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# EAST TEXAS

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## CHRISTIAN HERITAGE SCHOOL

# Student presents, defends monetary thesis

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William Simpson spoke Thursday night about monetary policy.

He began his 20-minute monologue with an explanation of the four types of money — commodity, receipt, fiat and fractional — and went on to say the United States has moved away from the commodity money economic system envisioned by the founding fathers to an economy based on fiat and fractional money.

Simpson is a high school senior at Christian Heritage School.

His presentation and subsequent answers to judges' and audience questions fulfilled a school graduation requirement, said Christian Heritage Executive Assistant Kathy Baas.

"The students choose a subject they're interested in and passionate about," Baas said. Students are encouraged to look at arguments on both



Angela Ward/News-Journal Photo

William Simpson presents his monetary thesis Thursday night.

sides of the issue and come up with a logical presentation of their views, she added.

"In order to decrease inflation and the continuous cycle of economic booms and busts, the country should return to a commodity-based system of money," Simpson said. "Flat money is both unconstitution-

al and inflationary."

Commodity money consists of coins made of precious metals as opposed to fiat money, which is printed by the government but has no intrinsic value. The United States was on a commodity money system, at least to an extent, until 1933.

"The government can simply create fiat money," Simpson said. "However, commodity money is the result of the actual mining of gold, silver or copper ore. It can't be artificially created."

Baas said students choose a mentor to help guide them through their thesis. Generally the mentor is a teacher or local professional who has a background in the student's subject area. If students don't feel passionately about a subject when they begin their research, they usually develop strong views by the time they make their presentation, Baas said.

Simpson said he began developing his views during the presidential primaries as he listened to U.S. Rep. Ron Paul, R-Lake Jackson. For his mentor, Simpson chose Trace Mayer, a California-based lawyer, journalist and monetary scientist who operates a Web site advocating the return to a commodity-based economic system.