

Hillary Clinton warns Bitcoin could 'undermine currencies' and destabilize nations

by [Ryan King](#), [Breaking News Reporter](#) | November 19, 2021 12:24 PM

Hillary Clinton warned the rise of cryptocurrencies could threaten the status of the U.S. dollar as the world's reserve currency and destabilize nations.

The former secretary of state said China [appears poised](#) to prevent payment systems such as cryptocurrency from "playing a big role" in the nation because "they recognize, given their nationalism, perhaps earlier than other nations ... that this could be a direct threat to sovereignty."



"When we're talking about making decisions and trying to be strategic and building alliances, there's a whole new layer of activity that could be extremely destabilizing and, in the wrong hands or alliances with the wrong people, could be direct threats to many of our nation-states and certainly to global currency markets," she [said](#) Friday at the Bloomberg New Economy Forum in Singapore.

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Clinton argued cryptocurrencies could become destabilizing forces, particularly for developing countries, because those nations often rely on control of their currency to influence their economies and conduct diplomacy. Even developed nations, such as the United States, rely in part on the [dominance](#) of their currencies when sanctioning other countries.

By comparison, most cryptocurrencies, such as Bitcoin, are controlled by nonstate actors, and while investing in them is seen by many as a way to [hedge against inflation](#), they are not bound by the same geopolitical realities as currencies distributed by states.

The former New York senator also said cryptocurrency could threaten the U.S. dollar's role as the world's reserve currency. The U.S. dollar is currently the world's top reserve currency, meaning that it is the dominant currency held by other countries for foreign exchange reserves, reflecting high demand for the U.S. dollar in the global economy.

Despite cryptocurrency's [growing popularity](#), some officials have [expressed concerns](#) the payment method could make it difficult for law enforcement to trace illicit activities. Last December, the Anti-Human Trafficking Intelligence Initiative [released a report](#) cautioning that the "pseudo-anonymous nature" of cryptocurrency could be used for human trafficking and other illicit purposes.

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Other leaders have also expressed skepticism about cryptocurrency. Earlier this week, Indian Prime Minister Narendra Modi said he had concerns about the technology ending up in the wrong hands, [according to the Indian Express](#).

Federal Reserve Chairman Jerome Powell [said](#) in July the Fed is evaluating the possibility of establishing a digital dollar, which could undermine cryptocurrency.

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