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Bitcoin Soars To New Heights — Can It Keep Going?

45:57

December 13, 2017



With guest host Tom Gjelten.

Digital currency Bitcoin's value is soaring to historic heights. Where does it go next? Could it crash, or will it keep going higher? And what's it for, anyway?

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For those of you don't know what Bitcoin is, we'll rely on **Nathaniel Popper**, a New York Times reporter who's written extensively about it. Check out his [explainer here](#).

A few keys:

A Bitcoin is a digital token — with no physical backing — that can be sent electronically from one user to another, anywhere in the world.

Unlike traditional payment networks like Visa, the Bitcoin network is not run by a single company or person. The system is run by a decentralized network of computers around the world that keep track of all Bitcoin transactions, similar to

the way Wikipedia is maintained by a decentralized network of writers and editors.

The price of Bitcoin fluctuates constantly and is determined by open-market bidding on Bitcoin exchanges, similar to the way that stock and gold prices are determined by bidding on exchanges.

Guests:

Nathaniel Popper, finance and technology reporter for the New York Times, author of "[Digital Gold: Bitcoin And The Inside Story Of The Misfits And Millionaires Trying To Reinvent Money](#)" (@nathanielpopper)

Campbell Harvey, professor of finance at the Fuqua School of Business at Duke University. (@camharvey)

Mike Belshe, cofounder and CEO of Bitgo. (@mikebelshe)

From The Reading List:

New York Times: [Bitcoin's Price Has Soared. What Comes Next?](#) — "Bitcoin has been in a bull market like few the world has ever seen."

At the beginning of the year, the price of a Bitcoin was below \$1,000. It hit \$5,000 in October, then doubled by late November. And on Thursday, less than two weeks later, the price of a single Bitcoin rose above \$20,000 on some exchanges, according to Coinmarketcap."

Fuqua School of Business: [Breaking Down Bitcoin](#) — "Bitcoin is a digital currency – a computer program that has a hard-wired rate of money creation that decreases to zero by 2141. Unlike traditional currencies, it has no centralized control. It has some similarity to gold. To mine gold, you need to invest in costly equipment, power, and labor. There are “miners” in the bitcoin space too. They invest in costly equipment and require a lot of power to provide the verification and security of all the transactions on the bitcoin network."

It's called a crypto currency. There's nothing to back it up but mathematics. No government. No bank. But the currency called Bitcoin is soaring in value. As of today, one Bitcoin unit is worth about seventeen thousand dollars. Last January it

was less than a thousand dollars. Naturally, Wall Street is interested. But some investor gurus warn it's a bubble destined to burst. This hour, On Point: What's going on with Bitcoin? --Tom Gjelten

This program aired on December 14, 2017.

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