

---

# PayThink Blockchain can accelerate coronavirus aid

By Jeff Hinkle

May 21, 2020, 12:01 a.m. EDT



Right on cue, within minutes of the news that the House passed the Health and Economic Recovery Omnibus Emergency Solutions Act this weekend, Republicans dismissed the bill as a socialist wish list smothered in government gravy.

Both Senate leadership and President Trump have promised the \$3 trillion HEROES bill will never see the light of day.

Now comes the hard part. Lawmakers will have to set aside all the partisan pandering and finger-pointing and get to work hammering out a version of HEROES both parties can live with.

Why? Because a workable version of the HEROES Act — which provides for financial relief to individuals, businesses, nonprofits and state and local governments — is needed for two big reasons. One, more than 40 million Americans are unemployed. And, two, March's \$3.2 trillion CARES Act barely stemmed the deluge of economic woes flooding the country. Unfortunately, the Senate is on break. So, it's unlikely any progress will be made before June. But that may be the only silver in a pitch-black skyline. A June deadline means lawmakers now have time to give serious consideration to a proposal introduced weeks ago in a letter to Treasury Secretary Steven Mnuchin asking that he deploy blockchain technology to speed up future stimulus payments.

This letter wasn't postmarked Silicon Valley and it wasn't scribbled together by blockchain developers. Rather, it was pushed by Rep. Darren Soto, D-Fla., and a bipartisan group of lawmakers.

These lawmakers reminded Mnuchin that blockchain has proved itself "capable of moving money and providing liquidity quickly, securely, and transparently ... ." Therefore, they wrote, "[we] strongly encourage the Treasury Department to utilize ... blockchain ... to support the necessary functions of government to distribute and track relief programs ... ."

And though the letter doesn't say it — maybe because Mnuchin doesn't need to be reminded — but relying on the current government payment infrastructure to distribute relief funds only ensures more bad press. Anyone doubting this only needs to ask the 60 million-plus Americans who are in a bureaucratic limbo waiting for the CARES relief checks they were promised in March. According to the IRS, those checks are in the mail

And Soto and his congressional colleagues likely see the folly in continuing to rely on the outmoded technology currently used in the government payment infrastructure. Before the CARES Act was signed, Sen. Sherrod Brown, D-Ohio, proactively drafted legislation calling for the creation of [a digital dollar](#) to speed relief payments.

But where Brown's legislation highlighted a secondary benefit in that digital dollars could mean unbanked Americans are drawn into the financial mainstream; Soto's secondary incentive is crafted to appeal directly to the Trump administration. He reminds Mnuchin that China, one of Trump's favorite sparring partners, is on the cusp of introducing a national blockchain platform of its own.

It's not only China. Australia, Canada, Dubai, Japan and Malta are just a few of the countries now embracing blockchain technology. And Soto and his colleagues know this, which might explain why they closed the letter by reminding Mnuchin that adopting blockchain will help "ensure ... America retains its technological advantage."

Just how persuasive this final patriotic pitch remains to be seen. Both Mnuchin and Trump have [long opposed cryptocurrencies](#), which are dependent on blockchain technology. It's easy to imagine their animosity toward crypto spilling over into blockchain.

But there is no denying that — as lawmakers spend the next few weeks hashing out and reshaping the HEROES Act — Mnuchin could take the time to act on the advice spelled out in Soto's letter. Doing so might help edge him slightly closer to the right side of history by introducing a transparent, decentralized ledger that will speed up payments while mitigating the inevitable next round of federal mismanagement.

**Jeff Hinkle** Content director, Polyient Labs



 **REPRINT**

For reprint and licensing requests for this article, [click here](#).

---

**Coronavirus**

**Blockchain**

**Digital payments**

**Federal Reserve**

**Payment processing**

---

**TRENDING**

**CORONAVIRUS**