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Trump and Bitcoin: Two Peas in a Pod

The president and bitcoin have much in common. Can the White House help further its meteoric rise?

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May 22, 2017

It doesn't appear that Donald Trump has ever publicly offered an opinion about bitcoin, the digital currency that hit an all-time high Monday.

But there is much about bitcoin's rise that the president must surely take delight in.

For one, both bitcoin and the president are iconoclasts and outsiders, gaining much of their support from people who openly question the competency of government institutions like the Federal Reserve.

Both --- at least for now -- have climbed a wall of skepticism, upstaging well-credentialed doubters from the political and financial establishment at almost every step of the way. Along the way, both have certainly had their reversals of fortune.

But Trump, who was derided when he announced his candidacy in 2015, pulled a political upset against Hillary Clinton and became the 45th president. And bitcoin, which only began trading seven years ago, traded for under \$450 last May and thus has more than quadrupled since then.

As a CNBC.com pointed out in a piece today, if you bought \$100 worth of bitcoin on May 22, 2010, its first day of trading, you'd be sitting on around \$72.9 million today.

Though there is no reason to think that Trump has given much thought to bitcoin, which hit a record high of more than \$2200 on Monday, there are those in his administration who are apparently big fans of a fledgling currency that exists outside the control of governments.

In a piece for CNNMoney, columnist Paul La Monica writes that the administration's budget director, former House member Mick Mulvaney, had been dubbed the "Bitcoin Congressman" by some of the currency's backers.

"And vice president Mike Pence's chief economist Mark Calabria has given speeches in support of bitcoin as well," La Monica adds. (Calabria was formerly the director of financial regulation studies at the libertarian-leaning Cato Institute before joining the administration.)

It would be misleading to suggest that the Trump administration is pushing bitcoin just because a couple of administration officials have shown an affection for this alternative currency. That's hardly a surprise given the rebellious streak that runs through this administration.

But there is an argument to be made that some of Trump's policies on fiscal matters have had the side-effect of helping the price of bitcoin, which has more than doubled since the beginning of the year. Several journalists and analysts have made this point.

As La Monica writes, "Many experts also think President Trump's fiscal spending plans could be highly inflationary. That could further weaken the dollar and fuel the rise in bitcoin and gold prices." Moreover, writes La Monica, "Trump has already talked about wanting the dollar to be weaker to help make the products of big US multinationals more competitive overseas. So that may be helping to lift the price of bitcoin."

But demand for bitcoin outside the U.S., particularly in China and Japan, have arguably done more to fuel bitcoin's price rise in recent months than any steps taken by the Trump administration.

Early last month, for example, bitcoin jumped after Japan legalized the currency as a payment method and major retailers there began to embrace the currency. Even Russia is reportedly looking into ways to regulate bitcoin.