



## **Bitcoin Remains Unsecure - Johns Hopkins Professor**

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[\(Kitco News\)](#) - Bitcoin has stunned the world with its rapid growth but there are still issues as the market remains unsecured.

Steven Henke, professor of applied economics at The Johns Hopkins University, pointed out in an editorial published on the Cato Institute website that the creation and popularity aren't that surprising as famed economist Milton Friedman foresaw the creation of cryptocurrencies in 1999.

"Professor Friedman's anticipation of Bitcoin is truly remarkable. He even understood the concept well enough to anticipate something like the Silk Road scandal involving illegal Bitcoin transactions," said Henke.

However, looking at the Bitcoin market, Hanke said the recent price action has confirmed his initial diagnosis that the mania is more than just highly speculative. He added that the volatility in the market is "truly fantastic."

Not only is the high volatility and wild price swings a problem with the market, but Hanke also pointed out in his editorial that "Bitcoin remains far from secure."

"Serious discrepancies in price exist even between exchanges. For example, the price of a Bitcoin on the MtGox exchange has fallen by over 50% in the past week, while the price of the

exact same Bitcoin on the BitStamp exchange has fallen by only 3% in the same time period,” he said.

According to Kitco.com, the aggregated price of [one Bitcoin](#) is about \$563 U.S. A week ago the price was around \$668 per Bitcoin, a decline of 20% in a week.

According to media reports, the sharp decline is related to continued problems with MtGox, one of the world’s largest Bitcoin exchanges. Since the beginning of February, the exchange’s customers have not been able to withdraw their e-coins and convert them to U.S. dollars.

In a statement on its website, the exchange said the problem that caused the suspension of accounts is related to “transaction malleability,” the transferring of coins from the exchange to a third party.

“The problem we have identified is not limited to MtGox, and affects all transactions where Bitcoins are being sent to a third party,” the exchange said in the statement.

Not only has the exchange been plagued with withdrawal problems but on Thursday in an update, the company said that it has also experienced some security problems “as a result we had to relocate MtGox to our previous office building in Shibuya.”

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