

*On financial front*

## Freemen head poses unique reform plans

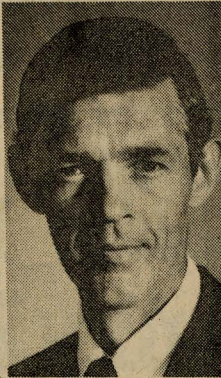
**BY BEN J. PLASTINO**  
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Proposals by a Freeman Institute director to reform the monetary and Social Security systems pose a provocative approach but raise many questions.

R. Stephen Pratt, Salt Lake City, national field director for the Freeman Institute, broached his reform proposals at two seminars in Idaho Falls last week.

On paper the plan looks comparatively workable and simple but whether it is practicable remains to be seen.

He recommends the abolishment of the Federal Reserve System which likely would draw popular reaction by most people who feel - whether right or wrong - that it is largely responsible for the present monetary troubles, particularly the high interest rates.



**R. Stephen Pratt**

**His next proposal calls for a congressional law that would authorize Congress to create a five-member board to supervise the nation's monetary system in place of the FRS.**

Pratt said under his reform plan Congress would not need to borrow money from private banks at high interest rates. Instead, it could declare an emergency and produce its own bank notes at low interest.

Now that sounds simple, almost too simple.

He hastened to point out that President Lincoln did this with his so-called "Lincoln Greenbacks" but a powerful bank lobby eventually forced their demise.

It raises the question if the bank lobby could exert that much influence in the 1860s it certainly would appear to be much more powerful at present.

**The youngish looking Pratt also recommends a constitutional clause allowing the gold and silver coin standards be re-implemented.**

He said earlier in the century this nation operated on such standards at one time or another.

Many have advocated this but so far it hasn't received serious consideration by the lawmakers in all their wisdom at Washington.

Turning to the complex Social Security System which admittedly faces bankruptcy in a few years unless something is done, Pratt advances some rather novel ideas.

**He proposes those presently on the Social Security System continue to receive the same payments, plus the inflation cost-of-living increase. This is welcome by those of us on the system.**

The workers under 65, including those just entering the work force, he recommends be placed on a bank plan somewhat similar to the

present Individual Retirement Account, to be redeemed with interest.

He suggests a 5 percent contribution by the worker, matched by a similar 5 percent from the employers but their figures could be changed to fit the needs.

Pratt then displayed figures to show that any person who enters an IRA at 20 years and retires at 65 could get - to be precise - \$514,812.11. He said further he could retire at a monthly income of \$3,432, yet leave the full IRA fund in inheritance to his family.

Those who are older, of course, would reap less of a windfall but perhaps better or as good as the present Social Security payments.

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**There could be serious troubles, however, in his plan to finance the Social Security System for those presently on it.**

He suggests financing it by sale of so-called "expendable" federal lands, plus savings that would incur from reducing the huge federal bureaucracy, and perhaps other means.

This, of course, opens a can of worms.

There is already burning controversy regarding sale of federal land and it is possible that such plans could be many years away. At any rate, sale of expendable federal lands is not as easy as it sounds.

Reducing the federal government is another proposal fraught with political ramifications. It sounds good on paper but as lawmakers have discovered, reducing the federal payroll is a gigantic task. Then to turn over the savings of this for Social Security is complex at best.

The question asked is who determines how much is saved and how do you go about earmarking this for the senior citizens?

If this plan is adopted now or at least within a year or so, the Social Security System could be phased out, in say, 15 or 20 years, for the simple reason that those who are now 65 or more would be dead at the end of 20 years.

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**Pratt also has a plan for helping the poor and disabled.**

He declared it could be financed at \$52 billion, rather than \$300 billion at present. He charged the present high administration cost is responsible for the program's present high cost but whether it is this inefficient is questionable.

Pratt contended not more than 8 percent of the population at the most would be eligible for this type of help and he sees no problem. Yet, this is one of the most sizzling controversies now raging on Capitol Hill - cutbacks in social service programs for the poor and disabled.

Pratt at least has some novel ideas. Some of his proposals certainly deserve consideration but there are some obvious drawbacks that must be studied before such an extensive reform could go into effect. Maybe many phases of these reforms could be inaugurated.

**The Freeman Institute is viewed as an ultra conservative organization but these plans Pratt suggests border on the radical side.**