

Bitcoin hits \$120,000: A fever chart of the capitalist crisis

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The price of Bitcoin, the leading cryptocurrency, surged to as high as \$123,000 this week before settling around \$120,000. It has risen 9 percent in less than a week and is up roughly 76 percent since Trump's election last November, driven by institutional investor demand and expectations of looser regulations under the "crypto champion"—as Vice President JD Vance has dubbed him—now occupying the White House.

The massive rise in the crypto Ponzi scheme—whose value rests solely on the output of vast quantities of meaningless computations—is a testament to the speculative frenzy gripping US and world capitalism.

No doubt, the big money flooding into crypto will be seeking further gains, conjured out of thin air, as three key pieces of legislation move through a compliant Congress. Congress is set to pass the legislation during what has been dubbed "Crypto Week," accelerating the transformation of American capitalism and its financial system into the global epicenter of parasitism, speculation and outright criminality.

The legislation aligns with Trump's stated goal of making the US the "crypto capital of the world"—a policy aimed at funneling millions, and eventually billions, into his family's coffers while enriching the financial oligarchy and corporations whose interests he serves.

The Guiding and Establishing National Innovation for US Stablecoins, or GENIUS Act, outlines regulations for the operation of so-called stablecoins—digital tokens pegged to the US dollar. The aim of the legislation is not to tighten controls on the crypto market but rather to loosen them and open the way for corporations and major financial players to issue their own cryptocurrencies.

The legislation responds to demands from crypto advocates, who complained that there was too much interference from the Securities and Exchange Commission (SEC), which brought a limited number of cases against crypto firms. It aims to clear the path for a

major expansion of the crypto industry.

Trump has a direct personal financial stake in the legislation. He has launched his own \$TRUMP meme coin, backed by no tangible asset, while World Liberty Financial, which lists him as its "chief crypto advocate," has issued a dollar-pegged stablecoin now valued at \$2.15 billion. According to estimates by *Forbes*, Trump's various crypto ventures have added at least \$1 billion to his net worth.

The GENIUS bill has already passed the Senate and only awaits House approval before going to the White House to be signed into law by Trump.

The bill initially faced some resistance in the Senate, where a group of Democrats proposed banning elected officials and their families, including the president, from owning or profiting from stablecoin ventures. But as with previous votes to fund the Trump administration, the Democrats, whose ranks include many crypto enthusiasts, ultimately allowed the bill to move forward, claiming that regulatory "clarity" was the overriding priority.

The Clarity Act, which still awaits Senate approval, is designed to strip the SEC of its authority to regulate the crypto market. Although his interventions were extremely limited, former SEC Chairman Gary Gensler, appointed by Biden, had become something of a thorn in the side of crypto operators. Since his replacement under Trump, both the SEC and the Department of Justice have dropped several cases against crypto firms.

Julia Cartwright, a senior research fellow at the right-wing libertarian American Institute for Economic Research—the organization which issued the infamous Great Barrington Declaration promoting "herd immunity" in the COVID-19 pandemic—described the new legislation as "huge" for the industry.

The Anti-CBDC Surveillance State Act seeks to prohibit the US Federal Reserve from issuing a central bank digital currency (CBDC). It is being promoted on

the grounds that a CBDC would enable government surveillance of individual financial activity and pose a threat to privacy.

The real aim of the legislation is to give private crypto operators free rein and to avoid any restrictions on criminal activity within the market. One key advantage of using cryptocurrency for drug transactions and similar illicit payments is that participants are anonymous, only identified by a number.

These bills serve another objective. Like all Ponzi-style schemes, the continued rise of crypto depends on a constant inflow of new money into the market. This is because there is no underlying asset that represents real value. Therefore, the price of Bitcoin, or any other cryptocurrency, rises only if more money is made available to buy it.

Accordingly, putting in place supposed regulatory legislation has the aim of drawing in small investors, sections of the working class and middle class, and attracting much larger sums from financial institutions.

There have been mouse squeaks of opposition from a handful of Democrats. After Senate Democrats waved the GENIUS Act through, House Democrat Stephen Lynch issued a statement warning that the “volatile and risky nature of crypto products and the lack of investor protections will have devastating consequences on Americans’ financial lives.” He added, “President Trump’s blatant violation of ethics laws and exploitation of the presidency to ... fill his own pockets is a disgrace and cannot go unchecked.”

But as the Democrats’ own actions make clear, they—no less a party of Wall Street than the Republicans—will ensure that this is precisely what will happen.

Four years ago, Trump declared that Bitcoin was a “scam.” Now he wants to make America the “crypto capital of the world.”

In a comment published back in March, *Financial Times* columnist Edward Luce noted: “To see that as a U-turn is to miss how Trump works. The second statement follows naturally from the first.”

Trump, whose career began in the seamy underworld of New York real estate, recognized a scam when he saw one—and saw money to be made. More significantly, his outlook aligned perfectly with the rapacious interests of the financial oligarchy.

The Trump regime represents the realignment of the political superstructure with the underlying social and economic relations—and with the predatory methods by which wealth is accumulated..

It recalls nothing so much as Marx’s characterization of the French regime before the 1848 revolution, in which the financial aristocracy—driven by a mania to get rich “not by production, but by pocketing the already available wealth of others”—was, as he wrote, “nothing but the rebirth of the lumpenproletariat on the heights of society.”

The physiognomy of the Trump regime corresponds to the underlying mode of accumulation of its base in the financial aristocracy: ever greater criminality through the dismantling of what remains of bourgeois democracy at home, coupled with wars of plunder abroad in total violation of international law.

The launch of Crypto Week marks a further stage in this process, but it also contains an explosive contradiction. In 2008, the US economy and financial system was brought to the brink of collapse by the criminal activities of the banks and investment firms in the subprime mortgage market—crimes extensively documented in a 2011 Senate report.

However, the financial speculation in 2008 was at least partially based on a tangible asset—housing. The computer-generated tokens at the heart of the crypto mania lack even the semblance of a tangible asset. They are entirely fictitious.

All the conditions are thus being created in the very foundations of the present-day profit system for a crisis of immense proportions—one that will inevitably intensify the class struggle and drive it ever more sharply in a revolutionary direction.

The first indications of this are already apparent in the growing opposition within the working class and broad layers of society to the Trump regime. The central task is to arm this emerging movement with the only viable political perspective: the overthrow of capitalism, the establishment of socialism and the building of a revolutionary party to lead this necessary struggle.



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