

Henry VIII's Money Experience Carries Present-Day Warning

By **ELMER C. WALZER**
UPI Financial Editor
New York — UPI — A banking authority warns that we'd better have a bit of modern-day money age than an attack of morbus numericus.

That means it's better to raise taxes than to debase the currency.

The Federal Reserve Bank of Philadelphia is the author of a story on money which uses these unusual words. It has done a superb job of explaining the story of money, using the words and phrases that have grown with currency development and explaining all in simple, understandable language.

The story of money is done under the title, "Henry VIII Revised, the Problems and Temptations of Money Creation," and is bundled up in an

attractive 20-page pamphlet, illustrated with little drawings and charts. The author is unnamed.

Where King Henry, the Eighth, comes in is an illustration of money debasement that was assumed as a prerogative of king's ruling by divine right.

King Henry was a spender. When he needed money, "Old Copper Nose" as he was called, melted down silver coins his tax collectors gathered and added base metals to create additional money to finance his spending programs.

Other Devices

Rulers of old used all sorts of devices to swell their currencies. If a private citizen were caught doing these things he was hanged. But the king could do no wrong.

This regal means of debasing currency was given the sonorous latin label, morbus numericus, which literally means money disease.

There were sound thinkers in those days and they tried to

prevent this currency tinkering. They submitted to a thing called moneyage, a heavy tax levied every third year as a recompense for the king not to alter or debase coins. Even then the monarch often renegeed and did it anyhow.

Banks Take Over

Eventually divine right of kings went out of existence and bankers took over the money issuing job. They stored gold for their customers and issued notes against the gold.

They found that since there were no wholesale withdrawals of gold represented by their notes that they could issue much more than the gold that backed the notes. Panics that developed from time to time proved this wasn't the best plan.

Then came central banks to take over the money creation job. The nearest we have to a central bank is the Federal Reserve System.

Limitations were placed on currency issuance, but the Federal Reserve was given latitude to maintain an elastic currency.

The Philadelphia bank's story reveals several things that have not been explained too carefully by politicians.

Still Puzzles

For example, to bring interest rates down, the only things the Federal Reserve could do would be to expand the currency. That inflationary move would result in higher prices.

Deficit spending likewise involves creation of money with its inflationary potential.

Having developed the intricacies of the money story, the Philadelphia Federal Reserve Bank makes some observations on our present situation:

"If the problem of cost-push unemployment results from changed market conditions and power concentration, it would seem more logical to attack the problem at its roots within that market structure rather than 'solving it' by debasing our currency.

"If we need greater public expenditures in the areas of education, basic research, and defense why not first try to redirect some of our existing public expenditures?"

"If this proves insufficient, greater taxes would be a fairer answer than currency debasement."

"Better a modern-day moneyage, equitably based than inflation, the cruelest and most arbitrary tax of all."

History Repeats Self

"It has been said that history repeats itself, that men do not learn from the errors of the past.

"Today it is possible that we have reached an important juncture in the historical cycle of money creation.

"This juncture involves a fundamental choice. Will we continue to insulate the function of money creation from the day-to-day financial pressures that beseeched the sovereign?"

"Or will we follow the lead of Henry VIII, Old Copper Nose revisited?"

"These are the problems and the temptations of money creation."

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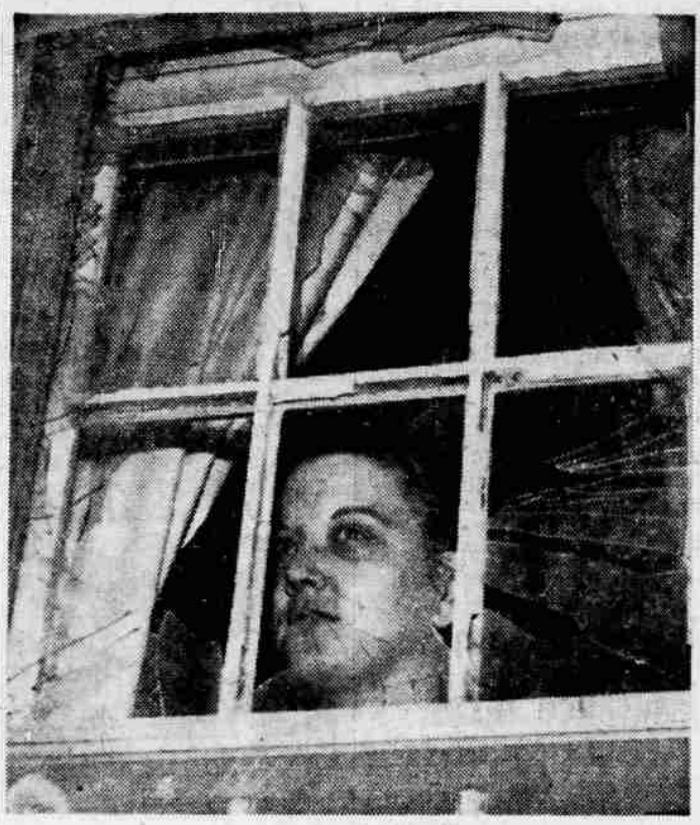
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WINDOW SHATTERED — Mrs. Walter Sherry Jr., looks through a window of her home, shattered by an explosion. Three Oklahoma Publishing Co. employees who recently worked in a Portland, Ore., newspaper shop where a strike is in progress had their homes bombed. —UPI Telephoto

News About Servicemen

AIRMAN OF MONTH

Airman Second Class Ray Dahl, son of Mr. and Mrs. R. W. Dahl, Barnett rd., was named airman-of-the-month for February while serving with the radar maintenance section at North Truro, Mass.

Dahl, a graduate of Phoenix High school in 1955, joined the Air Force in 1957. In addition to his regular duties he is a member of the first string basketball team of his squadron.

IN EXERCISE

Two Jackson county Marines are among those participating in Exercise Blue Star being held in Southern Taiwan involving U. S. Navy and Marine Corps personnel in conjunction with Nationalist Chinese forces.

The local boys are Pfc. Donald L. Gregory, son of Mr. and Mrs. Francis H. Gregory, 916 South Holly st., and Cpl. Ronald D. Keen, son of Mr. and Mrs. Lionel F. Keen, Jacksonville. They are members of First

Religion of Good Shepherd Points to Work of Christ Jesus

By the **REV. NORMAN GORE**
Rector, Episcopal Church of The Epiphany, Atlanta, Ga.
Written for UPI

In the Old Testament we read that many of the leaders in Israel were shepherds. Yet nowhere in the Old Testament do we read that a shepherd should lay down his life for his sheep. Only in the New Testament have we this example. The Gospel of the Good Shepherd is cross-centered and expresses the ideal and purpose of the Christian faith. It is the example of responsibility and leadership.

The religion of the Good Samaritan is a practical religion and can be worked into a practical program. It is a program of doing things for other people. But the religion of the Good Shepherd is far more difficult because its lesson points to the cross and to the work of redemption in Christ Jesus. The religion of the Good Shepherd is not so much what one can do. It is more what can be done. It is a way of life.

Since history knows of many a hero who died for his country, physicians who died trying to save lives and reformers who died for the truth, why then does the death of Jesus differ from that of other people? It is because that, while death came to them by accident, it came to him by design. Jesus

Cub Scouts Pack 15

Phoenix-Thursday evening an award was presented to Mrs. Virginia Graham at the meeting of Pack 15. Mrs. Graham has been a Den Mother two years in succession.

4-H Club News

Sewing Bees

Wednesday, March 23, the Sewing Bees held their sixth meeting at the home of Kathy Vandergrift.

Visitors were Mrs. Whipple and Mrs. Vandergrift.

At the meeting Mrs. Keith inspected the work done so far on the aprons. They are expected to be done by the next meeting.

The next meeting will be at the home of Oma Lea Whipple, Thursday, March 31.

Oma Lea Whipple, Reporter

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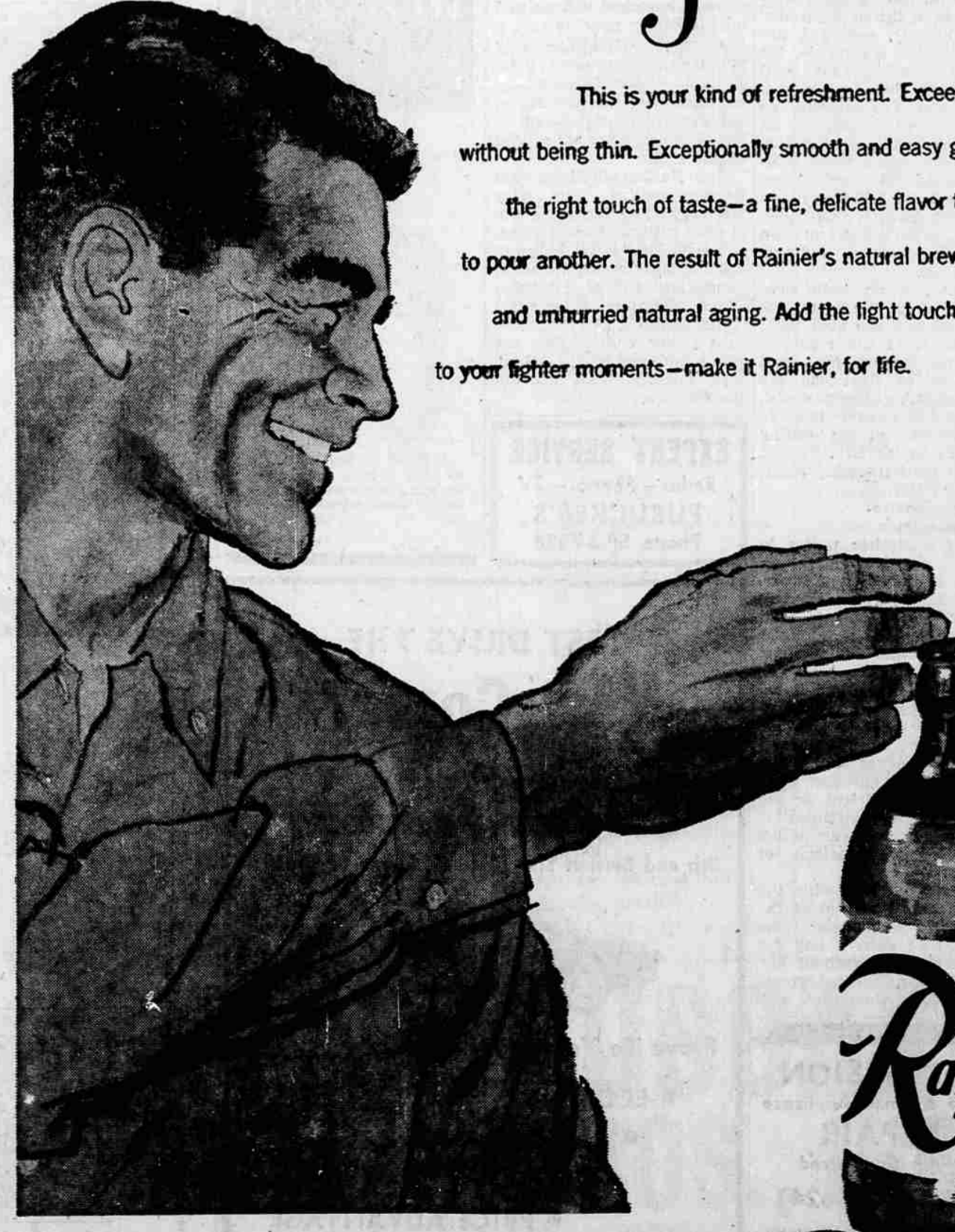
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Drivers Should Be Alert For Playing Children

Shouts of joy are filling streets and highways as youngsters take to the spring weather with baseball, bicycling and other forms of outdoor fun.

It's a time for motorists to stay especially alert, Medford's Chief of Police Charles P. Champlin says, so shouts of joy won't be turned into screams of pain.

Champlin hopes the good weather will not cause drivers' attention to be taken off the road where it's needed more than ever.

He advises drivers not to assume children will do the right thing. He points to inexperience and lack of understanding of problems faced in driving as factors causing youngsters to make pedestrian and bicycling errors.

"Any youngster on the road, at the side of the road, or playing adjacent to the road is a human danger sign," he said. "Any ball rolling in front of your car may have a youngster just a few yards behind."

Bicyclists offer danger signs to careful motorists, too, he said, because the bike rider may suddenly turn or fall in front of a car.

Champlin urges parents to refresh their children's memories on safe bicycling rules as an added precaution for this season of the year.

DIETETICS PIONEER DIES

St. Paul, Minn. — UPI — Services were to be held today for Mrs. Winifred Howard Erickson, 63, a pioneer in the field of dietetics.

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