

# Trump's Crypto Love Fest: The Good, Bad and the Ugly

De-dollarization from within is dangerous rhetoric.



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JUL 29, 2024



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## Trump's Crypto Love Fest: The Good, Bad and the Ugly



Regular readers will know that I typically avoid politics, but the recent speech by President Trump at the Bitcoin conference in Nashville is too important to overlook.

My aim here is not to take sides in the political arena but rather to provide an objective analysis of President Trump's proposals, offering a clear understanding of their potential impact.

I will also not dwell on election funding and how a man once quoted as saying that crypto was a "scam" in 2021 has had a crypto epiphany and gained laser eyes. I'll leave that for more politically astute commentators.

That said, let's jump into his key points and see which makes sense.

## Trump's key points:

***Trump promised that if elected, he'd commute the sentence of Silk Road creator Ross Ulbricht to a sentence of time served. "It's enough."***

**Dread Pirate Roberts 3/31/2013 17:00:** Thank you R&W. I've only ever commissioned the one other hit, so I'm still learning this market. I have no problem putting my faith in you and I am sure you will do a good job. The exchange rate is above 90 right now, so at \$90/btc, \$150k is about 1670 btc. If the market tanks in the next few days, I will send more. Here are some random numbers for a picture:

This is just wrong, and he should stay where he is. This is a bad idea. Ulbricht, the ever-lovable physics geek, commissioned the murder of five Silk Road users! Somehow, Ross Ulbricht became the poster boy for the unfair treatment of crypto proponents at the hands of the law.

While known for setting up and monitoring drug dealing on his Silk Road platform, he paid \$650,000 to the "Hells Angels" for their hitman (hitperson) services! The Hells Angels never followed through on their commitments, but Ross is anything but a persecuted crypto fan. The messages exchanged between Ulbricht and the contract killers are classic—see one above!

***"On Day One, I will fire Gary Gensler and appoint a new SEC chairman,"....."a new SEC chairman who believes America should build the future, not block the future, which is what they're doing."***

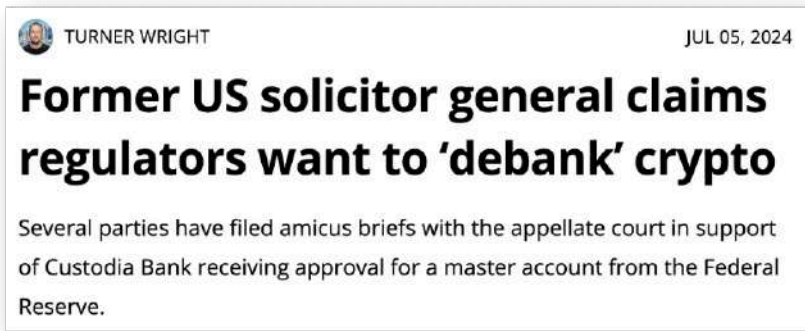


On this, I agree and Trump is spot on! The SEC's policy of regulation through legal action and penalties is absurd. It isn't doing any favors for the US in maintaining its technological edge and has pushed a major industry off-shore.

Gensler was behind much of this push to bring legal action against the crypto world and it was largely unsuccessful. Ripple's recent partial win over the SEC showed what a futile and wasteful effort this is compared to making regulations.

The amazing thing is that the SEC has had years to formulate crypto regulation and has failed repeatedly. It's time for someone new!

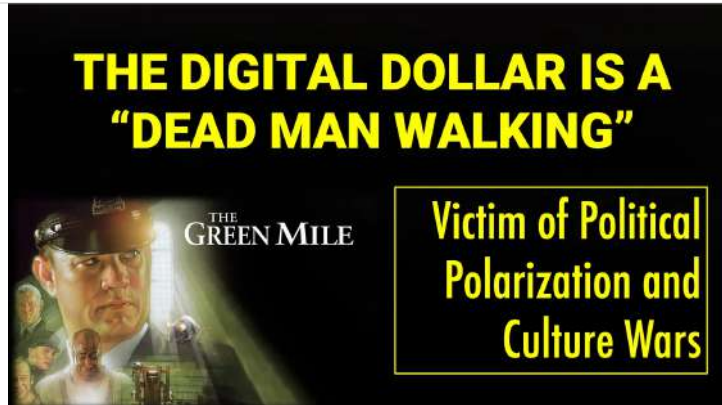
***"As president, I will immediately shut down Operation Chokepoint 2.0." This expression has been used to colloquially to describe the possibility of bank regulators pressuring specific industries like cryptocurrency.***



As with the regulatory changes above, this is a fair call. Banks should not discriminate against banking crypto companies or investors subject to KYC and AML checks on the provenance of assets.

The crypto industry should not face de-banking or unreasonable barriers to opening an account. That said, crypto has to commit to complying with bank-level scrutiny of the source and nature of assets just like everyone else. There is no free ride.

***CBDC — “there will never be a CBDC while I’m president of the United States.” ....“I will immediately order the Treasury Department and other federal agencies to cease and desist all steps necessary.”***



*My article on the digital dollar from 18 months ago! [HERE](#)*

Trump sees no role for a CBDC, and that is final. This is bad, but it wasn’t new news, as he has stated his CBDC opposition before.

Unpredicted was Trump's assertion that he would shut down a Fed program to build one on its own. This is not accurate, and I fear that he is talking about the Fed's wholesale CBDC research. Killing this research off would be disastrous because the US Fed would remain a technological Luddite.

What is important is that the Fed has repeatedly said that it has made “no decisions” on a CBDC and that a law would need to be passed to authorize one. It can’t build one on its own.

CBDCs have been a cultural divide issue for the better part of two years, with the right vehemently opposing them.

So, while I disagree with this policy as I believe it is a disservice to US citizens and industry, I've written extensively about how the US's CBDC or "digital dollar" is a dead man walking! See the article above!

***"We will create a framework to enable the safe and responsible expansion of stablecoins." ..... "allow us to extend the dominance of the U.S. dollar to new frontiers all around the world." .... "there will be billions and billions of people brought into the crypto economy and storing their savings in bitcoin."***



I'm all in for new stablecoin regulation and think that Trump got this one right. In the absence of a US CBDC, stablecoin transfers may be a solution to providing low-cost currency transfers between citizens and businesses.

The reality is that US dollar stablecoins will all need to bring their AML, KYC standards put to those of banks. So crypto fans should not be thinking that their will be an "arbitrage opportunity" in stablecoin use compared to banks.

The cost of using stablecoins may be cheaper than bank transfers or more convenient, but the rules for usage will likely be similar to banks. They will not be permitted to become the domain of money launderers as has the Tether stablecoin.

**Toward the end Trump said that if elected, he would direct the government not to sell any of its currently-held bitcoin, keeping it instead as the core of a "strategic national bitcoin stockpile."**



## Sen. Cynthia Lummis announces bill for US Treasury to buy 1 million bitcoin worth \$68 billion: Bitcoin 2024

by [Daniel Kuhn](#)

MARKETS • July 27, 2024, 4:59PM EDT

Trump, a fierce supporter of US dollar dominance, is playing with fire with this suggestion that borders on madness! These comments are not just bad, but ugly!

Just the suggestion that the US, which sees itself as the purveyor of the world's finest asset with the US dollar, would recognize Bitcoin as a "stockpile," which is code for "reserve asset," would be a great shock in faith in the US dollar at home and abroad.

It is irrelevant whether you think Bitcoin is good or bad; just the hint that the US holds it in reserves would provide a psychological shock to international dollar holders that might fundamentally alter and disrupt dollar dominance.

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***"De-dollarization from within" is when the US spurs global de-dollarization and not by foreign actors who dislike dollar dominance.***

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I call this de-dollarization from within. If the US recognizes that the US dollar is a troubled asset due to its debt load, why shouldn't other countries, and why should they continue holding it in reserve?

This is playing with a nuclear bomb, and incredibly it isn't just Trump who believes this. RFK Jr.'s plans for a \$615 billion BTC reserve and Sen. Cynthia Lummis's proposal border on suicide for the dollar.

**I don't think any of these politicians realize how they are playing with a nuclear bomb, and they ALL display the peak of ignorance and irresponsibility!**







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