

SOUND MONEY

a discovery that has been a cornerstone of civilization...

Our ancestors realized that stealing from each other led to more violence, and violence destabilizes progress, families, and survival. Stealing gave way to bartering, and while it reduced violence it became clear that bartering was inefficient. If you raise cattle, try trading a cow to someone who raises crops and who wants a plow. The cattle farmer would have to coordinate with the blacksmith, who may or may not want a cow, in order to make a deal with the crop farmer, and what if the blacksmith didn't want to trade the plow for a cow? Bartering gave way to using an item as a medium of exchange. In other words, use something that represents the market value of your labor or product. But our ancestors were faced with the problem of how to accomplish this...

Enter the concept of sound money. Our ancestors realized through trial and error that sound money needs to have 6 characteristics:

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|-------------|--------------|---------------|
| 1) Durable | 3) Divisible | 5) Limited |
| 2) Portable | 4) Uniform | 6) Acceptable |

In other words, it needs to last (Durable), be carried with ease (Portable), be able to divide it into smaller portions (Divisible), it needs to be equal in value when divided (Uniform), you can't be able to create it easily (Limited), and people must have confidence that it can store the value of their labor (Acceptable).

Our current monetary system is not based on sound money. While it is durable, portable, divisible, uniform and acceptable, it is not limited. Democratic politicians have long used unethical means in order to be re-elected. In example, they may pay for what the voters want by devaluing the currency or asking a central bank to do so through issuing IOU's or debt, that the central banks buy through creating more currency supply out of thin air. In order to do this, the 5th characteristic of sound money (Limited) is absent. Unfortunately, this leads to unsound money and the collapse of the 6th characteristic (Acceptable). If money is not sound, people won't use it. This is called the death of unsound/unstable money. Death could look like hyperinflation, like we are seeing in Venezuela, Turkey or Iran. Historically, we've also seen this phenomenon in Britain, Russia, France, Germany, etc.. So why do countries use fiat currencies that are not supported by sound money principles? Good question, go find the answer!

All fiat currencies have failed, are in the process of failing, or will fail. They all started as gold-backed, receipts of sound money, but that has not been the case since 1971. Our founding fathers said NOT to use paper currencies, but rather gold and silver coin. Do you want to hold a digit on a computer screen or a piece of paper with ink on it (these items have an intrinsic value of zero), or would you rather have something that will store the market value of your labor? Gold Hawgs crypto currency embraces all 6 characteristics of sound money and will perform well as the rest fail. Please read Gold Hawgs Whitepaper to learn more.