# School of Computer Engineering and Science SHU Blockchain Technology and Data Economics (08696017 1000)

# PRACTICAL REPORT

PRACTISE 1
PROGRAMMING BITCOIN WITH PYTHON

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## 1 Introduction

In this practise, we are going to introduce the following topics:

- The Raspberry Pi Bitcoin tools library and how to start using it
- How to generate private keys and public keys
- How to create a simple bitcoin address from the private keys and public keys you generated

To get started with bitcoin using Python, you must install Python 3.x and the bitcoin Python library called Pi Bitcoin tools in the system.

## 2 Materials and Methods

## 2.1 Pi Bitcoin tools library

To install the Pi Bitcoin tools library, open the command-line program and execute the following command:

```
pip install bitcoin
```

The best thing about this library is that it does not need to have a bitcoin node on your computer in order for you to start using it.

This library connects to the bitcoin network and pulls data from places such as Blockchain.info. We shall start by writing the equivalent of a *Hello World* program for bitcoin in Python. In the *hello\_bitcoin.py* script, the demonstration of a new bitcoin address is created using Python. Go through the following steps to run the program:

### 1. Import the bitcoin library:

```
1
   #!/usr/bin/env python3
2
   \#-\star coding: utf-8-\star
3
   Title - Hello Bitcoin
4
   This program demonstrates the creation of
   - private key,
6
7
    - public key,
   - and a bitcoin address
8
   Created on Wed Apr 8 10:30:32 2020
9
   @author: reneelin
10
11
12
   #import bitcoin
13
   from bitcoin import *
```

#### 2. Generate a private key using the random key function:

```
#Generate Private Key
my_private_key = random_key()
```

#### 3. Display the private key on the screen:

```
print ("Private Key: %s\n" % my_private_key)
```

### 2.2 How to generate private keys and public keys

With the private key, a public key is generated. Perform this step by passing the private key that was generated to the *privtopub* function, as shown here:

```
#Generate Public Key
my_public_key = privtopub(my_private_key)
print ("Public Key: %s\n" % my_public_key)
```

Now, with the public key, generate a bitcoin address. Do this by passing the public key that is generated to the pubtoaddr function:

```
#Create a bitcoin address
my_bitcoin_address = pubtoaddr(my_public_key)
print ("Bitcoin Address: %s\n" % my_bitcoin_address)
```

## 2.3 Creating a multi-signature bitcoin address

A multi-signature address is an address that is associated with more than one private key; therefore, we need to create three private keys. Go through the following steps to create a multi-signature bitcoin address:

#### 1. Create three private keys:

```
#!/usr/bin/env python3
   \#-\star coding: utf-8-\star
   11 11 11
4 Title - Create multi-signature address
   Thisprogram demonstrates the creation of
 6 Multi-signature bitcoin address.
7 Created on Wed Apr 8 11:05:32 2020
  @author: reneelin
8
   11 11 11
9
10
11 #import bitcoin
12 from bitcoin import *
13 #Create Private Keys
14 my private key1 = random key()
my private key2 = random key()
16 my private key3 = random key()
print ("Private Key1: %s\n" % my private key1)
18 print ("Private Key2: %s\n" % my private key2)
19 print ("Private Key3: %s\n" % my private key3)
  print (' \ n')
```

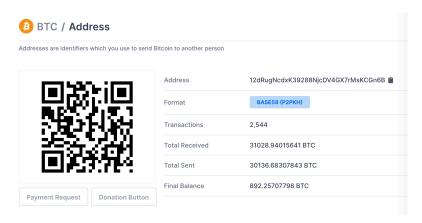
#### 2. Create three public keys from those private keys using the privtopub function:

```
#Create Public Keys
my_public_key1 = privtopub(my_private_key1)
my_public_key2 = privtopub(my_private_key2)
my_public_key3 = privtopub(my_private_key3)
print ("Public Key1: %s\n" % my_public_key1)
print ("Public Key2: %s\n" % my_public_key2)
print ("Public Key3: %s\n" % my_public_key3)
print ('\n')
```

3. After generating the public keys, create the multisig by passing the three private keys to the  $mk\_multi-sig\_script$  function. The resulting multisig is passed to the addr script function to create the multisignature bitcoin address.

4. Print the *multisignature* address and execute the script.

You can also look at the preexisting bitcoin addresses' transactional history. We will first get a valid address from Blockchain.info. The following screenshot shows the copied address of a bitcoin block:



Pass the copied address to the *history* function, as shown in the following code:

```
#!/usr/bin/env python3
2
   \#-\star coding: utf-8-\star
3
4
   Title - Bitcoin Transaction History
   This program demonstrates listing history of a bitcoin address.
   Created on Wed Apr 8 11:32:00 2020
7
   @author: reneelin
8
9
10 #import bitcoin
11 from bitcoin import *
12 #View address transaction history
a valid bitcoin address = '12dRugNcdxK39288NjcDV4GX7rMsKCGn6B'
  print (history(a valid bitcoin address))
```

## 3 Results

Mac OS set python 2.x before it left factory. So the pratical paper's command could not be used due to the conflict.

```
pip install bitcoin
```

Instead, user needs to use the following command to announce the version of Python.

```
pip3 install bitcoin
```

The following screenshot shows the installation of Pi Bitcoin tools library in Terminal (Mac OS):

```
Last login: Wed Apr 8 01:58:06 on ttys000
reneelineYijuns-MacBook-Pro ~ % pip3 install bitcoin
Collecting bitcoin
Downloading bitcoin-1.1.42.tar.gz (36 kB)
Building wheels for collected packages: bitcoin
Building wheel for bitcoin (setup.py) ... done
Created wheel for bitcoin: filename=bitcoin-1.1.42-py3-none-any.whl size=44411
sha256=f8425bidds9719275b05395675iar25a12c0047926454ecc8409347f16124ae55
Stored in directory: /Users/reneelin/Library/Caches/pip/wheels/6c/66/7d/2b4114
252aed67e75a79a1235ce8b2701dd915acac6f6d7061
Successfully built bitcoin
Installing collected packages: bitcoin
Successfully installed bitcoin-1.1.42
reneelineYijuns-MacBook-Pro ~ % []
```

Some third-party collections may have problem when using Spyder to import, so user needs to install Pi Bitcoin tools library in Spyder's console using the following command:

#### !pip install bitcoin

The following screenshot shows the installation of Pi Bitcoin tools library in Spyder, using Anaconda 5:

```
Python console

Console 1/A

In [6]: !pip install bitcoin
Collecting bitcoin
Using cached https://files.pythonhosted.org/packages/12/88/
co3996384502713d38ccea46693e8ec004f052a15a94f9b1d4c66baabd24/
bitcoin—1.1.42.tar.g2

Building wheels for collected packages: bitcoin
Building wheel for bitcoin (setup.py) ... [725ldone
reated wheel for bitcoin: filename=bitcoin—1.1.42-cp37—none—any.whl size=44412
sha256-39b5485ab66cc46e3695285a79f7634bb086ec5470ed7a0fad2bad23ac8af5b
Stored in directory: /Users/reneelin/Library/Caches/pip/wheels/1c/22/e0/
add5c7103f57cbd0a1030f3571f460f65a2fce81d9068230
Successfully built bitcoin
Installing collected packages: bitcoin
Successfully installed bitcoin—1.1.42
```

Using the code written in 'Materials and Methods', the running results complete the practise's aim. The following screenshot shows the private key, public key and bitcoin address that is generated:



The following screenshot shows the output for the multisig bitcoin address:



The following screenshot shows the output to get the history of the bitcoin address, including the transactional information:

```
0 0
                                                  IPython console
                                                                                                   8 8
        Console 1/A
retching more transactions...
Fetching more transactions... 1100
Fetching more transactions...
Fetching more transactions...
                                       1200
Fetching more transactions...
Fetching more transactions.
                                       1300
Fetching more transactions...
                                       1350
Fetching more
                  transactions...
Fetching more transactions...
                                       1450
Fetching more
                  transactions...
Fetching more
                                       1550
Fetching more transactions...
                                       1600
Fetching more
                  transactions...
Fetching more transactions...
Fetching more transactions...
Fetching more transactions.
                                       1850
Fetching more transactions...
Fetching more
                  transactions...
Fetching more transactions...
                                       1950
                                       2000
Fetching more transactions...
Fetching more
                  transactions...
                                       2050
Fetching more transactions...
                                       2100
Fetching more transactions...
Fetching more transactions...
                                       2200
                                       2250
Fetching more transactions...
Fetching more transactions...
Fetching more transactions...
                                       2350
Fetching more transactions...
                                       2400
Fetching more transactions...
                                       2450
Fetching more transactions... 2500
                 '12dRugNcdxK39288NjcDV4GX7rMsKCGn6B', 'value': 1319630805
'output': 'deed9d54c4e0b477c48669a924e1d142179598d24772924be1c5c95352a9198e:0',
'block_height': 602400, 'spend':
'6dad492a25646e4168ba71058d88ccd1ce272539f48096515a8b3b3be052d554:0'},
{'address': '12dRugNcdxK39288NjcDV4GX7rMsKCGn6B', 'value': 299416444,
'56f26c44062414564077fe1cb508c9ba11051965ef53a9153c62d4527a24b207:2',
 'block_height': 605413, 'spend':
'b51f4f831c672452244707b423cb3503bd86d25026fb45530db5ba0bde6b670e:8'},
'block_height': 605413,
{'address': '12dRugNcdxK39288NjcDV4GX7rMsKCGn6B', 'value': 250552735
'338befb02dea68b10adb20d709344a6012a2b5cd6cf409911a38c5781e322cb0:4'
'block_height': 603388, 'spend':
'809b92632aaa950285795e513814942d779c732154bc65d99aa3d1aa57116240:10'},
{'address': '12dRugNcdxK39288NjcDV4GX7rMsKCGn6B', 'value': 433168353, 'output':
 b8391128488ba07a7e482f30bf9c8854a399c443cf3e1be46fcbabbb466fff88:5',
'block_height': 603237, 'spend': '22b4a00850d5c0496481a18208a6141b4d1ab1c9f16e88c911d726c5d3880195:27'},
{'address': '12dRugNcdxK39288NjcDV4GX7rMsKCGn6B', 'value': 620086249,
'c8dafc428e12c1243692cf4666e62180045b8aadeb474ee7cace51fe145b70a8:3',
                                                                                            output':
'338befb02dea68b10adb20d709344a6012a2b5cd6cf409911a38c5781e322cb0:26'},
                                     IPython console History log
```

## 4 Conclusion

#### 4.1 Functions Used

random\_key: () -> privkey used for generating a random 32 bytes private key.

privtopub: (privkey) -> pubkey used for converting a private key to a public key.

pubtoaddr: (pubkey) -> address used for converting a public key to an address.

mk\_multi-sig\_script: (pubkeys, k, n) -> k-of-n multisig script from pubkeys For example, n=3 for three public keys, and k=2 to choose two from these three. But in this practise, it uses private keys to generate the multi-sig.

history: (address1, address2, etc) -> outputs to those addresses used for loading transactions of the target address.

#### 4.2 Practise Conclusion

In this practise, I have learnt to install The Raspberry Pi Bitcoin tools library with both terminal and Spyder(Anaconda). Meanwhile, I learnt how to start using it.

Using the functions in the library, I sucuessfully generate private keys and converting them to public keys.

Then I tried to create a simple bitcoin address from the private keys and public keys I generated. Mutisignature address was also successfully generated.

At the end of the practise, I search for an address on 'Blockchain.com' and pick an address that belongs to Antpool, using commmand to view its transactions.

In this practise, I get familiar with bitcoin library. Because I'm a new learner in both Python and Blockchain Technology & Data Economics, I plan to learn more features after class. Hope the next 9 weeks!

## 5 References

PDF document: Practical 1 Guide File. Website: Pypi.org/project/bitcoin.

Website: Bitcoin Wiki.

PDF document: How to Write a Practical/Laboratory Report—Learning Guide.

## 6 Appendix

## Bitcoin

Bitcoin is a peer-to-peer currency. Peer-to-peer means that no central authority issues new money or tracks transactions. These tasks are managed collectively by the network.

## Private key

A private key in the context of Bitcoin is a secret number that allows bitcoins to be spent. Every Bitcoin wallet contains one or more private keys, which are saved in the wallet file. The private keys are mathematically related to all Bitcoin addresses generated for the wallet.

#### Public key

A public key is a cryptographic code that allows a user to receive cryptocurrencies into his or her account. The public key coupled with the private key are significant tools required to ensure the security of the crypto economy.

#### Bitcoin address

A bitcoin address is a single-use token. Just as people use email addresses to send and receive emails, you can use this bitcoin address to send and receive bitcoins. Unlike email addresses, however, people have many different bitcoin addresses, and a unique address should be used for each transaction.

## Address Map

