

Neither Joe Biden nor Donald Trump are crypto champions

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The presidential campaign trail is heating up as November grows near and many people have become excited about Former President Donald Trump’s comments praising cryptocurrency. But how does the former president compare to the current one? Trump and President Joe Biden are near opposites on many issues, but cryptocurrency may be an issue where they share common ground.

For his part, Biden has made few fans among cryptocurrency users and companies. However, aside from an executive order calling for research on cryptocurrency and a tweet calling out unclear “tax loopholes that help wealthy crypto investors,” he’s personally said very little about the issue. Rather, the animosity has been spurred by Biden’s administration.

For example, in February 2023, headlines erupted with concerns that Operation Choke Point — an Obama administration initiative — had been revived by the Biden administration to lock cryptocurrency-related businesses and users out of the traditional financial system. As Nic Carter documented at the time, government officials were increasingly pressuring banks for any involvement with cryptocurrency.

One month later, former Biden administration advisor Daleep Singh revealed that he had worked to push for the launch of a central bank digital currency, or CBDC, because it would “crowd out the ecosystem of crypto.”

The Biden administration then proposed in May 2023 (and again in March 2024) a 30 percent tax on cryptocurrency miners’ energy costs. The White House Council of Economic Advisors argued that the proposed tax would force firms to take account of the “harms they impose on society.” However, as many people pointed out, the tax appeared more so designed to put miners out of business than to help the environment because miners would be taxed even if they ran on renewable energy.

In more recent news, the Energy Information Administration used emergency authorities to force cryptocurrency miners to comply with information requests. The agency recalled the mandatory collection, but only after it was sued and a judge issued a temporary restraining order.

Finally, over the last few years, the Securities and Exchange Commission (SEC) has issued a flurry of regulations and enforcement actions. At one point, SEC Chairman Gary Gensler even went so far as to suggest that “everything other than Bitcoin” could have a target on its back. As

my colleagues Jennifer Schulp and Jack Solowey have described it, the SEC's approach has been illogical and unreasonable, warning, "The SEC shouldn't be left in the shadows to try to snuff out Americans' work on and access to a new class of technology."

With such hostile treatment, it's easy to see why people are looking for change. But is Donald Trump really that different?

Trump seems to have recognized the public's dissatisfaction and thrown out a few crumbs to appease cryptocurrency users. For example, Trump recently told CNBC he was excited to see how much of his sneaker sales were in cryptocurrency and said, "I'm not sure that I'd want to take it away at this point." (It was revealed just last year that Trump holds approximately \$2.8 million in cryptocurrency.)

However, Trump is far from being a libertarian or a maximalist. "You probably have to do some regulation," Trump said when asked about Bitcoin

in February. He also added he "would not allow countries to go off the dollar," — suggesting he'd use trade restrictions, regulatory restrictions, or possibly even military intervention to enforce the dollar's use. In fact, he made similar comments in 2021 when he said cryptocurrencies should be regulated heavily to prevent them from competing with the dollar.

"I am not a fan of Bitcoin and other Cryptocurrencies, which are not money, and whose value is highly volatile and based on thin air," Trump tweeted in 2019. Perhaps in what would later inspire Massachusetts Senator Elizabeth Warren, Trump further wrote, "Unregulated Crypto Assets can facilitate unlawful behavior, including drug trade and illegal activity." Finally, he wrote that companies looking to create cryptocurrencies should be regulated as banks.

In short, Trump has effectively called for increased restrictions on currency competition, increased financial surveillance, and higher regulatory burdens.

As far as policy stances go at the agency level, it was a bit more of a mixed bag (partly because cryptocurrency was still breaking into the mainstream).

Under Treasury Secretary Stephen Mnuchin, the Financial Crimes Enforcement Network introduced the infamous wallet rule to try to increase financial surveillance and rake in data on cryptocurrency users. And while it may not compare to Gensler's SEC, there were 57 cases brought against cryptocurrency-related companies under SEC chair Jay Clayton.

However, at the same time, leading officials in the administration took more nuanced stances and urged caution. Mark Calabria, then-chief economist for Vice President Mike Pence, said, "We are approaching this with an open mind." Acting comptroller of the currency Brian Brooks advocated for cryptocurrency and pushed for reforms. Likewise, Consumer Financial Protection Bureau Acting Director Mick Mulvaney warned, "If we over-regulate and discourage people from entering the marketplace, that has bad consequences."

These examples are not exhaustive, but they do provide an interesting picture of where Biden and Trump stand on cryptocurrency. Trump's record may be slightly better than Biden's on

cryptocurrency issues, but neither president seems to be a “crypto champion.” Rather, it seems once again the choice comes down to who is the lesser of the two evils.

Author Biography: Nicholas Anthony is a guest author and policy analyst at the Cato Institute’s Center for Monetary and Financial Alternatives. He is the author of The Infrastructure Investment and Jobs Act’s Attack on Crypto: Questioning the Rationale for the Cryptocurrency Provisions and The Right to Financial Privacy: Crafting a Better Framework for Financial Privacy in the Digital Age.