# NDCA: Marist MM NEG

### Contention 1 – Electricity Prices

**Trump will cheapen electricity, securing AI dominance.**

Trefis **11-10**-2024, financial analysis firm led by MIT engineers and Wall Street analysts. (Trefis Team, "Trump’s Surprise Boost To Nvidia, AI Stocks," Forbes, https://archive.ph/LR7hM)

Our theme of Internet Infrastructure Stocks which includes companies that sell hardware and software for server processors, graphics units, memory, and networking equipment, has returned over 44% year-to-date. This compares to the S&P 500 which remains up by about 25% over the same period. The theme had a solid run, driven by excitement surrounding generative artificial intelligence technologies, with accelerated computing chip vendors Nvidia and AMD and other players within the computing ecosystem, including memory manufacturers such as Micron seeing meaningful gains. Tech stocks, including **AI** names, have also moved a bit higher since the U.S. election results earlier this week. See Playing the U.S. Elections - Stocks To Pick If You Favor Trump. Donald Trump’s win in the 2024 election, along with the possibility of Republicans controlling Congress, could turn out to be a **big plus** for tech companies pouring money into generative AI. Unlike the Biden administration, which was leaning toward **tighter scrutiny** of AI development including signing an executive order with new reporting rules for AI companies, Trump’s approach appears to be all about **cutting red tape** and pushing for deregulation. This could **ease compliance**-related **issues** and **speed up innovation** for technology companies and startups, boosting demand for AI infrastructure components sold by the likes of Nvidia, AMD, and Micron. Plus, since AI data centers consume a considerable amount of energy, Trump’s push to **expand energy production** and ramp up the **fossil** fuel **supply** might improve the **availability** and **pricing** of electricity, which would be another indirect **win for AI** projects.

#### The most recent international studies show that nuclear energy raise electricity prices

Hannam 24 [Peter, 9-19-24, “Coalition’s nuclear plan will add $665 a year to average power bill, report warns,” Guardian, https://www.theguardian.com/australia-news/2024/sep/20/coalition-nuclear-power-plan-will-add-665-dollars-to-average-power-bill-a-year-report-warns?utm\_source=chatgpt.com

The Coalition’s plan for seven nuclear power plants would lift power bills for average households by $665 a year based on estimated costs of six overseas nuclear projects, according to an Institute for Energy Economics and Financial Analysis report. The Ieefa findings built on the CSIRO’s GenCost studies that have shown nuclear energy to be the most expensive form of new power generation. It assessed recent construction costs at plants in the US, UK, Finland and France, and two proposed plants – one in the Czech Republic and an abandoned small modular reactor in the US. “The cost of electricity generated from nuclear plants would likely be 1.5 to 3.8 times the current cost of electricity generation in eastern Australia,” the Ieefa report by Johanna Bowyer and Tristan Edis found. “In the international examples examined, the capital cost of nuclear power plants was very high – up to $90bn,” Bowyer said. “Recent international large-scale nuclear projects have experienced construction challenges, delays and cost blowouts.” Nuclear’s cost disadvantage compared with solar, wind and other generation types is likely underestimated, Edis said. Ieefa’s modelling assumed a 60-year economic lifetime excluding likely refurbishment costs, a “very high” 93% utilisation rate and no financial premium despite the higher construction risks of nuclear plants. “Further, Australia has very limited nuclear capability, and all examples used were from countries which already have an established nuclear industry,” Edis said. “So Australia could see even higher bills than what our study shows. “Nuclear is often mistakenly perceived to be a cost-effective technology because it is in widespread use across the globe,” he said. “Yet most of the plants built in the western world were committed based on projected costs and timeframes that turned out to be horrible underestimates.” The Ieefa paper’s release coincided with an update of the world nuclear energy industry status report supported by the German and Austrian governments among others. It found nuclear generation capacity shrank 1 gigawatts last year and host nations excluding China closed a net 51 units over the past two decades. Most energy companies and the Albanese government have rejected the Coalition’s nuclear plans, citing costs and their likely unavailability for many years, since they were announced in June. Peter Dutton is expected to provide more details at a Ceda thinktank event in Sydney on Monday. The government has set a target of supplied 82% of electricity from renewable energy sources by 2030, or about double the present proportion. The Australian Energy Market Operator, though, has repeatedly warned renewables were not being added fast enough to cope with expected closures of coal-fired plants. Ted O’Brien, the opposition’s climate and energy spokesperson, said Ieefa’s modelling “does not reflect Coalition policy” and matched previous critiques “where a dodgy piece of analysis cherrypicks the worst-case scenario projects and pretends that it’s common practice”. “Our zero-emissions nuclear power plants will be government-owned and, unlike Labor’s capacity investment scheme, we will release our costings ahead of the next election,” O’Brien said. The world nuclear energy industry status update, meanwhile, found total investment in non-hydro renewables capacity reached a record US$623bn (A$913bn) in 2023, or 27 times the reported global investment decisions for nuclear plant construction. Solar generation capacity rose 73% and windfarm capacity 51%, adding a combined 460GW of new renewables capacity even as nuclear generation shrank 1GW. Wind and solar electricity amounted to 50% more than nuclear, the report found. All up, 13 nations were hosting 59 nuclear reactor construction projects, or three fewer countries than in mid-2023. At least 23 of those projects faced delays. China dominated with 27 reactors being built, all at home. Russia accounted for the bulk of the remainder, with 26 units under construction, 20 of which were in seven nations, said the report co-written by the independent analyst and nuclear critic Mycle Schneider.

**High electricity prices enable China to leapfrog American AI leadership.**

Loyola 24, JD, Senior Research Fellow for Environmental Policy and Regulation at The Heritage Foundation. (Mario, 2-12-2024, "High Electricity Prices Have Europe Facing Deindustrialization; Don’t Let It Happen Here," Heritage Foundation, https://www.heritage.org/energy/commentary/high-electricity-prices-have-europe-facing-deindustrialization-dont-let-it-happen)

Rising electricity prices could not come at a **worse time**. The revolution in **a**rtificial **i**ntelligence heralds a **new age** in America’s **tech**nological **dominance**, but **only** if America can keep its **electricity prices low**. The **power requirements** of AI are **staggering**. In 2021, Google alone consumed 18 **terawatt-hours** of electricity, more than many of the world’s **nations**. According to John Henessy, chairman of Google’s parent company Alphabet, a Google search assisted by AI can consume 10 times more electricity than a normal Google search. Powered by AI, Google’s energy consumption could triple by 2027.

Rising electricity prices **bode ill** for the **competition with China**. While U.S. electricity prices have soared since Biden’s inauguration, China’s prices have kept steady at a level about 31 percent below ours, and will likely decrease as the country continues building coal-fired power plants at a frenetic pace. China’s tech industry is **quickly catching up** to America’s and could meet Chinese premier Xi Jinping’s stated goal of **surpass**ing the U.S. by **2030**.

America has been at the **forefront** of every major **tech**nological innovation since the Industrial Revolution began, a major reason the U.S. became the world’s superpower. Part of the reason has been **abundant energy supply**. But that era could be coming to an end.

U.S. policymakers should heed warnings from Europe, and embrace a policy of making American electricity once again the most reliable and affordable on Earth.2

**Extinction.**

Yadav 23, \*LLB candidate @ the University of Bristol, Lead of the Bristol AI Safety Centre \*\*Master of Research Psychology and Economics, Researcher at Rethink Wellbeing. (\*Gaurav and \*\*Robert Reason, December 2023, “Evaluating Taiwan's Tactics to Safeguard its Semiconductor Assets Against a Chinese Invasion,” Bristol AI Safety Centre, https://bristolaisafety.org/assets/files/taiwan-2bfcc399939f0566c45b2dd5516d5a3b.pdf)

Control of TSMC could serve dual purposes for China. Economically, it would likely strengthen China's technological infrastructure, spurring advancements that could 9 drive economic growth. Politically, superior AI models could **amplify** China's influence globally, intensifying competitive dynamics with the United States. Potential **effects include**: a) **Intensified US-China rivalry**, as both nations **race** to develop increasingly advanced AI systems, **escalating** geopolitical **tensions**. These tensions would have likely already been amplified by starting the invasion. b) **Higher accident risk** from Western countries that try to **outpace China** if China seems competitive in developing transformative AI systems. c) **Existential risks** from China **rapidly developing** powerful and potentially **misaligned AI** without **sufficient safeguards**. d) **Regulatory lag**, as China may struggle to enact adequate regulations given the pace of AI advancement enabled by its semiconductor capabilities.

### Contention 2 – Biodiversity

#### Even a limited expansion of nuclear power *destroys the biosphere*.

Dr. M.V. Ramana 24, PhD in Physics from Boston University, Professor and Simons Chair in Disarmament, Global and Human Security at the University of British Columbia, and Director of the Master of Public Policy and Global Affairs program at the School of Public Policy and Global Affairs, previously worked at the Nuclear Futures Laboratory and the Program on Science and Global Security, both at Princeton University, member of the International Panel on Fissile Materials, the International Nuclear Risk Assessment Group, and the team that produces the annual World Nuclear Industry Status Report, “Nuclear is not the solution: atomic power in the age of climate change”, Verso Books

My bottom line is that nuclear energy, whether with old reactor designs or new faux alternatives, will simply not resolve the climate crisis. The threat from climate change is urgent. The world has neither the financial resources nor the luxury of time to expand nuclear power. Meanwhile, even a limited expansion would aggravate a range of environmental and ecological risks. Further, nuclear energy is deeply imbricated in creating the conditions for nuclear annihilation. Expanding nuclear power would leave us in the worst of both worlds. Too virtuous to meter? Proponents of nuclear energy have other reasons to support their preferred technology. They argue that nuclear reactors can do much more than just generate electricity. The “much more” depends on the specific context, and could include creating well-paying jobs, boosting national pride, providing energy independence, supplying clean water, and producing medical isotopes to treat cancer. As the public has become more concerned about climate change, nuclear advocates have appended to this list two more applications for energy from nuclear reactors: capturing carbon dioxide from the atmosphere (direct air capture) and producing hydrogen and high temperature heat for industrial processes. All of these are reminiscent of what Admiral Lewis Strauss, one of the central characters in the hit Hollywood film Oppenheimer and the chair of the US Atomic Energy Commission in the 1950s, told the National Association of Science Writers on September 16, 1954. Ten days after the ground-breaking for first US nuclear plant, Strauss told his audience that given the great promise of nuclear technology, it would not be “too much to expect that our children will enjoy in their homes electrical energy too cheap to meter.” The many claims about what else nuclear reactors can do make one wonder: Is nuclear energy too virtuous to meter? Let me offer one example from a company called Hyperion Power Generation offering a small nuclear power plant design that was actively covered in the media between 2007 and 2012. In March 2010, the founder of this company, John Deal, told the Albuquerque Journal, “We started this company to clean water in Africa … Our emphasis is helping people not die from not having clean water … If you’ve got energy, you can have all the clean water you want.” This was not a one-off sales pitch. In their 2011 article in Issues in Science and Technology, writer Ross Carper and academic Sonja Schmid offer this description of Deal in action: In the middle of Deal’s talk in Denver, he began flipping through some artist-drawn images. The most striking of all shows a small nuclear reactor, buried and unattended at what looked to be less than 15 feet below the surface. Two simple tubes snake upward from the reactor, drawing the eye to a pair of gray above-ground tanks, with the words “Potable Water” stamped on the side. The setting? An impoverished African village complete with about a dozen mud constructed, thatch-roofed huts. A handful of people were drawn into the image, all of them walking to or from the clean water source, which is apparently powered by a $50 million HPM.7 HPM stands for Hyperion Power Module, the nuclear reactor the company was advertising, and the cost estimate of $50 million for a nuclear reactor should be seen in that light—as wishfully cheap. (A few years later, Pitch Book, a database of private equity-based corporations, listed the company as “out of business.”) Such promises of atomic energy delivering progress to Africa date back to the beginning of the nuclear age. On January 28, 1947, for example, Waldemar Kaempffert, the science editor of the New York Times, predicted, The desert of Sahara could easily be irrigated by electric pumps driven by uranium power, with the result that more surplus cotton than we could sell at a profit and more surplus plant food than we could eat would be dumped on the market. Africa would be transformed into another Europe, with savages [sic!] who never saw a steam shovel or railway train transformed into machine tenders.8 After more than half a century of experience with nuclear technology, ideas about using it to provide clean water to poor people are delusional at worst and deceptively self-serving at best. Reducing the problem of insufficient clean water to an absence of energy ignores the many other problems that prevent African villagers from accessing clean water and the persisting legacies of colonialism and imperialism that led to “underdevelopment” in the first place.9 In his “communal memoir” of the aerospace industry Blue Sky Dream, the journalist David Beers talks about a special characteristic of the former Nazi rocket scientist Wernher von Braun, the man sometimes termed “the father of America’s space program” due to his important role in transferring rocket technology to the United States. The classic American entrepreneurial hero searches out unmet desires in the everyday world and then, with a certain flexible flair, invents the answers, products for the masses to use. Von Braun’s genius lay elsewhere. He was brilliant at inventing new and different uses for the only product he ever desired to make, the space rocket. He was a master at selling his one product to the only customers who could ever afford it, a nation’s rulers.10 Much like von Braun, vendors and advocates of nuclear power are really interested only in selling nuclear reactors, and they try to invent different uses for their favoured product. Delivering clean water, heating houses or industries, and propelling rockets and ships are all only vehicles for selling nuclear reactors. However, the appeal to other uses for nuclear reactors is also, simultaneously, an expression of the inability of the technology to economically deliver on its primary product: electricity. It is the weakness of the nuclear industry that forces it to seek alliances with other constituencies. Too destructive to meter? Nuclear energy does have one virtue, but it is one that its advocates, for the most part, avoid mentioning: its innate and inseparable connection to nuclear weapons, and more generally, to the military. I use the word “virtue” to mean both an inherent attribute and an asset beneficial to its proponents. Technically, there are significant overlaps between the apparatus needed to produce nuclear energy and what is needed to produce the fissile material, the hardest step in acquiring nuclear weapons. In addition, personnel can be interchanged between the nuclear energy and weapons programs. And finally, there are institutional incentives for organizations developing nuclear energy to get involved in making nuclear weapons, due to the political power that flows from the latter. Nuclear technology also contributes to powering long-range submarines, especially those used to fire off nuclear missiles, and to providing the material to manufacture depleted uranium munitions used in Iraq and Ukraine. I elaborate on these connections in chapter 5. Nuclear energy advocates often argue against conflating nuclear energy with nuclear weapons, but the connection is visible for all those who want to look. As of September 2023, 275 of the 410 nuclear reactors labelled as operating by the International Atomic Energy Agency are in countries possessing nuclear weapons. Add countries like Canada and Japan that are militarily allied with nuclear weapon states, and the overlap is staggering. While it is certainly true that not all countries with nuclear energy have produced nuclear weapons, they are closer to being able to do so than they would be if they had never built nuclear reactors. The overlap between the two technologies was obvious to most knowledgeable people at the beginning of the atomic age. In 1946, when discussing a proposal for the international control of nuclear weapons, Robert Oppenheimer, the head of the program that produced the first atomic bombs, which destroyed Hiroshima and Nagasaki, expressed it thus: “We know very well what we would do if we signed such a convention: we would not make atomic weapons, at least not to start with, but we would build enormous plants, and we would design these plants in such a way that they could be converted with the maximum ease and the minimum time delay to the production of atomic weapons.” Within a few years, however, countries with nuclear technology started a sustained campaign to get the public to think differently about nuclear energy, most notably after President Dwight Eisenhower’s “Atoms for Peace” speech in 1953. This “greatest of destructive forces,” Eisenhower prophesized, “can be developed into a great boon, for the benefit of all mankind,” can be put to “universal, efficient and economic usage” and whose “special purpose would be to provide abundant electrical energy in the power-starved areas of the world.” In other words, forget the destructive capacity of nuclear energy. Just focus on what a wondrous future it can create. The Soviet counterpart of this effort is captured by the slogan “May the atom be a worker, not a soldier.” The hope seems to be that by pretending that nuclear energy was not linked to weapons, public fears about the destruction that would result from the use of nuclear weapons would be quelled. Institutions and governments around the world developing nuclear technology often start by touting its potential to produce electricity. This was the case in India. For over two decades, India’s Atomic Energy Commission was ostensibly working on nuclear energy only “for peaceful purposes,” until the 1974 test of a nuclear weapon blew up that pretense.11 Many private companies profit enormously from both nuclear energy and nuclear weapons. Examples include Bechtel, Babcock & Wilcox (now BWX Technologies), and Fluor in the United States, Larsen & Toubro in India, and Rolls Royce in the United Kingdom. While there might not be a similar level of involvement by private companies in countries like China, where public sector and national organizations play the analogous roles, the differences between the two categories are not very material to understanding the structure of, and trends in, the nuclear sector. National laboratories contract out work and are sometimes even managed by private companies. And private companies thrive on public contracts that they often have exclusive access to, belying any notion of free markets and competitive entrepreneurship. For both corporate and governmental entities, nuclear technology is a wonderful asset. As analyst and disarmament activist Andrew Lichterman argues: The nuclear road provides elites in nuclear establishments with privileged access to their own country’s resources, a development context that can be shielded from foreign competition, and forms of trade and industry that can be portrayed as increasing in importance as fossil fuels diminish. This is so whether the intention to develop nuclear weapons is clear or is allowed to remain ambiguous. The powerful tools of nationalism and ‘national security’ secrecy can be used to facilitate the extraction of wealth from the rest of society and prevent scrutiny of national nuclear enterprises that whether in first generation nuclear powers or post-colonial states have been rife with technical problems, corruption, and widespread, intractable environmental impacts.12 Overview of the book The chapters that follow explain why expanding nuclear power production is neither a desirable nor a feasible solution to climate change. Due to the use and production of radioactive materials at reactors, expanding nuclear energy to mitigate climate change will inevitably result in a variety of undesirable risks and environmental impacts. Nor is it compatible with environmental and social justice.13 The consequences and burdens of such an expansion will fall primarily on communities that are distant from the centers of power, and economically and politically too marginal to figure in the calculations of decision makers. In chapter 1, I explain how all nuclear reactors, including small ones, are at risk for severe accidents due to their intrinsic technological characteristics. When it comes to nuclear facilities, I will argue, there is nothing that fits a strict definition of “safe.” The risk is exacerbated by a range of factors, including extreme weather patterns due to climate change, the multiple and conflicting priorities of organizations operating nuclear facilities, and the weakening of regulation by industry lobbyists and other powerful economic actors. Accidents, when they occur, produce radioactive contamination that reaches across space and time; thirty-five years after the Chernobyl accident, parts of Ukraine and Belarus are still uninhabitable because of high radiation levels. Radioactive cesium released by the disaster was found in sheep in England, which remained contaminated for decades; restrictions on eating these sheep were lifted in all areas only in 2012. Expanding nuclear energy production will also result in a growing inventory of radioactive wastes, no matter what kinds of reactors are used. Some of these wastes remain radioactive, and thus hazardous to human health, for hundreds of thousands of years. Despite decades of well-funded research, there is no demonstrated way to safely manage them, and because of the long periods involved, there will always be uncertainties about the fate of these materials.14 As a result, it is likely that radioactive materials will contaminate the biosphere at some point in the future. This is an important cause for opposition from communities near sites chosen for nuclear waste repositories. Another concomitant activity to the operation of reactors is uranium mining, which has been responsible for contaminating land and water around the world, especially in areas occupied by Indigenous communities. Given these inevitable impacts, nuclear power is neither clean nor sustainable. One way that some nuclear energy advocates try to get around these conclusions is by claiming that exposure to radiation is harmless, at least below some threshold. But as I explain, there is ample evidence that exposure to radiation, even at low levels, leads to cancers and other negative health outcomes.

#### Biodiversity loss causes extinction.

Dr. Justine Bell-James 25, Professor & Director of Higher Degree Research at the TC Beirne School of Law at the University of Queensland, PhD from QUT (2010) and was a postdoctoral research fellow at UQ's Global Change Institute from 2011-2013, has led projects funded by the Australian Research Council, CSIRO, and the National Environmental Science Program, also with James Watson, “With just 5 years to go, the world is failing on a vital deal to halt biodiversity loss”, https://theconversation.com/with-just-5-years-to-go-the-world-is-failing-on-a-vital-deal-to-halt-biodiversity-loss-249841

As biodiversity continues to degrade, the foundation of life on Earth becomes increasingly unstable. Biodiversity loss threatens our food, water and air. It increases our vulnerability to natural disasters and imperils ecosystems crucial for human survival and wellbeing.

### Contention 3 – Politics

#### Stablecoin will pass now. Negotiations are ongoing.

Hamilton 3-27-2025, CoinDesk's deputy managing editor on the Global Policy and Regulation team, based in Washington, D.C. Before joining CoinDesk in 2022, he worked for more than a decade covering Wall Street regulation at Bloomberg News and Businessweek, writing about the early whisperings among federal agencies trying to decide what to do about crypto. He’s won several national honors in his reporting career, including from his time as a war correspondent in Iraq and as a police reporter for newspapers. He has no crypto holdings. (Jesse, “U.S. House Stablecoin Bill Goes Live in Flurry of Crypto Activity on Capitol Hill,” https://www.coindesk.com/policy/2025/03/26/u-s-house-stablecoin-bill-goes-live-in-flurry-of-crypto-activity-on-capitol-hill)

The U.S. Congress' opening priority for the crypto industry is to quickly finish a stablecoin oversight bill, and the House of Representatives has released the text of its version on Wednesday, following in the heels of a recent committee approval of its Senate counterpart. The House version, introduced by Rep. Bryan Steil, who leads the House Financial Services Committee's crypto panel, and Rep. French Hill, the Republican chair of the overall committee, governs the way companies can issue dollar-denominated digital tokens. The new version will "close the gap" between the House efforts and the Senate version of the bill, Steil said during a conference appearance Wednesday. The Stablecoin Transparency and Accountability for a Better Ledger Economy (STABLE Act) "is a strong continuation of our work on digital assets in the last Congress," Hill said in a statement. The Senate Banking Committee had already advanced its own version of the legislation with a strong bipartisan vote, so it moves on now to consideration on the Senate floor. Rep. Tom Emmer, the House majority whip who has been among Congress' top crypto advocates for years, said the two bills have "some minor differences that I'm sure can be ironed out."

#### Clean energy policy breaks GOP unity by pitting archconservatives against climate moderates

Dumain 25, covers Congress for E&E News, Capitol Hill reporter since 2010, most recently a congressional correspondent for McClatchy (Emma, “How will Mike Johnson lead Republicans on climate? The embattled speaker will have to help settle deep divisions on energy policy and climate action. It’s unclear whether he’s up to the task.,” *E and E News*, https://www.eenews.net/articles/how-will-mike-johnson-lead-republicans-on-climate-2/)

House Republicans who want their party to engage on climate policy will likely continue to be led over the next two years by a lawmaker who has been largely silent on the issue. Since winning the gavel in October 2023, Speaker Mike Johnson (R-La.) has done little to shed light on whether he believes human activity is contributing to the climate crisis — even as more of his members are joining caucuses designed to stop the planet from warming. His failure so far to weigh in on the matter in a meaningful way raises questions about whether House Republican leaders will take climate members’ concerns seriously in the 119th Congress — especially with Johnson under pressure from both archconservatives as he also attends to moderates making up his narrow majority. “I’d like to hear what he has to say about it,” said Rep. Buddy Carter (R-Ga.), a senior member of the House Energy and Commerce Committee, regarding the speaker’s climate views. Carter, a vice chair of the House Conservative Climate Caucus, was among the nearly two dozen House Republicans surveyed by POLITICO’s E&E News in recent months about whether Johnson believes in the scientific conclusions surrounding climate change. None of them could say for sure where Johnson ~~stood~~ (fell) on the matter, making it hard to anticipate how the speaker will help settle internal divisions on climate and energy — especially when House Majority Leader Steve Scalise, a fellow Louisianan, is vocally skeptical that humans are having a role in warming the planet. Rep. Doug LaMalfa (R-Calif.), the incoming chair of the Congressional Western Caucus, which typically supports expanded fossil fuel development, said he hadn’t spoken to Johnson about the issue but suspected the speaker is “not interested in doing a whole lot of climate games” and doubted that “it’s a big thing on his agenda.”

#### GOP disunity breaks the whole agenda

Arnold and Chakrabati 1-20-2025, both hosts at On Point Podcast (“The Republican Congress' 2025 agenda,” On Point Podcast, https://www.wbur.org/onpoint/2025/01/20/republican-congress-2025-agenda)

CHAKRABARTI: Well, just quickly, Robert, I'm going to bring another guest in here, but is Speaker Johnson still right in his confidence there? I mean, I was getting a sense that Representative Turner was very unhappy. JIMISON: Speaker Johnson hopes he's right. And what he's saying there is a glimpse into the window of the wheeling and dealing on Capitol Hill. Congress and especially the job of the speaker is just constantly, you know, making deals, trying to make one group happy, trying to make another group happy, trying to keep people from being unhappy, even if you're not able to give them everything they want, so that when those pivotal moments come where you do need to rely on your caucus to come together, you hope it works. And so we'll find out along with Speaker Johnson if, you know, the kind words that he's been saying about Congressman Turner really do pan out. But, you know, it's not just Congressman Turner. There are so many people in his entire conference who have, you know, small grudges that can turn into larger issues. And like we saw during the last Congress, with the slim majority, any one member pretty much has the ability to just slam on the brakes for the Republican agenda.

#### Stablecoin legislation solves financial instability

Dudley 3-24-2025, an American economist who served as the president of Federal Reserve Bank of New York from 2009 to 2018 (Bill, “The US Needs Stablecoin Legislation Now,” *Project Syndicate*, https://www.project-syndicate.org/commentary/us-stablecoin-legislation-following-trump-executive-order-by-bill-dudley-2025-03)

Without a robust regulatory framework that incentivizes stablecoin issuers to register in the United States, stablecoin activity will migrate to countries with weaker rules, increasing the likelihood of financial instability. Fortunately, the US can still head off these risks and reap the technology’s benefits. The global financial system is on the brink of a transformation. As a recent Bretton Woods Committee paper points out, stablecoins – digital assets usually backed by a fiat currency, commodity, or another cryptocurrency to minimize volatility – have the potential to make payments and money transfers faster, cheaper, and more transparent, while also expanding financial inclusion. That is why many jurisdictions, including the European Union and Japan, have already sought to seize the opportunity by providing regulatory clarity for the industry. But it is the United States that is ultimately best positioned to lead, given that the $200 billion in stablecoins circulating today are predominantly denominated in dollars. We have already seen early signs of what the US approach might look like. In late January 2025, President Donald Trump issued an executive order directing federal agencies to “promote the development and growth of lawful and legitimate dollar-backed stablecoins worldwide.” His AI and crypto czar, David Sacks, then gave a press conference to showcase a bipartisan roadmap for digital-asset legislation. Recent bipartisan legislative activity does indeed show that Congress understands the stakes. The Guiding and Establishing National Innovation for US Stablecoins (GENIUS) Act, introduced by Senators Bill Hagerty, Tim Scott, Kirsten Gillibrand, and Cynthia Lummis, would establish a federal framework for larger stablecoin issuers, while preserving state-level regulatory authority for smaller ones. Meanwhile, the House Financial Services Committee is considering the Stablecoin Transparency and Accountability for a Better Ledger Economy (STABLE) Act, which similarly aims to bring oversight and greater transparency to the market. The committee has also released a discussion draft that was previously negotiated between its Republican former chair, Patrick McHenry, and the ranking Democratic member, Maxine Waters. Congressional action could not be more urgent. Promoting more economic activity on digital ledgers (blockchains) could have profound implications for the efficiency and inclusiveness of the financial system, ultimately bolstering people’s standard of living. For decades, the global financial system has struggled with outdated infrastructure that makes payments slow, expensive, and inefficient. Traditional remittances, for example, take days to settle and still cost an average of 6.62% of the amount sent. Stablecoins can offer a superior alternative: nearly instantaneous transfers that settle directly, with negligible costs. Nor do the benefits stop there. Stablecoins have already become vital financial tools in emerging markets, where local currencies are often volatile. Around the world, companies are considering how the technology might streamline corporate treasury management (by reducing reliance on costly correspondent banking networks) and fulfill key functions in traditional capital markets (from serving as collateral to expediting settlement). As the world moves toward a tokenized financial future where transactions settle in seconds, costs are minimized, and access to the global economy is broadened, stablecoins can play a pivotal role. Importantly, the recent US legislative proposals seek to address the risks that can arise with novel forms of finance. Chief among these are instability and a lack of trust. Strong reserve requirements and banking connectivity are needed to ensure that stablecoins can always be redeemed at par. Moreover, high levels of transparency and attention to operational resiliency are essential to maintain confidence even when the financial system is buffeted by financial and economic shocks. And to address concerns that stablecoins could be used to finance illicit activities, there must be strong guardrails to ensure universal adherence to the Financial Action Task Force’s AML/CFT (anti-money laundering/countering the financing of terrorism) standards. The consequences of inaction are obvious. Without a robust regulatory framework that incentivizes stablecoin issuers to register and build their businesses in the US, stablecoin activity will migrate to countries with less robust rules, reducing US oversight and increasing the risk of financial instability. Inaction could also jeopardize the dollar’s dominance if non-dollar stablecoins gain traction in global trade and finance. US leadership on regulation of stablecoins is a way of ensuring both stability and strength for the dollar. America’s allies and adversaries are racing to establish new payment regimes that would set the standard for the rest of the world. Congress and the Trump administration should move swiftly to provide a foundation for the US private sector to lead in these vital technologies – and to do so in a way that ensures stability and trust, and that is aligned with US national and economic security interests. Digital assets promise a comprehensive upgrade of our twentieth-century financial systems. Integrating stablecoins into traditional financial markets can unleash the next wave of payment innovation. The Trump administration and the current Congress seem to understand that the digital transformation of money and finance is inevitable. Now they must take charge of shaping the future of stablecoins and ensuring their safety, lest the benefits be ceded to others.

#### Financial crises lead to war

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In Figure 9a, economic turmoil arising, for instance, from inflation, financial crisis, and debt – or perhaps due to scarcities of key resources such as energy, food, water, and raw materials – creates mass grievances and institutional opportunities for populist leaders to capture political power and weaken the rule of law. These leaders' actions to establish authoritarian regimes simultaneously draw on and amplify nationalist, chauvinistic, and anti-globalization ideologies, often by scapegoating foreigners, cosmopolitan elites, and internal minorities. Although their efforts to decouple the national economy from the world economy generally worsen internal economic turmoil, this turmoil, paradoxically, often exacerbates the grievances and opportunities the leaders can exploit to consolidate their power (by blaming ‘foreign elements’ or ‘internal enemies’ for the economic crisis). In the last decade, this feedback has operated in such diverse countries as Venezuela, Nicaragua, Russia, Turkey, Zimbabwe, Myanmar, and Sri Lanka. In Figure 9b, we show that populist authoritarian regimes espousing nationalist and anti-globalization ideologies generally decrease their participation in international institutions, reduce their international cooperation, and focus their attention and resources inward. They thus diminish opportunities for mutually beneficial economic exchange and forego the benefits of globalization, which can worsen both internal and global economic turmoil. In Figure 9c, we indicate that, in the decades ahead, less international cooperation will perhaps fatally weaken international action to slow climate change. More frequent and severe extreme weather events will then trigger flows of migrants toward richer countries (Lustgarten, Reference Lustgarten2020; Xu et al., Reference Xu, Kohler, Lenton, Svenning and Scheffer2020), an influx that is likely to increase support for chauvinistic and isolationist ideologies in receiving societies. The resulting exacerbation of economic turmoil could ultimately propel out-migration from these countries. Finally, Figure 9d shows that the chauvinistic reaction to mass migration is likely to precipitate violence against those seeking refuge and those deemed too sympathetic toward outsiders. Meanwhile, extreme weather events could worsen intercommunal tensions, trigger state collapse and civil war, and increase the probability of international conflicts over scarce resources, including water and food. Civil violence and interstate war tend to deepen nationalism while generating new waves of refugees and exacerbating economic turmoil. These pernicious feedbacks are certainly not inevitable; but if they were to take hold they would escalate all of the problems depicted in Figure 9 in a catastrophic spiral.