mEthereum token (METH) - the cryptocurrency backed by cryptocurrency.

The given document describes an ERC20 token which worth not depends on somebody's else will, but unlike most modern cryptocurrencies (coins, tokens) its worth based on value that that token contains within itself.

The coverage problem

Hereby we are going to consider the main trouble of the modern monetary system. From the very beginning of fiat money it had been needed some good trusted coverage. Though banknotes were only pieces of paper signed by the bankers, but in the depths of the bank vault every banknote was backed by gold and silver. Also, there was a big temptation to issue banknotes with no coverage. Finally, they did so. At the moment fiat money not backed by either gold or silver.

The proof of click

From the very beginning of cryptocurrency it was backed by proof-of-work. Tons of miners were burning up their electricity and graphics cards. Not even one bitcoin had been issued from nothing. But nowadays there is a huge amount of tokens that were created per one click. These tokens have no coverage, these tokens had been not mined, but minted. Thus all their value is backed by promises of creators and owners. The way how tokens are minted contravenes the base idea of cryptocurrency stated and proclaimed by Satoshi Nakamoto.

Gold-backed

Sometimes we can see some new assets declared to be as "gold-backed". They say their tokens are not empty from now, they say they provided coverage of the tokens with gold bars, or diamonds, or oil, or something valued else. Some of new tokens are declared as "stable" coins. "Stable" coins have coverage with no precious metals but with fiat money. But this is all some kind of slyness and trick. Nor gold neither fiat money can be placed into the blockchain. All of them are not provided in automatic mode without human intervention.

If tomorrow the providers of such tokens suddenly become bankrupts no one is going to refund holders' collateral. The tokens will not disappear because of blockchain guarantees that, but the value of the tokens will be able to disappear because of blockchain doesn't guarantees that. The value of tokens not guaranteed by the blockchain, but only by the proprietor, and the proprietor does not give 100% guarantee.

The solution to the value problem

Very often, crypto assets are compared with shares of companies. This comparison is not very correct. There is a feature that is inherent only in securities (shares of companies). This feature is the nominal value of the security (shares). Most existing crypto assets (tokens) do not have such a feature as the nominal value. And now we dare to propose to people our **solution** when the token is able to preserve its **value in itself**.

The smart-contract we propose provides a refund on investment in exchange for tokens. I.e. reimbursement of collateral takes place in this case. The collateral is Ethereum amount, which is deposited within the contract. If Ethereum amount is deposited onto the token's contract, the tokens are issued to purchaser. If the tokens are transferred back to the contract, Ethereum amount is refunded to purchaser. Thus you see this token is backed by Ethereum without the participation of third parties, in unattended way.

Benefits

The first benefit is, as we can see now, the token backed by Ethereum is the most security token, because its nominal value is guaranteed by blockchain. No one can steal this value neither transfer it, even the contract owner can't do that. If the owner once wants to get some tokens from the contract he must first pay proper amount of Ethereum to the contract. There is no difference between the contract owner and ordinary purchaser.

The algorithm hasn't temptation to spend deposited funds or to issue unsecured tokens. The smart-contract has no backdoors through which there would be a leakage of nominal value. Smart contract has no pity, no deceit, and no greed. It will hold your funds until you claim them.

Another benefit is that unlike Ethereum our smart-contract has a finite amount of issued tokens, so-called Total Supply. When all the tokens are redeemed from the smart contract there will be no else additional issue. From that point we may consider the token as some kind of rarity that could be sold on secondary market with added value. Meanwhile, if the market is down the token could be returned to smart contract to refund with nominal value at any wished moment.