- China's CIPS: 1,467 participants across 119 countries
- Freezing Russian reserves in 2022 demonstrated that dollar assets carry geopolitical risk
- Nations are rationally diversifying away from an asset that can be confiscated

WHY BITCOIN AS A RESERVE ASSET



Absolute Scarcity

21 million cap enforced by protocol. No government can alter supply. Post-2024 halving stock-to-flow exceeds 120.



Perfect Portability

Transfer billions globally in minutes. No weight, no transport costs, no border friction.



Instant Verifiability

Every transaction cryptographically verified on a public ledger. No need for expensive assay testing.



Zero Counterparty Risk

Self-custodied Bitcoin requires no trusted third party. 16+ years of continuous operation, zero protocol breaches.

Gold vs. Bitcoin: Reserve Asset Comparison

Property	Gold	Bitcoin
Supply Cap	Unknown; ~3,000t mined/year	Absolute: 21M units
Portability	Poor — heavy, costly	Perfect — global in minutes
Verifiability	Expensive assay testing	Instant, cryptographic
Auditability	Opaque — Fort Knox unaudited 70+ yrs	Fully transparent, real-time
Seizure Resistance	Low — EO 6102 (1933)	High — requires private keys
Counterparty Risk	Present — custodians, vaults	None — self-custody

Gold and Bitcoin are complementary, not competing. Together they form the most formidable monetary foundation in modern history.

Current U.S. Position: Assets in Hand



Gold Reserves

8,133 metric tonnes

World's largest sovereign holding

Market Value: ~\$1.05 Trillion

Book Value: \$11B (\$42.22/oz — set in 1973)

Undervalued by ~100x on government books



Bitcoin Holdings

~200,000 BTC

From criminal & civil forfeiture

Value: ~\$13-14 Billion

EO 14233 (Mar 6, 2025): Strategic Reserve

BITCOIN Act (S.954): Expand to 1M BTC

THE PROPOSAL: DUAL-ASSET RESERVE

8,133 tonnes of gold (~\$1.05T) + 1,000,000 Bitcoin (~\$67B+)

The most formidable hard-asset monetary position any nation has assembled in modern history



Monetary Sovereignty

Reserves anchored in assets no government can print, dilute, or confiscate



Verifiable Trust

Real-time proof-of-reserves visible to citizens and foreign governments alike



First-Mover Advantage

In a 21M-cap asset, the nation that accumulates earliest benefits most



Debt Reduction Path

After 20-year hold, reserves could offset trillions in national debt

Implementation Roadmap

Phase 1

2026–2027

Foundation

Pass BITCOIN Act • Audit Fort Knox • Build custody infrastructure • Revalue gold to market
• Begin BTC purchases

Phase 2

2027–2030

Accumulation

200K BTC/year to reach 1M • Launch public proof-of-reserves • Engage allied nations •
Establish BW 2.0 Study Commission

Phase 3

2030–2035

Institutionalize

Convene international conference • Propose IMF reform • Develop BTC-backed Treasury
instruments

Phase 4

2035–2046

Maturation

20-year hold complete • Evaluate strategic liquidation for debt reduction • Formalize dual-
asset standard

On the Ground in Rhode Island



Rhode Island Bitcoin Policy Institute (RIBPI)

A nonpartisan research and advocacy organization shaping smart, forward-looking Bitcoin policy at the state level.



Policy & Legislation

- Authored Senate Bill S0451 — exempting Bitcoin microtransactions from state income tax
- 2026: Reintroducing S0451 with House companion bill for bipartisan momentum
- Researching Bitcoin as a strategic reserve asset for Rhode Island



Legislative Education

- Finance Committee: how Bitcoin expands the tax base
- Emerging Tech & AI Committee: small business and renewable energy mining benefits
- Judiciary Committee: state regulatory clarity vs. federal overreach



Emerging Initiatives

- Digital Commons Resolution recognizing Bitcoin as open infrastructure
- Public sector pilots: remittances, payments, and record-keeping
- Positioning RI to attract entrepreneurs and lead the digital economy

Addressing Key Concerns

"Bitcoin is too volatile"

Volatility trends downward with maturity. A 20-year hold makes short-term swings irrelevant. BTC has appreciated over every 4-year period in its history.

"It consumes too much energy"

Bitcoin mining increasingly uses stranded/renewable energy. The U.S. military consumes far more energy securing dollar hegemony globally.

"There are bad actors in crypto"

Bad actors exploit every financial system — the dollar launders far more than crypto ever has. Bitcoin's public ledger is actually law enforcement's best friend: every transaction is permanently recorded and traceable. The FBI, IRS, and DOJ have recovered billions precisely because blockchain is transparent. A government reserve held in multi-sig cold storage has zero exposure to exchange fraud or DeFi exploits.

"It lacks intrinsic value"

No monetary asset has intrinsic value — they have consensus value. Bitcoin's consensus is growing faster than any monetary asset in history (\$1.3T market cap).

"Market purchases would distort prices"

200K BTC/year is ~1% of annual trading volume. Dollar-cost averaging minimizes impact. Custody uses military-grade multi-sig cold storage.

**THE NATION THAT SECURES THE MOST
BITCOIN IN THE NEXT DECADE WILL LEAD
THE GLOBAL MONETARY ORDER
FOR THE NEXT CENTURY.**

*The infrastructure is being built. The executive order has been signed.
The legislation is before Congress. The question is no longer whether —
it is whether at the scale and speed necessary.*

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