



Bitcoin hype worse than 'tulip mania', says Dutch central banker

Nout Wellink describes bitcoin as a bubble, and says 'at least then you got a tulip at the end'

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The former president of the Dutch Central Bank, Nout Wellink, has told students at the University of Amsterdam that the hype around bitcoin is worse than his country's Tulip mania in the 17th century.

"Sooner or later the facade will fall", Wellink said, calling bitcoin "pure speculation" and "hype" according to comments reported in the Dutch press.

"This is worse than the tulip mania," he continued. "At least then you got a tulip [at the end], now you get nothing."

Wellink's comments follow a warning from the Dutch Central Bank about the risks of virtual currencies like bitcoin, which fall outside Dutch financial supervision laws.

"The exchange rate is volatile and there is no central issuer which may be held liable," the bank warned. It also cautioned that the country's deposit guarantee scheme "does not apply."

Tulip mania was one of the first recorded speculative bubbles. Over the course of four years in Holland, the price of tulips increased 200 times; at the peak of the bubble, a single bulb could

sell for ten times a worker's annual wage.

Then, in just one month, the bubble burst, and the price dropped to nearly nothing.

• Somewhere in a landfill in Newport is a hard drive containing £4.5m in bitcoin

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