



Op-ed

How the ledger controls monetary sovereignty and global power

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Earlier this year representatives of America's largest banks sat across from their crypto counterparts at a White House summit convened to break the impasse over the stalled CLARITY Act. The banks demanded a blanket prohibition on paying yield to stablecoin holders. The crypto firms pushed back. No deal was struck, and the bill languished in the Senate. The meeting laid bare a question far older than blockchain: who controls the ledger — and therefore, who controls power?



The disruptions of the evolving global economy reach well beyond supply chains and currency hedging – to the ledger itself, the substrate upon which the financial architecture

rests. With new technology and geopolitical reconfiguration underway, the next phase of the world's payment and settlement order is in play.

Stablecoins, tokenized assets, and central bank digital currencies now consume the waking hours of central bankers on every continent. The questions may appear technical. The stakes are existential. History has shown, again and again, that it is the ledger, not the sword, that has proven most sovereign.

Ledgers are old. They are older than banking, older than coinage, older than the alphabet itself. Sumerian merchants pressed reeds into wet clay to record obligations four millennia before Christ; the marks dried in the Mesopotamian sun and became, in that drying, the first permanent claims on the future. Parchment succeeded clay. Leather-bound codices succeeded parchment.

And in Florence, in 1397, Giovanni di Bicci de' Medici founded the bank whose mastery of double-entry bookkeeping – the systematic inscription of debits and credits, assets and liabilities – made it indispensable to popes, princes, and the papacy's wars. The Medici ledger was mnemonic capital in its purest form: accumulated records that compounded trust and projected authority across time. But Florence was not alone.

Neighbouring Siena established the Monte dei Paschi – the state as banker, deploying public capital for public ends. Two models, born a day's ride apart, prefiguring a contest now waged in code.

SWIFT's establishment in 1973 appeared to render the contest moot. Here was a network cooperative, technical, and serenely apolitical. Until it was not. When the United States severed Iranian banks from SWIFT in 2012 and imposed the same exile on Russia after the invasion of Ukraine – no trade settlements, no correspondent banking, no participation in the machinery of global commerce – the lesson landed with force. Payment systems are instruments of coercion. Power belongs to those who control the ledger.

Today, virtually all countries are exploring digital currency. The contest that matters is triangular: the United States, China, and the European Union.

Washington moved first, and with characteristic audacity. President Trump banned a retail digital dollar by executive order, then signed the GENIUS Act in July 2025, bringing the stablecoin industry under federal regulation. Why build a government currency when you can conscript an existing one?

The Act requires issuers to hold massive reserves in US cash and short-duration Treasuries – quietly transforming the sector into a top-fifteen holder of government debt. It compels

them to freeze or ‘burn’ tokens at law enforcement’s direction: the sanctions weapon, now privatized, now woven into every digital wallet on earth.

Yet that clash reveals a fissure within the strategy. The CLARITY Act – meant to complete the architecture – has stalled because banks and crypto firms cannot agree on whether stablecoins may bear interest. Banks fear deposit flight. Crypto firms call it protectionism. Having conscripted private money, Washington discovers its conscripts have interests of their own.

Beijing drew the opposite conclusion. If the dollar system can be turned against you, build parallel rails. The digital yuan subordinates the private platforms that had dominated Chinese retail payments, returning them to state oversight. Abroad, it anchors wholesale settlement networks beyond SWIFT’s reach. By late 2025, cumulative e-CNY transactions had reached 2.3 trillion dollars. Saudi Arabia is settling oil on these rails. On January 1, 2026, Beijing began paying interest on e-CNY balances – the very instrument Washington’s banks are fighting to deny their own stablecoin sector.

And the rest? The European Central Bank agonises over whether citizens may be trusted with a few thousand digital euros. The Bank of England proposes capping holdings at twenty thousand pounds per person. The architecture is defensive – designed not for projection but for the prevention of deposit flight. The heirs of the Florentine bankers have concluded the ledger is too dangerous to open.

From Sumerian clay to Californian blockchain, whoever controls the inscription of value controls power. The ledger is mnemonic capital – a reservoir of recorded obligation that compounds authority across time. Washington has conscripted the stablecoin sector but cannot yet govern its creation. Beijing is building a monetary architecture that owes nothing to the dollar. Brussels and London, capping holdings to shield their banks, have hobbled their creations before birth.

The arithmetic is merciless. Stablecoin transfers settle in seconds for fractions of a cent. Senders will take the faster, cheaper rail – every time, without sentiment, without ceremony. Sovereignty bleeds out through a thousand daily transactions. These are strategic choices with generational consequences. A nation that does not command its own digital payment architecture will discover, too late, that it has surrendered its monetary sovereignty. And sovereignty, once ceded, is seldom recovered.